

5

7.10 New fund or scheme..... 58

IF Umbrella Pension Fund

[Handwritten signature]

1.15

GENERAL RULES OF THE IF UMBRELLA PENSION FUND

1 INTRODUCTION

- 1.1 A fund to be known as the IF Umbrella Pension Fund is established with effect from 01 January 2004.
- 1.2 The registered office of the FUND is at Madscheme Park, Phase III, 17 Muawell Road South Bryanston. The postal address of the FUND is Postnet Suite 156, Private Bag X10015, Randburg, 2128.
- 1.3 The object of the FUND is to provide retirement benefits for employees of participating EMPLOYERS, benefits in the event of the death of MEMBERS, and other ancillary benefits as set out in the RULES.
- 1.4 The FUND is a separate legal person and is, in its own name, capable in law of suing and of being sued; and of acquiring, holding and alienating property, movable and immovable; and of acquiring rights and obligations.
- 1.5 The RULES of the FUND comprise these GENERAL RULES, which are applicable to all EMPLOYERS and their employees who are MEMBERS of the FUND, and such SPECIAL RULES as may apply to individual EMPLOYERS and their employees who are MEMBERS of the FUND. In the event of a conflict between the GENERAL RULES and the SPECIAL RULES, the provisions of the SPECIAL RULES will prevail.
- 1.6 If the registration of the FUND and these GENERAL RULES, in terms of the ACT, takes place later than 01 January 2004, the RULES will take effect from 01 January 2004.

2 INTERPRETATION

- 2.1 In the RULES, unless inconsistent with the context or a contrary intention appears:

Handwritten signature and initials

2.1.1 words and expressions defined in the ACT and not in the RULES will bear the meanings assigned to them in the ACT;

2.1.2 words and expressions importing one gender will include the other gender;

2.1.3 words and expressions denoting the singular number will include the plural and *vice versa*; and

2.1.4 a reference to a natural person will include a juristic person and *vice versa*.

2.2 The headings are solely for ease of reference and will not be taken into account in the interpretation of the RULES.

2.3 Any reference to any statute, regulation or other legislation will be a reference to that statute, regulation or other legislation as at the date of registration of these GENERAL RULES, as amended or substituted from time to time.

2.4 If any provision in a definition is a substantive provision, effect will be given to that provision as if it were a substantive provision in the body of the RULES.

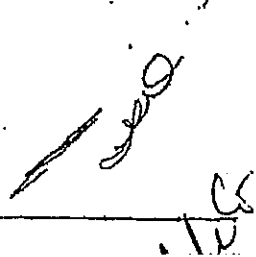
2.5 Where any term is defined within a particular Rule other than this Rule 2, that term will bear the meaning ascribed to it in that Rule wherever it is used in the RULES, unless the contrary is expressly stated or appears from the context.

2.6 The following words and expressions bear the meanings assigned to them below and cognate expressions have corresponding meanings, namely:

2.6.1 "ACT" means the Pension Funds Act, 1956 and the regulations, conditions, and any other subordinate legislation promulgated in terms of it;

Handwritten signatures and initials

- 2.6.2 "ADMINISTRATOR" means the person appointed by the TRUSTEES from time to time to attend to the day to day administration of the FUND;
- 2.6.3 "ANNUITY" means a compulsory non-commutable annuity payable for and based on the lifetime of the retiring MEMBER and his spouse, if a spouse's annuity is elected by the MEMBER, which will not be capable of being transferred, assigned, reduced, hypothecated or attached by creditors as contemplated in Sections 37A and 37B of the ACT, provided that this may, subject to the requirements of the COMMISSIONER, include a "living annuity" or "bonus annuity";
- 2.6.4 "APPROVED PENSION FUND" means a pension fund that is recognised or has been approved as such by the COMMISSIONER in terms of the INCOME TAX ACT, provided that this includes a pension fund that has been approved by the COMMISSIONER as a preservation pension fund in accordance with the requirements of South African Revenue Services Practice Note RF 1/98 or any replacement of or addition to that Practice Note;
- 2.6.5 "APPROVED PROVIDENT FUND" means a provident fund that is recognised or has been approved as such by the COMMISSIONER in terms of the INCOME TAX ACT, provided that this includes a provident fund that has been approved by the COMMISSIONER as a preservation provident fund in accordance with the requirements of South African Revenue Services Practice Note RF 1/98 or any replacement of or addition to that Practice Note;
- 2.6.6 "APPROVED RETIREMENT ANNUITY FUND" means a retirement annuity fund that is recognised or has been approved as such by the COMMISSIONER in terms of the INCOME TAX ACT;

Handwritten signature and initials in the bottom right corner of the page.

2.6.7 "ASSOCIATED COMPANY" means any company that is a SUBSIDIARY or HOLDING COMPANY of the SPONSOR or that is a SUBSIDIARY of any of the SPONSOR'S HOLDING COMPANIES;

2.6.8 "AUDITOR" means the AUDITOR appointed in terms of Rule 6.13;

2.6.9 "COMMENCEMENT DATE" means 01 January 2004;

2.6.10 "COMMISSIONER" means the Commissioner for the South African Revenue Service;

2.6.11 "DEPENDANT" means, in relation to a MEMBER,

2.6.11.1 a person in respect of whom the MEMBER is legally liable for maintenance;

2.6.11.2 a person in respect of whom the MEMBER is not legally liable for maintenance if such person

2.6.11.2.1 was, in the opinion of the TRUSTEES, upon the death of the MEMBER in fact dependent on the MEMBER for maintenance;

2.6.11.2.2 is the spouse of the MEMBER, including a party to a customary union according to Black law and custom or to a union recognized as a marriage under the tenets of any Asiatic religion;

2.6.11.2.3 is a child of the MEMBER, including a posthumous child, an adopted child and an illegitimate child;

Handwritten initials/signature

2.6.11.3 a person in respect of whom the MEMBER would have become legally liable for maintenance, had the MEMBER not died;

2.6.12 "ELIGIBLE EMPLOYEE" means an employee defined as eligible by an EMPLOYER as specified in the SPECIAL RULES applicable to that EMPLOYER;

2.6.13 "EMPLOYER" means an employer that is admitted to participate in the FUND with the consent of the TRUSTEES;

2.6.14 "EMPLOYER APPLICATION" means the written application of an EMPLOYER to participate in the FUND, which shall include the eligibility conditions, member categories, retirement ages, INSURED DEATH BENEFITS, INSURED DISABILITY BENEFITS, contribution rates and any other benefits and conditions in respect of the employees in its service who are to become MEMBERS of the FUND;

2.6.15 "EXPENSES" means the costs that cover administration services, consulting services, costs in respect of INSURED DEATH BENEFITS and INSURED DISABILITY BENEFITS, and any other costs that the TRUSTEES may regard as "EXPENSES" from time to time;

2.6.16 "FINANCIAL YEAR" means the period from 1 January 2004 to 31 May 2006, and thereafter the period commencing on 1 June each year and ending on 31 May of the following year;

2.6.17 "FINANCIAL YEAR END" means 31 May each year, provided that the first FINANCIAL YEAR END will be 31 May 2006;

2.6.18 "FUND" means the IF Umbrella Pension Fund;

Handwritten signature/initials

2.6.19 "FUND CREDIT" means

2.6.19.1 the MEMBER'S contributions in terms of Rules 4.1.1 and 4.1.2; plus

2.6.19.2 the EMPLOYER'S contributions in terms of Rule 4.2.1 that are allocated for retirement funding in terms of Rule 4.2.2.2; plus

2.6.19.3 amounts transferred to the FUND from a PREVIOUS FUND in terms of Rule 4.1.3; less

2.6.19.4 EXPENSES; plus or minus (whichever is applicable)

2.6.19.5 INVESTMENT RETURNS;

2.6.20 "FUND SALARY" means the MEMBER'S basic annual salary or wages, together with such other emoluments, and the cash value of such other benefits, or a part thereof, as each EMPLOYER may direct (unless otherwise stipulated in the SPECIAL RULES); provided that --

2.6.20.1 for the purposes of the FUND, any changes in FUND SALARY will take effect immediately, provided that the EMPLOYER advises the FUND of such changes;

2.6.20.2 in the case of a commission earner, the EMPLOYER has the right to determine any period over which commission may be averaged for the purposes of determining FUND SALARY in relation to the FUND;

2.6.21 "GENERAL RULES" means these GENERAL RULES of the FUND that are applicable to all EMPLOYERS and MEMBERS participating in the FUND;

2.6.22 "HOLDING COMPANY" means a Holding Company as defined in the Companies Act, 1973;

2.6.23 "INCOME TAX ACT" means the Income Tax Act, 1962, any regulations or subordinate legislation promulgated in terms of it, and any other income tax legislation which may be in force from time to time;

2.6.24 "INSURED DEATH BENEFITS" means the lump sum death benefits, other than the FUND CREDIT, specified in the SPECIAL RULES and payable in terms of Rule 5.6;

2.6.25 "INSURED DISABILITY BENEFITS" means the lump sum disability benefits, other than the FUND CREDIT, specified in the SPECIAL RULES and payable in terms of Rule 5.9;

2.6.26 "INVESTMENT RETURNS" means any income (received and accrued) less an allowance for any tax (including but not limited to retirement fund tax) related to the investment of the assets of the FUND, part or all of any expenses (paid and accrued) related to the investment of the assets of the FUND, and any other costs, levies, taxes, payments to TRUSTEES, premiums in respect of professional indemnity and fidelity guarantee insurance, audit fees, and payments to service providers of the FUND (paid and accrued) other than the EXPENSES, and capital gains and losses (realised and unrealised) of the FUND. INVESTMENT RETURNS must be allocated to all MEMBER'S FUND CREDITS on a proportionate basis as the TRUSTEES, in consultation with the VALUATOR, determine from time to time, provided that-

2.6.26.1 Allocation of INVESTMENT RETURNS may be adjusted to take into account timing of contributions;

2.6.26.2 Any variation in the basis of allocation of INVESTMENT RETURNS may be with or without retrospective effect;

2.6.26.3 The basis to be used in allocating INVESTMENT RETURNS and any changes in such basis from time

Handwritten signature/initials

to time shall be recorded by the TRUSTEES and advised to the EMPLOYER;

2.6.26.4 Where contributions paid by or in respect of MEMBERS are invested in different types of investment portfolios, the INVESTMENT RETURN relating to each investment portfolio will be allocated proportionately among the FUND CREDITS invested in that investment portfolio;

2.6.27 "MEMBER" means an ELIGIBLE EMPLOYEE who, having been admitted to membership of the FUND in accordance with the RULES, has not ceased to be a MEMBER in terms of the RULES;

2.6.28 "NOMINEE" means a person, other than a DEPENDANT, who has been nominated in writing by a MEMBER as being entitled to receive all or part of the death benefits provided by the FUND in terms of Rule 5.6 and whose nomination has not been retracted by the MEMBER;

2.6.28 "NORMAL RETIREMENT AGE" means, in respect of any MEMBER, the age specified in the SPECIAL RULES applicable in respect of his EMPLOYER, provided that such NORMAL RETIREMENT AGE will be subject to any upper or lower limits, which may be imposed by legislation from time to time;

2.6.30 "NORMAL RETIREMENT DATE" means the last day of the month in which a MEMBER reaches the NORMAL RETIREMENT AGE specified in the SPECIAL RULES applicable in respect of his EMPLOYER;

2.6.31 "PARTICIPATION DATE" means the date on which an EMPLOYER commences participation in the FUND as specified in the SPECIAL RULES;

2.6.32 "PAST SERVICE" means the additional period of SERVICE secured by the MEMBER'S additional voluntary contributions in terms of Rule 4.1.2 and transfer amounts in terms of Rule 4.1.3 which will be determined on the date the MEMBER ceases to be a MEMBER of the FUND in accordance with the following formula-

$$a/b \times c$$

WHERE

"a" represents the total of all the additional voluntary contributions made to the FUND by the MEMBER in terms of Rule 4.1.2 and amounts transferred to the FUND in terms of Rule 4.1.3

"b" represents the MEMBER'S FUND CREDIT

"c" represents the period for which the MEMBER has been a MEMBER of the FUND;

2.6.33 "PREVIOUS FUND" means any APPROVED PROVIDENT FUND or APPROVED PENSION FUND other than a preservation pension fund or preservation provident fund approved as such in accordance with the requirements of South African Revenue Services Practice Note RF 1/98 or any replacement to that Practice Note in which an EMPLOYER participated prior to participating in the FUND;

2.6.34 "PRINCIPAL OFFICER" means the PRINCIPAL OFFICER of the Fund appointed in terms of Rule 6.11;

2.6.35 "REGISTERED INSURER" means an insurer registered in terms of the Long Term Insurance Act, 1998;

Handwritten signature and initials in the bottom right corner of the page.

2.6.36 "REGISTRAR" means the Registrar or Deputy Registrar of Pension Funds appointed in terms of the Financial Services Board Act, 1990;

2.6.37 "RULES" means these GENERAL RULES and the SPECIAL RULES as amended from time to time;

2.6.38 "SERVICE" means employment with the EMPLOYER specified in the SPECIAL RULES which includes any period during which the MEMBER is deemed to remain in SERVICE in terms of Rule 3.2.4, provided that SERVICE will be extended to include PAST SERVICE for the purpose of the INCOME TAX ACT in the case of a MEMBER making additional voluntary contributions to the FUND in terms of Rule 4.1.2 or transferring amounts to the FUND in terms of Rule 4.1.3;

2.6.39 "SPECIAL RULES" means the document setting out the terms, conditions and benefits that are applicable to each EMPLOYER and its ELIGIBLE EMPLOYEES;

2.6.40 "SPONSOR" means Integrated Futures (Pty) Limited;

2.6.41 "SUBSIDIARY" means a Subsidiary as defined in the Companies Act, 1973;

2.6.42 "TRUSTEES" means the persons appointed to manage and control the FUND in terms of Rule 6.1;

2.6.43 "VALUATOR" means the person, who must be an actuary, appointed in terms of Rule 6.12;

Handwritten signature and initials

3 MEMBERSHIP

3.1 Employer participation

3.1.1 An employer may apply to participate as an EMPLOYER in the FUND. Such application must be made to the TRUSTEES by means of an EMPLOYER APPLICATION which must include options with regard to, *inter alia*:

3.1.1.1 eligibility conditions;

3.1.1.2 NORMAL RETIREMENT AGE as well as early and late retirement conditions and age limitations;

3.1.1.3 benefits payable on retirement, death, disability and termination of SERVICE for reasons other than retirement, death or disability;

3.1.1.4 contribution rates, including details as to whether the MEMBERS and/or the EMPLOYER is liable for contributions in respect of EXPENSES and whether or not the contribution rates are inclusive or exclusive of EXPENSES;

3.1.1.5 disability income benefits and contributions payable in respect of such benefits, provided that such disability income benefits will be included for information purposes only as such benefits are not provided by the FUND and contributions in respect of disability income benefits do not accrue to the FUND; and

3.1.1.6 any other specific options or conditions which may apply.

3.1.2 The TRUSTEES, in their sole discretion, may approve such application and admit such employer to participate in the FUND.

Handwritten signature/initials

60
122

3.1.3 The TRUSTEES shall arrange for SPECIAL RULES in respect of MEMBERS employed by such employer to be drafted, provided that the provisions of such SPECIAL RULES shall reflect the information set out in the EMPLOYER APPLICATION.

3.1.4 The TRUSTEES shall arrange for the signing, registration and approval of such SPECIAL RULES in terms of Rule 7.5.

3.1.5 Once the provisions of Rule 3.1.4 have been complied with, the employer will become an EMPLOYER with effect from the PARTICIPATION DATE reflected on the EMPLOYER APPLICATION and relevant SPECIAL RULES.

3.1.6 In the event that the EMPLOYER participated in a PREVIOUS FUND prior to becoming an EMPLOYER in the FUND, the TRUSTEES may, at the request of the EMPLOYER, arrange for the transfer of the assets and liabilities in the PREVIOUS FUND to the FUND, subject to the provisions of Section 14 of the ACT. The provisions of Rule 7.3 will apply *mutatis mutandis*.

3.2 Member eligibility and admission

3.2.1 An ELIGIBLE EMPLOYEE in SERVICE prior to the date on which his employer becomes an EMPLOYER (other than in circumstances of a merger or amalgamation of a PREVIOUS FUND with the FUND in terms of Rule 7.3) may, on application made within a period of not more than twelve months of the PARTICIPATION DATE, become a MEMBER of the FUND. In the event of such ELIGIBLE EMPLOYEE waiving his right to join the FUND or electing not to join the FUND such ELIGIBLE EMPLOYEE will not be permitted to join the FUND at a later date.

3.2.2 ELIGIBLE EMPLOYEES who enter SERVICE after the PARTICIPATION DATE will join the FUND as a condition of employment, provided that for the purpose of the INSURED.

Handwritten initials and scribbles at the bottom right corner.

261

123

1

DEATH BENEFITS and the INSURED DISABILITY BENEFITS, if applicable, ELIGIBLE EMPLOYEES will be deemed to have become MEMBERS of the FUND immediately on entering the EMPLOYER'S SERVICE unless otherwise stipulated in the SPECIAL RULES. For the purposes of retirement benefits, ELIGIBLE EMPLOYEES will become MEMBERS of the FUND on the first day of the month coincident with or next following the date of entering the EMPLOYER'S SERVICE, or such later date which must be specified in the SPECIAL RULES.

3.2.3 The membership of any MEMBER may be subject to such restrictions in respect of the benefits payable in terms of the RULES as the TRUSTEES may determine.

3.2.4 A MEMBER who becomes entitled to a disability income benefit in terms of the rules of a disability income benefit scheme (if any) will be deemed to remain employed by the EMPLOYER in whose SERVICE he was immediately prior to the disability income benefit becoming payable while receiving such benefit and will remain a MEMBER of the FUND. Contributions by the MEMBER and his EMPLOYER will continue to be payable in terms of the RULES, provided that payment of contributions to the FUND by the REGISTERED INSURER with which the EMPLOYER has contracted will be deemed to constitute payment to the FUND of the contributions by the EMPLOYER.

3.3 Absence

3.3.1 Notwithstanding anything to the contrary contained elsewhere in these GENERAL RULES, if a MEMBER is on leave with full pay or with pay less than full pay, the MEMBER may continue to contribute to the FUND in accordance with Rule 4.1 and the EMPLOYER may continue to contribute on his behalf in terms of Rule 4.2, provided that both the MEMBER and the EMPLOYER have elected this option in writing. If the FUND does not receive such written election prior to the MEMBER going on leave, or

262

124

1

within a reasonable period of the MEMBER going on leave, the provisions of Rule 3.3.2.1 will apply.

3.3.2 Notwithstanding anything to the contrary contained elsewhere in these GENERAL RULES, if a MEMBER is on leave without pay, he may elect one of the following options, provided that such election is provided to the FUND in writing prior to the MEMBER going on leave or within a reasonable period of leave commencing, and provided further that the EMPLOYER approves such election in writing:

3.3.2.1 for all contributions during the period of his leave to cease in which case the INSURED DEATH BENEFIT and/or the INSURED DISABILITY BENEFIT, if applicable, will not be provided,

3.3.2.2 for all contributions during the period of his leave to continue, provided that his FUND SALARY immediately prior to the commencement of the period of leave will apply, in which case the INSURED DEATH BENEFIT and/or the INSURED DISABILITY BENEFIT, if applicable, will continue to be provided,

3.3.2.3 for contributions in respect of the INSURED DEATH BENEFIT and/or the INSURED DISABILITY BENEFIT, if applicable, to continue in which case the INSURED DEATH BENEFIT and/or the INSURED DISABILITY BENEFIT will continue to be provided. The MEMBER'S FUND SALARY immediately prior to the commencement of leave will apply to the INSURED DEATH BENEFIT and/or the INSURED DISABILITY BENEFIT and the MEMBER and/or his EMPLOYER will be liable to pay an additional contribution, the amount of which will be determined by the TRUSTEES, to cover the cost of any administration or other costs which arise as a result of

Handwritten signature/initials

263

125

the continuation of the INSURED DEATH BENEFIT and/or the INSURED DISABILITY BENEFIT.

3.3.3 If the MEMBER fails to exercise the options set out in Rule 3.3.2 within the time allowed he will be deemed to have exercised the option in Rule 3.3.2.1.

3.4 Termination of membership

3.4.1 Unless specifically provided for in the RULES, no MEMBER may terminate membership of the FUND while the MEMBER remains in SERVICE.

3.4.2 A MEMBER who for any reason leaves SERVICE and has received all the benefits from the FUND that he qualifies for, will forthwith cease to be a MEMBER.

3.4.3 A MEMBER who leaves SERVICE as a result of the transfer of his contract of employment to another employer in terms of section 197 of the Labour Relations Act, 1995, may be permitted to remain a MEMBER of the FUND for such period and on such conditions as the TRUSTEES may determine provided that, for that period, the employer of that MEMBER will be deemed to be an EMPLOYER as defined in the GENERAL RULES and the SPECIAL RULES which applied to the MEMBER immediately prior to the termination of his SERVICE will apply in respect of the MEMBER and his employer which will be deemed to be the EMPLOYER as defined in those SPECIAL RULES.

3.4.4 A MEMBER who leaves the SERVICE of one EMPLOYER to commence SERVICE with another EMPLOYER will be entitled to elect the options set out in Rule 5.10, provided that such MEMBER may also elect to remain a MEMBER of the FUND in which case the SPECIAL RULES applicable to his former EMPLOYER will cease to apply with effect from the termination of his SERVICE with the former EMPLOYER and the payment of all

Handwritten signatures and initials

264
126

benefits relating to the MEMBER'S SERVICE with the former EMPLOYER. The SPECIAL RULES applicable to the subsequent EMPLOYER will apply with effect from the date on which he becomes an ELIGIBLE EMPLOYER in terms of those SPECIAL RULES. The MEMBER will have no claim against the FUND in terms of the SPECIAL RULES applicable to the former EMPLOYER in so far as benefits and contributions applicable after the date of termination of SERVICE with the former EMPLOYER are concerned.

3.5 Provision of Information

3.5.1 When required by the TRUSTEES, a MEMBER must produce a birth certificate or other satisfactory evidence of age in respect of himself and of his DEPENDANTS and/or NOMINEES and must give the TRUSTEES such other information as the TRUSTEES may require for the purposes of the FUND.

3.5.2 If a MEMBER fails to comply with Rule 3.5.1 the TRUSTEES may withhold payment of the MEMBER'S FUND CREDIT or any other benefit due to or in respect of him until the provisions are complied with.

3.5.3 The FUND will not be liable for any loss sustained by a person entitled to a benefit in terms of the RULES of the FUND or an EMPLOYER arising from any misstatements or errors or omissions in any information supplied in terms of the RULES.

[Handwritten signature]

265

127

4 CONTRIBUTIONS AND FINANCIAL PROVISIONS

4.1 Contributions by the Member

4.1.1 Each MEMBER shall make monthly contributions throughout his SERVICE at the rate set out in the SPECIAL RULES.

4.1.2 Subject to the provisions of the INCOME TAX ACT, a MEMBER may make additional voluntary contributions to the FUND in respect of PAST SERVICE. Such contributions will be treated in the same way as the MEMBER'S contributions stipulated in Rule 4.1.1 above.

4.1.3 MEMBERS will, on being admitted to membership, be entitled to transfer amounts to the FUND from a PREVIOUS FUND or another APPROVED PENSION FUND or APPROVED PROVIDENT FUND other than a preservation pension fund or a preservation provident fund approved as such in accordance with the requirements of South African Revenue Services Practice Note RF 1/98 or any replacement to that Practice Note. Such amounts will be dealt with as additional voluntary contributions and will be utilised to purchase PAST SERVICE.

4.1.4 Each MEMBER'S contributions will be deducted by his EMPLOYER from his salary or wages; provided that while a MEMBER is in receipt of benefits from a disability income benefit scheme, his contributions may be paid by the scheme, should the policy so provide.

4.2 Contributions by the Employer

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

Handwritten signatures and initials

266

128

4.2.2 Out of the amount paid in terms of Rule 4.2.1

4.2.2.1 such amounts as are allocated to meet the EXPENSES shall be applied for this purpose; and

4.2.2.2 the balance will be allocated to the MEMBER'S FUND CREDIT.

4.2.3 Any variations in the EMPLOYERS contributions required in terms of Rule 4.2.1, the rate or the manner of its application towards retirement or other benefits will be set out in the SPECIAL RULES.

4.3 Payment of contributions

4.3.1 Each EMPLOYER shall pay in full to the FUND all contributions to be made by it and by the MEMBERS employed by it within 7 (seven) days of the expiry of the month in respect of which the contributions in question are payable.

4.3.2 An amendment of the RULES relating to the reduction of contributions or the suspension or discontinuation of the payment of contributions will not affect any liability to pay any contributions which became payable at any time before the date of the resolution whereby the amendment was effected, irrespective of the date on which the amendment may take effect.

4.3.3 The TRUSTEES shall procure that the PRINCIPAL OFFICER or an authorised person as contemplated in section 13A(6) of the ACT ensures that the provisions of section 13A of the ACT are complied with.

4.3.4 The provisions set out in this Rule 4.3 will apply, subject to any legislation that may be promulgated that amends these requirements.

Handwritten signatures and initials

129 267

4.4 Investment of the assets of the Fund

4.4.1 The TRUSTEES shall make arrangements for the investment of the assets of the FUND in various investment portfolios.

4.4.2 Each MEMBER of the FUND shall select an investment portfolio or portfolios, limited to the portfolios selected by the TRUSTEES, to which the assets of the FUND attributable to each MEMBER shall be allocated by the TRUSTEES or reallocated, as the case may be. The TRUSTEES shall set out guidelines for when selection or re-selection of the investment portfolios may take place and shall communicate this to the MEMBERS. These guidelines shall include requirements for the transfer of contributions from one investment portfolio to another.

4.4.3 In the event that a MEMBER is unable or unwilling to make a selection in terms of Rule 4.4.2, the TRUSTEES shall allocate the assets to a default portfolio selected by them, provided that such default portfolio shall be one of the portfolios selected by the TRUSTEES.

4.4.4 Notwithstanding anything to the contrary contained elsewhere in this Rule 4.4, in the event that the EMPLOYER employing the MEMBER has so elected in the EMPLOYER APPLICATION or other documentation supplied to the TRUSTEES, the EMPLOYER shall elect the investment portfolio or portfolios, limited to the portfolios selected by the TRUSTEES and the provisions of Rule 4.4.3 shall apply to it *mutatis mutandis*.

4.5 Disinvestment of monies pending transfer or payment.

4.5.1 Notwithstanding anything to the contrary contained elsewhere in the RULES the TRUSTEES shall, within a reasonable time period from the date on which they are notified of a retirement, death, withdrawal, transfer or liquidation, or within a reasonable time period of the happening of the actual event, whichever is the

Handwritten signature/initials

268

130

later, arrange for the transfer of the MEMBER'S FUND CREDIT to a bank account in the name of the FUND.

4.5.2 Any reference to FUND CREDIT, assets, appropriate share of the assets, transfer amount or similar terminology will be a reference to that amount as at the date of transfer to the bank account referred to in Rule 4.5.1.

4.5.3 The TRUSTEES may allocate interest to the amount referred to in Rule 4.5.1.

Handwritten signature/initials

269

131

-5 BENEFITS

5.1 Normal retirement

5.1.1 Subject to Rules 5.1.2, 5.2, 5.3 and 5.4 a MEMBER must retire as at his NORMAL RETIREMENT DATE and will become entitled to an ANNUITY.

5.1.2 Subject to the provisions of Rule 4.5, the amount of the ANNUITY will be equal to that which may be purchased by the MEMBER'S FUND CREDIT, provided that the MEMBER has the option to choose to receive as a lump sum benefit up to one-third of the MEMBER'S FUND CREDIT, which lump sum benefit, less any applicable tax will be payable within a reasonable period after the date on which the FUND receives written notice of his retirement, or of his NORMAL RETIREMENT DATE, which ever is the later.

5.1.3 The ANNUITY will be purchased from a REGISTERED INSURER selected by the MEMBER. Once such ANNUITY has been purchased and any lump sum benefit, less any applicable tax, has been paid to the former MEMBER, the FUND will have no further liability to or in respect of such former MEMBER and his DEPENDANTS and/or NOMINEES.

5.2 Early retirement

5.2.1 Subject to the written consent of his EMPLOYER a MEMBER may retire at any time after having attained the early retirement age specified in the SPECIAL RULES. Such early retirement will be subject to the conditions, if any, specified in the SPECIAL RULES.

5.2.2 A MEMBER who is dismissed from SERVICE after having attained the early retirement age may retire if the EMPLOYER regards such dismissal as early retirement and such MEMBER

Handwritten initials/signature

270

132

has complied with the conditions, if any, specified in the SPECIAL RULES.

5.2.3 In either of the circumstances referred to in Rules 5.2.1 and 5.2.2 above, the MEMBER will become entitled to an ANNUITY.

5.2.4 Subject to the provisions of Rule 4.5, the amount of the ANNUITY will be equal to that which may be purchased by the MEMBER'S FUND CREDIT, provided that the MEMBER has an option to choose to receive as a lump sum benefit up to one-third of the MEMBER'S FUND CREDIT, which lump sum benefit, less any applicable tax, will be payable within a reasonable period after the date on which the FUND receives written notice of his retirement, or of his actual retirement date, which ever is the later.

5.2.5 The ANNUITY will be purchased from a REGISTERED INSURER selected by the MEMBER. Once such ANNUITY has been purchased and any lump sum benefit, less any applicable tax, has been paid to the former MEMBER, the FUND will have no further liability to or in respect of such former MEMBER and his DEPENDANTS and/or NOMINEES.

5.3 Ill-health early retirement

5.3.1 A MEMBER who is unable to continue working due to ill-health and who is not entitled to a benefit in terms of Rule 5.9 may, on production of medical evidence acceptable to the EMPLOYER and the TRUSTEES, retire at any time prior to his NORMAL RETIREMENT DATE.

5.3.2 The MEMBER will become entitled to an ANNUITY.

5.3.3 Subject to the provisions of Rule 4.5, the amount of the ANNUITY will be equal to that which may be purchased by the MEMBER'S FUND CREDIT, provided that the MEMBER has an option to choose to receive as a lump sum benefit up to one-third of the

[Handwritten signature]

271

133

2

MEMBER'S FUND CREDIT, which lump sum benefit, less any applicable tax, will be payable within a reasonable period after the date on which the FUND receives written notice of his retirement, or of his actual retirement date, whichever is the later.

5.3.4 The ANNUITY will be purchased from a REGISTERED INSURER selected by the MEMBER. Once such ANNUITY has been purchased and any lump sum benefit, less any applicable tax, has been paid to the former MEMBER, the FUND will have no further liability to or in respect of such former MEMBER and his DEPENDANTS and/or NOMINEES.

5.4 Late retirement

5.4.1 Subject to the written consent of his EMPLOYER, which will lapse twelve months after it was granted unless it is renewed, a MEMBER may retire late at any time prior to his seventieth birthday (or such other age as may be set by legislation from time to time) in which case contributions in respect of the MEMBER will continue until the actual date of such late retirement unless otherwise specified in the SPECIAL RULES.

5.4.2 On his retirement the MEMBER will become entitled to an ANNUITY.

5.4.3 Subject to the provisions of Rule 4.5, the amount of the ANNUITY will be equal to that which may be purchased by the MEMBER'S FUND CREDIT at date of actual retirement, provided that the MEMBER has an option to choose to receive as a lump sum benefit up to one-third of the MEMBER'S FUND CREDIT, which lump sum benefit, less any applicable tax, will be payable within a reasonable period after the date on which the FUND receives written notice of his retirement, or of his actual retirement date, whichever ever is the later.



5.4.4 The ANNUITY will be purchased from a REGISTERED INSURER selected by the MEMBER. Once such ANNUITY has been purchased and any lump sum benefit, less any applicable tax, has been paid to the former MEMBER, the FUND will have no further liability to or in respect of such former MEMBER and his DEPENDANTS and/or NOMINEES.

6.5 Notification of retirement

A MEMBER and/or the EMPLOYER by which the MEMBER is employed, is required to provide the FUND with written notice of a MEMBER'S retirement. The written notice must include the options elected by the MEMBER, in particular regarding payment of a lump sum benefit of up to one-third of the MEMBER'S FUND CREDIT and/or the ANNUITY selected and any other information which may be required by the TRUSTEES and the ADMINISTRATOR.

6.6 Death In Service

If a MEMBER dies while in SERVICE the INSURED DEATH BENEFIT (if any) plus the MEMBER'S FUND CREDIT will, subject to provisions of the SPECIAL RULES applicable to the MEMBER, the provisions of the policy issued by a REGISTERED INSURER in the case of an INSURED DEATH BENEFIT, and Rule 5.7, become payable in accordance with the provisions of Section 37C of the ACT to the MEMBER'S DEPENDANTS and/or NOMINEES.

6.7 Restrictions applicable to Insured death benefit

5.7.1 Notwithstanding anything to the contrary contained elsewhere in the RULES, the INSURED DEATH BENEFIT (if any) payable in terms of Rule 5.6 will be insured with a REGISTERED INSURER and will not become due and payable unless the claim for the benefit has been admitted by the REGISTERED INSURER. If the claim is admitted by the REGISTERED INSURER, the INSURED DEATH BENEFIT will be limited to the amount paid by the REGISTERED INSURER to the FUND in consequence of such claim.

Handwritten initials/signature

273

135

3

5.7.2 Where so required by the REGISTERED INSURER which is underwriting the benefit, the TRUSTEES will request that a MEMBER be examined by a medical practitioner in terms of the REGISTERED INSURER'S underwriting requirements. Each MEMBER must submit to a medical examination if this is necessary in terms of the REGISTERED INSURER'S underwriting requirements or in order to maximise the value of benefits made available to the MEMBER in the event of his death. Until such medical examination is completed, the level of benefits in the event of death may be restricted to the non-medical limit offered by such REGISTERED INSURER.

5.7.3 Depending on the results of this examination, the INSURED DEATH BENEFIT, or part of the INSURED DEATH BENEFIT may be restricted in such manner as determined by the REGISTERED INSURER.

5.7.4 No increase in FUND SALARY during a period in which a MEMBER is disabled in terms of the rules of a disability income benefit scheme will apply for the purposes of the INSURED DEATH BENEFIT without the prior agreement of the REGISTERED INSURER.

5.8 Payment of death benefits

Payment of the death benefit in terms of Rules 5.6 will be made in terms of section 37C of the ACT. Any decision in terms of section 37C of the ACT will be made by the TRUSTEES, after consultation with the EMPLOYER that employed the deceased MEMBER.

5.9 Lump sum disability

5.9.1 Definition

A MEMBER will be classified as "disabled" in terms of this Rule 5.9 if his condition is such as to satisfy the provisions governing disablement which are set out in the policy issued by the REGISTERED INSURER in the event that an INSURED

274

136

3

DISABILITY BENEFIT has been elected by the EMPLOYER and is provided for in terms of the SPECIAL RULES. "Disablement" has a corresponding meaning.

5.9.2 Benefit

A MEMBER who becomes disabled will retire from SERVICE and will become entitled to be paid the INSURED DISABILITY BENEFIT set out in the SPECIAL RULES; provided that on retirement the MEMBER will, in addition, become entitled to an ANNUITY the amount of which will be equal to that which may be purchased by the MEMBER'S FUND CREDIT, provided that the MEMBER has an option to choose to receive as a lump sum benefit up to one-third of the MEMBER'S FUND CREDIT, which lump sum benefit, less any applicable tax, will be payable within a reasonable period after the date on which the FUND receives written notice of his retirement, or of his actual retirement date, whichever ever is the later. The provisions of Rule 5.1 will apply *mutatis mutandis*.

5.10 Termination of service as a result of resignation or dismissal

5.10.1 A MEMBER who resigns from SERVICE or is dismissed by his EMPLOYER for any reason, including but not limited to retrenchment, redundancy, or incapacity will become entitled to a lump sum benefit equal to his FUND CREDIT.

5.10.2 Subject to the provisions of Rule 5.10.3, the benefit in terms of this Rule, less any applicable tax, will be paid to the MEMBER as a lump sum. Payment will be made as soon as is reasonably possible after the date of his leaving SERVICE. Once payment has been made the MEMBER will have no further claim on the FUND.

5.10.3 Instead of receiving the benefit entirely as a lump sum, the MEMBER may elect to transfer part, or all, of the benefit to another APPROVED PENSION FUND and/or an APPROVED

Handwritten initials/signature

275

137

RETIREMENT ANNUITY FUND. The remaining balance of the MEMBER'S FUND CREDIT, less any applicable tax will be paid to the MEMBER as soon as is reasonably possible after the date of his leaving SERVICE. Once the transfer has been made and the payment to the MEMBER, if any, has been made, the MEMBER will have no further claim on the FUND.

5.11 Employer's notification of reasons for termination of Service

For the purposes of establishing the benefit to which the MEMBER is entitled in terms of this Rule 5, the FUND is entitled to act without further enquiry on the particulars given to it by the EMPLOYER regarding the reason for the MEMBER'S termination of SERVICE.

5.12 Payment of benefits

5.12.1 Payment of a benefit in terms of the RULES will be made to the person entitled thereto at the registered office of the FUND or by electronic transfer.

5.12.2 Should a beneficiary request postage by ordinary mail of a cheque or cheques, the beneficiary shall carry the risk of a cheque being lost in the post or being stolen.

5.13 Benefits inalienable

5.13.1 Save to the extent permitted by the ACT, the INCOME TAX ACT, the Maintenance Act, 1988 and the Divorce Act, 1979, no benefit or right thereto provided for in the RULES, or right in respect of contributions made by or on behalf of a MEMBER will be capable of being reduced, transferred, ceded, pledged or hypothecated or be liable to attachment or subject to any form of execution under a judgment or order of court, or to the extent of not more than R3 000 per annum, be capable of being taken into account in the determination of a debtor's financial position in terms of the Magistrates' Courts Act, 1944.

276

138

5.13.2 If a MEMBER attempts to transfer, cede, pledge or hypothecate a benefit or right, the benefit will, as the TRUSTEES may direct, be withheld or suspended; provided that the TRUSTEES may direct that the benefit or part thereof be paid to one or more of the MEMBER'S DEPENDANTS or to a guardian or trustee for the benefit of such DEPENDANT(s) during such period as they may determine.

5.13.3 If the estate of a person entitled to a benefit in terms of the RULES is sequestrated or surrendered, the benefit will, subject to the provisions of the ACT, not be deemed to form part of the assets of the insolvent estate of such person and may not in any way be attached or appropriated by the curator of such person's insolvent estate or by his creditors, notwithstanding anything to the contrary in any law relating to insolvency.

5.14 Lien over benefits

5.14.1 Notwithstanding anything to the contrary contained elsewhere in the RULES, a benefit payable to a person in terms of the RULES on a MEMBER'S retirement or termination of membership for whatever reason, is subject to a deduction by the TRUSTEES in respect of the following :

5.14.1.1 an amount due by a MEMBER to his EMPLOYER on the date on which he ceases to be employed by the EMPLOYER in respect of compensation (including any legal costs recoverable from the MEMBER) in respect of any damage caused to the EMPLOYER by reason of any theft, dishonesty, fraud or misconduct by the MEMBER and in respect of which :

5.14.1.1.1 the MEMBER has in writing admitted liability to the EMPLOYER; or

Handwritten signature/initials

277

139

3

5.14.1.1.2 Judgment has been obtained against the MEMBER in any court, including the Magistrate's Court,

provided that the amount so deducted may not exceed the amount which may be taken as a lump sum by the person entitled to the benefit in terms of the INCOME TAX ACT.

5.14.1.2 At the request of an EMPLOYER, the TRUSTEES have the right to withhold payment of benefits in terms of the RULES pending the determination or acknowledgment of liability in terms of Section 37D of the ACT.

5.14.1.3 The TRUSTEES shall pay an amount so deducted to the FUND or the EMPLOYER or such other person or body contemplated in this Rule.

5.15 Unclaimed Monies

5.15.1 If a MEMBER or other beneficiary does not claim monies payable to him within five years of the date of such monies becoming payable, other than in the case of death benefits payable in terms of Rule 5.6 or benefits payable in terms of Rule 7.7, the monies will revert to the FUND, provided that such reversion will not have the effect of extinguishing the beneficiary's claim to such benefits in the future, provided further that this Rule shall be subject to any legislation or practice which governs unclaimed monies.

5.15.2 Notwithstanding anything to the contrary contained elsewhere in the RULES, the TRUSTEES will be entitled, in their sole discretion, to invest the unclaimed monies referred to in this Rule in a portfolio or portfolios selected by them.

Handwritten signature/initials

6 MANAGEMENT OF THE FUND

6.1 Management structure

- 6.1.1 The FUND will be managed by a board of TRUSTEES who are responsible for performing the functions and duties set out in the ACT and in the RULES.
- 6.1.2 The SPONSOR must appoint two TRUSTEES (hereinafter referred to as "INTERNAL TRUSTEES") who may but need not be in the employment of the SPONSOR or any one of its ASSOCIATED COMPANIES.
- 6.1.3 In addition, the SPONSOR must appoint at least another two but not more than four TRUSTEES who are not in the employment of the SPONSOR or of any one of its ASSOCIATED COMPANIES or any EMPLOYER or any other person that is appointed by the FUND for any purpose in terms of the RULES (hereinafter referred to as "EXTERNAL TRUSTEES").
- 6.1.4 The SPONSOR may appoint alternate TRUSTEES to fill any permanent vacancy from time to time.

6.2 Removal of Trustees

- 6.2.1 A TRUSTEE will cease to hold office -
 - 6.2.1.1 if he gives written notice of resignation as a TRUSTEE to the FUND; or
 - 6.2.1.2 if he ceases to be in the employment of the SPONSOR or of any one of its ASSOCIATED COMPANIES in the case of an INTERNAL TRUSTEE who is in the employment of the SPONSOR or of any one of its ASSOCIATED COMPANIES;

Handwritten signature/initials

279

141

6.2.1.3 If he has failed to attend three consecutive TRUSTEES' meetings without an apology accepted by the chairman; or

6.2.1.4 If a simple majority of the other TRUSTEES resolve that he be removed from office due to a failure to comply with his fiduciary duties or appropriate codes of conduct and governance guidelines, after an administratively fair process has been followed; or

6.2.1.5 If the SPONSOR resolves that he be removed from office.

6.3 Disqualification for holding office as Trustee

6.3.1 No person in any of the following categories will be eligible for appointment as a TRUSTEE (and if a TRUSTEE at any time falls in any such category he shall cease to hold office) -

6.3.1.1 minor or any person who is insane or otherwise incapable of acting;

6.3.1.2 any person who is disqualified from being a director in terms of an order under the Companies Act, 1973;

6.3.1.3 an unrehabilitated insolvent;

6.3.1.4 any person removed from an office of trust on account of misconduct;

6.3.1.5 any person who has been convicted and sentenced either to imprisonment without the option of a fine or to a fine exceeding R100 for one of the following - theft, fraud, forgery or uttering a forged document, perjury, an offence under the Corruption Act, 1992, any offence involving dishonesty or any offence in connection with the promotion, formation or management of a company.

Handwritten initials/signature

280

142

3.

6.4 Term of office and remuneration

6.4.1 The INTERNAL and EXTERNAL TRUSTEES will hold office until the close of the TRUSTEES' meeting which concludes the ordinary business of the FUND for the third FINANCIAL YEAR after their appointment.

6.4.2 The TRUSTEES so retiring will be eligible for re-appointment.

6.4.3 The INTERNAL TRUSTEES appointed in terms of these GENERAL RULES will not be entitled to any remuneration for their services as such if they are in the employment of the SPONSOR or one of its ASSOCIATED COMPANIES.

6.4.4 The EXTERNAL TRUSTEES and any INTERNAL TRUSTEE who is not employed by the SPONSOR or any one of its ASSOCIATED COMPANIES appointed in terms of these GENERAL RULES will be entitled to such remuneration for their services and reimbursement for expenses as recommended by the SPONSOR and decided by the INTERNAL TRUSTEES from time to time.

6.4.5 The FUND may make payment to the EXTERNAL TRUSTEES and any INTERNAL TRUSTEE who is not employed by the SPONSOR or any one of its ASSOCIATED COMPANIES such amounts required to cover remuneration for their services and reimbursement for expenses and such payments shall be regarded as costs of the FUND within the meaning of the costs referred to in the definition of INVESTMENT RETURNS.

6.5 Meetings of Trustees

6.5.1 The chairman will be elected annually by all the TRUSTEES from among their number. If the chairman of the TRUSTEES is absent

[Handwritten signatures]

281

143

from any meeting, the TRUSTEES will elect a chairman for that meeting from their number.

6.5.2 The TRUSTEES will meet from time to time to conduct the business of the FUND, but not less than twice in any FINANCIAL YEAR. Four TRUSTEES will form a quorum.

6.5.3 Notice of at least fifteen days for ordinary meetings must be given to the TRUSTEES unless the TRUSTEES agree to waive such notice period. Minutes of all meetings must be kept.

6.5.4 At all meetings of the TRUSTEES, the decision of the majority will be binding. If no majority decision can be reached on any matter, the matter must be referred to the next meeting of the TRUSTEES. If no majority decision can be reached at that meeting, the matter must be referred, for a recommendation, to a person agreed to by the TRUSTEES and suitably qualified in the matter in dispute.

6.5.5 If no majority decision can be reached after the recommendation has been received by the expert, the matter in dispute shall be referred to an arbitrator chosen by the AUDITOR who must be a person suitably qualified in the matter in dispute. The arbitrator's decision on the matter will be final and binding on the TRUSTEES.

6.5.6 A resolution in writing signed by all the TRUSTEES shall be of the same force and effect as a resolution passed at a meeting of TRUSTEES and must be recorded in the FUNDS minute book.

6.6 Trustees to direct and control Fund

6.6.1 The object of the TRUSTEES is to direct, control and oversee the operations of the FUND in accordance with applicable laws and the RULES.

Handwritten signature/initials

6.6.2 In pursuing its object the TRUSTEES must-

- 6.6.2.1 take all reasonable steps to ensure that the interests of MEMBERS in terms of the RULES and the provisions of the ACT are protected at all times especially in the event of an amalgamation or transfer of any business contemplated in section 14 of the ACT, splitting of the FUND, termination or reduction of contributions to the FUND by an EMPLOYER, increase of contributions of MEMBERS and withdrawal of an EMPLOYER;
- 6.6.2.2 act with due care, diligence and good-faith;
- 6.6.2.3 avoid conflicts of interest; and
- 6.6.2.4 act with impartiality in respect of all MEMBERS.

6.7 Duties of the Trustees

6.7.1 The duties of the TRUSTEES will, *inter alia*, include to -

- 6.7.1.1 ensure that proper registers, books and records of the operations of the FUND are kept, including proper minutes of all resolutions passed by the TRUSTEES;
- 6.7.1.2 cause true and full accounts of the FUND to be kept in accordance with general accounting practice and any guidelines issued by the AUDITOR from time to time, such accounts to be made up to the FINANCIAL YEAR-END and fairly to present the state of affairs of the FUND and its business and financial position and to be audited by the AUDITOR;
- 6.7.1.3 ensure that adequate and appropriate information is communicated to the MEMBERS of the FUND informing them of their rights, benefits and duties in terms of the RULES;

Handwritten signature
Chloe

145 283

- 6.7.1.4 take all reasonable steps to ensure that the monthly contributions are paid timeously to the FUND in accordance with the ACT;
- 6.7.1.5 obtain expert advice on matters in respect of which the TRUSTEES may lack sufficient expertise;
- 6.7.1.6 ensure that the RULES, operation and administration of the FUND complies with the ACT, the Financial Institutions (Protection of Funds) Act, 2001 and all other applicable laws and any other duties imposed by the RULES;
- 6.7.1.7 operate a banking account opened in the name of the FUND with a bank registered in terms of the Banks Act, 1990;
- 6.7.1.8 procure that any contributions or other money received by the FUND are, pending the investment or application thereof in accordance with the RULES, deposited into the banking account not later than the first business day following the day on which the FUND received the contribution or other money;
- 6.7.1.9 in consultation with the AUDITOR, take such measures as would ensure the efficient and secure operation of the banking account;
- 6.7.1.10 cause every document of title to an investment to be registered in the name of the FUND, or in the name of a nominee company approved by the REGISTRAR;
- 6.7.1.11 procure that every title deed and other document of title belonging to the FUND will be kept in the safes or strongrooms at the registered office or other office of the FUND or in a banking institution; as decided by the TRUSTEES;

Handwritten signatures and initials

284

146

6.7.1.12 procure that every cheque, contract or other document pertaining to the FUND be signed by such persons as the TRUSTEES by resolution appoints and if applicable, in the manner set out in the ACT;

6.7.1.13 take such measures as may be prudent to protect the assets of the FUND and pay only such benefits as are provided for in the RULES.

6.7.2 The reference to the specific duties of the TRUSTEES above will not in any way derogate from the other common law and statutory duties of the TRUSTEES.

6.8 Powers of the Trustees

6.8.1 The TRUSTEES will, subject to the RULES, have all such powers, as may be exercised by the FUND in terms of this Rule and any powers specifically granted to the TRUSTEES in the RULES, provided that such specific powers will not in any way be construed as derogating from the general powers of the FUND.

6.8.2 The TRUSTEES will have the power, subject to the provisions of the ACT and of this Rule to invest in immovable property, and in like manner to invest, lend, put out at interest, place on deposit, make advances of, or otherwise deal with all the monies of the FUND upon such securities and in such manner as it from time to time may determine and to dispose of immovable property, realise, vary, reinvest, or otherwise deal with such securities and other investments as it from time to time may determine, provided that any amount advanced on mortgage of immovable property will not, together with any other amount that has been or can be advanced on security of a prior or pari passu mortgage of that property, exceed eighty percent of the value of the property on the date of the advance.

[Handwritten signature]

285

147

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

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

6.8.3.2 a financial institution as defined in the Financial Institutions (Protection of Funds) Act, 2001; or

6.8.3.3 a person approved in terms of Section 4(1)(a) of the Stock Exchanges Control Act, 1985, or a person approved in terms of Section 5(1)(a) of the Financial Markets Control Act, 1989.

6.8.4 The TRUSTEES shall not be liable for the negligence, dishonesty or fraud of an institution referred to in Rule 6.8.3.2 or a person referred to in Rule 6.8.3.3.

6.8.5 Notwithstanding the provisions of Rule 6.8.2 above, the power of investment of the TRUSTEES in respect of the assets of the FUND will be limited to the selection of investment portfolios managed by the institutions referred to in Rule 6.8.3.2 or the person referred to in Rule 6.8.3.3. The investment of the assets of the FUND in a particular portfolio will be made in accordance with the election of the MEMBERS of the FUND, provided that such election will be limited to such portfolios selected by the TRUSTEES. In the event that an EMPLOYER so elects in its EMPLOYER APPLICATION, the selection of the portfolio or portfolios will be made by the EMPLOYER, provided that such selection will also be limited to such portfolios selected by the TRUSTEES. Notwithstanding anything to the contrary contained elsewhere in the RULES, in the event that the MEMBER or the EMPLOYER, whichever is applicable, fails to select a portfolio or portfolios, the assets attributable to the applicable MEMBER or

[Handwritten signatures]

148 286

MEMBERS of the FUND will be allocated to a default portfolio selected by the TRUSTEES.

6.8.6 The TRUSTEES may furnish a guarantee in favour of a person other than the FUND in respect of a loan granted or to be granted by such other person to a MEMBER for the purposes set out in section 19 of the ACT.

6.8.7 The TRUSTEES may obtain an overdraft from a bank, or borrow from any other party, on such terms as it thinks fit, such sum as it approves for the purpose of completing any investment, or meeting any temporary unforeseen cash shortage, and for this purpose may give such security as it decides, provided that the aggregate amount of such loans does not at any time exceed one-half of the FUND'S gross income from all sources during the immediately preceding FINANCIAL YEAR unless otherwise authorised by the REGISTRAR.

6.8.8 To contract with a REGISTERED INSURER for the issuing of policies of insurance to the FUND which provide INSURED DEATH BENEFITS and/or INSURED DISABILITY BENEFITS in respect of MEMBERS of the FUND subject to such INSURED DEATH BENEFITS and/or INSURED DISABILITY BENEFITS being selected by the relevant EMPLOYER as set out in the EMPLOYER APPLICATION and SPECIAL RULES.

6.8.9 To act on behalf of MEMBERS in all negotiations with the REGISTERED INSURER regarding the policies of insurance providing INSURED DEATH BENEFITS and/or INSURED DISABILITY BENEFITS where INSURED DEATH BENEFITS and/or INSURED DISABILITY BENEFITS apply.

6.8.10 To contract on behalf of the FUND and to sign such contract or other document on behalf of the FUND, to institute legal action or process for the FUND and to conduct, settle or abandon such

Handwritten initials/signature

action or process, to defend or settle legal action or process instituted against the FUND:

- 6.8.11 To make, amend and rescind policies and procedures in respect of a matter concerning the FUND, provided that such policies and procedures do not conflict with the RULES, the ACT and the INCOME TAX ACT.
- 6.8.12 To amend the GENERAL RULES and, at the request of and subject to the approval of the appropriate EMPLOYER, to amend the SPECIAL RULES applicable to that EMPLOYER, provided that no amendment affecting the financial obligation of an EMPLOYER will be made without the prior approval of the EMPLOYER.
- 6.8.13 The TRUSTEES will be entitled, in their absolute discretion, to make any arrangements for the administration of the FUND and in this regard must appoint the ADMINISTRATOR. The TRUSTEES must ensure that the ADMINISTRATOR is registered in terms of section 13B of the ACT and must enter into an administration agreement which complies with Board Notice 101 of 1995 issued in terms of section 13B of the ACT.
- 6.8.14 The TRUSTEES will be entitled, in their absolute discretion, to appoint consultants, investment advisers, investment managers, legal advisers and other service providers to assist the TRUSTEES in performing their duties and functions where they consider this necessary or prudent.
- 6.8.15 The TRUSTEES may, in accordance with the provisions of section 14 of the ACT, amalgamate any business carried on by the FUND with any business carried on by any other person, or transfer any business carried on by the FUND to any other person, or accept transfer of any business from any other person to the FUND, provided that the TRUSTEES must procure that a written notice, setting out full details of the proposed scheme, be

Handwritten signature/initials

150 288

sent to every MEMBER who will be affected thereby, at least thirty days prior to submitting the scheme to the REGISTRAR.

6.9.16 The TRUSTEES will have the power to take, generally, such steps as are, in its discretion, conducive to the attainment of the objects of the FUND.

6.9 Delegation of powers by the Trustees

6.9.1 The TRUSTEES may delegate any of their powers and/or duties and/or responsibilities to another person or a committee of the TRUSTEES, with the power to sub-delegate such power, duty or responsibility; unless the empowering instrument, on a proper construction thereof, does not permit such power to be delegated.

6.9.2 For the purpose of interpretation of the RULES, it will be deemed that when a Rule empowers the TRUSTEES to perform a function or duty, that the TRUSTEES may delegate the power concerned in terms of Rule 6.9.1 above, unless the context clearly indicates otherwise.

6.10 Confidentiality of Information

The TRUSTEES will be entitled to only such information from an EMPLOYER as they may require for the exercise of their duties in terms of the RULES. Such information will be used only for the purpose of the TRUSTEES performing the duties in terms of the RULES and will not be disclosed to any person or body other than such office-bearer or employee of the FUND, the REGISTERED INSURERS which the FUND has entered into contracts with for the provision of INSURED DEATH BENEFITS and/or INSURED DISABILITY BENEFITS or the ADMINISTRATOR whose province it is to have such information.

[Handwritten signatures and initials]

289

151

4

6.11 Principal Officer

6.11.1 The TRUSTEES shall appoint the PRINCIPAL OFFICER. Any such appointment may be changed by the TRUSTEES in their sole discretion.

6.11.2 The TRUSTEES shall notify the REGISTRAR, in writing, of the name of the PRINCIPAL OFFICER within 30 (thirty) days of registration of the FUND and thereafter within 30 (thirty) days of appointment of any subsequent PRINCIPAL OFFICER.

6.11.3 If the PRINCIPAL OFFICER is absent from the Republic of South Africa for a period exceeding 30 (thirty) days or is otherwise unable to perform his duties, the TRUSTEES must appoint another person to act as PRINCIPAL OFFICER during the period of his absence or disability and must advise the REGISTRAR accordingly.

6.11.4 The PRINCIPAL OFFICER must perform all the functions required to fulfil his duties in terms of the ACT, the RULES and the directions of the TRUSTEES.

6.12 Valuator and actuarial valuations

6.12.1 The TRUSTEES shall, within 30 days from the date of registration of the FUND, appoint a VALUATOR and shall, within 30 days from the date of such appointment, apply to the REGISTRAR for approval of such appointment.

6.12.2 Should the REGISTRAR refuse to approve the appointment of the VALUATOR or withdraw his prior approval of the appointment, the FUND shall appoint another VALUATOR, subject to the approval of the REGISTRAR.

6.12.3 The TRUSTEES may rescind the appointment of the VALUATOR at any time and appoint another VALUATOR at their discretion.

see
Wills

152
290

4

- 6.12.4 The VALUATOR will be the valuator of the FUND in terms of the ACT, unless the FUND has been exempted from compliance with the provisions of sections 9A and 16 of the ACT. The VALUATOR will in addition to the function of valuator, perform such other functions as may be specified in the RULES.
- 6.12.5 Unless the FUND has been exempted from compliance with the provisions of Sections 9A and 16 of the ACT, the FUND will be valued by the VALUATOR at intervals not exceeding three years. Within twelve months of the valuation date the VALUATOR shall submit a valuation report to the TRUSTEES, who shall submit a copy thereof to the REGISTRAR. A copy of the valuation report or a summary thereof in the prescribed format will be open for inspection by the EMPLOYERS and MEMBERS at the registered office of the FUND.
- 6.12.6 The TRUSTEES must maintain such records as may be required by the VALUATOR to perform the valuation function referred to above.
- 6.12.7 Should the FUND require exemption from the provisions of sections 9A and 16 of the ACT, the TRUSTEES must procure that the VALUATOR submits the certificate envisaged in regulation 2(c) of the ACT to the REGISTRAR at the time of application for registration of the FUND and at least once every three years thereafter.
- 6.13 Auditor and financial statements
- 6.13.1 The TRUSTEES shall appoint an AUDITOR, for such periods as they determine, and may withdraw any such appointment and make another appointment in its place.

Handwritten signatures and initials

291
153

6.13.2 The TRUSTEES shall, within thirty days of the appointment of the AUDITOR, apply to the REGISTRAR for approval of the appointment.

6.13.3 The REGISTRAR may, without assigning any reason therefore, refuse to approve the appointment of the AUDITOR or withdraw his prior approval whereupon the AUDITOR will vacate his office.

6.13.4 When the REGISTRAR has refused to approve or has withdrawn his approval of the appointment of the AUDITOR, the TRUSTEES shall appoint some other person as auditor, subject to the approval of the REGISTRAR.

6.13.5 When the AUDITOR is a partnership, the appointment of the AUDITOR will not lapse by reason of a change in the composition of the partnership, as long as not less than half of the partners in the reconstituted partnership are persons who were partners as at the date when the appointment of the partnership was last approved by the REGISTRAR.

6.13.6 The AUDITOR has for the purpose of performing his functions and duties -

6.13.6.1 the right of access at all reasonable times to the accounting records and all books, vouchers, documents and other property of the FUND;

6.13.6.2 the right to require from the TRUSTEES such information and explanations as he deems necessary;

6.13.6.3 the right to investigate whether there are adequate measures and procedures for the proper application of sound economical, efficient and effective management of the FUND and for the utilisation of all the resources under the control of the TRUSTEES; and

[Handwritten signatures and initials]

6.13.6.4 the right to investigate any matter, including the efficiency and effectiveness of the internal control of the FUND, relating to expenditure by and the revenue of the FUND.

6.13.7 The TRUSTEES shall, within a period of six months after the FINANCIAL YEAR END in question, prepare and submit such statements and reports as required by the ACT to the REGISTRAR, provided that where prescribed in the ACT, such statements and reports must be duly audited and reported on by the AUDITOR.

6.14 Records and safe custody of securities

6.14.1 The TRUSTEES must ensure that complete records are kept of all MEMBERS and of matters essential to the efficient administration of the FUND.

6.14.2 All title deeds and securities must be registered in the name of the FUND or in the name of such nominee company acceptable to the REGISTRAR as the TRUSTEES may appoint. The documents of title registered in the name of the FUND in connection with any investment or asset of the FUND must be kept in safe custody at the registered office of the FUND or in a banking institution, as decided by the TRUSTEES. Any documents of title registered in the name of a nominee company in connection with any investment or asset of the FUND must be kept in safe custody at the registered office of that company or in a banking institution, as decided by that company.

6.14.3 All policies of insurance will be issued in the name of the FUND and will be held in safekeeping by the FUND.

Handwritten signature/initials

155 293

6.15 Disputes

6.15.1. If a dispute arises between the FUND and a MEMBER or another beneficiary in respect of the interpretation of the RULES, the administration of the FUND, the payment of any benefit, a decision of the TRUSTEES or any other related matter, the MEMBER or beneficiary may lodge a written complaint with the PRINCIPAL OFFICER.

6.15.2 The complaint will set out the basis for the dispute in writing and the PRINCIPAL OFFICER will, subject to the provisions of Rule 6.15.3, deliver the complaint to the chairman.

6.15.3 The chairman or his delegate will in their sole discretion refer the dispute to --

6.15.3.1 the TRUSTEES or an appropriate committee of the TRUSTEES for consideration and decision; or

6.15.3.2 an appropriate officer or employee of the FUND.

6.15.4 If a dispute is referred to the TRUSTEES, the TRUSTEES will deal with the dispute as it would with any other decision in terms of Rules 6.5.4 and 6.5.5.

6.15.5 If a dispute is referred to an employee or officer of the FUND, such employee or officer will attempt to resolve the dispute and if unsuccessful, will advise the chairman or his delegate. The PRINCIPAL OFFICER will, unless the matter is resolved and, subject to the provisions of the ACT, inform the MEMBER or beneficiary in writing of the decision taken on behalf of the FUND in terms of this Rule.

6.15.6 If the MEMBER or beneficiary is not satisfied with the decision referred to above or if the PRINCIPAL OFFICER fails to reply to the matter, the MEMBER or BENEFICIARY may lodge the

Handwritten initials/signature

294

156

5

complaint with the Pension Funds Adjudicator in terms of the ACT.

6.16 Claims against the Fund and Employers

6.16.1 A MEMBER will not have any claim against the FUND in respect of the *bona fide* investment of the assets of the FUND.

6.16.2 No person will have any claim concerning the FUND either upon the FUND or against the TRUSTEES or an EMPLOYER, except in accordance with the RULES.

6.16.3 The RULES will not in any way be interpreted as restricting the right of an EMPLOYER to terminate the employment of a MEMBER lawfully and will not grant the MEMBER any additional rights in this regard.

6.17 Indemnity and Fidelity Insurance

6.17.1 The TRUSTEES, officers of the FUND and persons to whom they have delegated their functions will not be personally liable for decisions taken or actions authorized except if such decisions or actions constitute a gross negligence, dishonesty, fraud or a breach of trust.

6.17.2 The TRUSTEES shall safeguard the FUND against loss by insuring the FUND against loss due to the gross negligence, dishonesty or fraud of any of the officials of the FUND (including a TRUSTEE).

6.18 Documents

The TRUSTEES may authorize certain TRUSTEES or such person as they deem fit to approve and sign documents on behalf of the FUND, provided that documents to be deposited with the REGISTRAR must be signed as prescribed in the ACT.

Handwritten signatures and initials

295

157

5

6.19 Registration and approval of Fund

6.19.1 The TRUSTEES shall apply for registration of the FUND in accordance with the provisions of the ACT and shall apply to the COMMISSIONER for the approval of the FUND as a pension fund in terms of the INCOME TAX ACT.

6.19.2 The TRUSTEES shall apply for the registration of the SPECIAL RULES applicable to each EMPLOYER and shall apply to the COMMISSIONER for the approval of the SPECIAL RULES.

6.19.3 The TRUSTEES shall advise the REGISTRAR of the name of every EMPLOYER participating in the FUND and shall advise the REGISTRAR of the admission of a new EMPLOYER and of the withdrawal of an EMPLOYER.

6.19.4 The TRUSTEES must take such steps as the COMMISSIONER may require for the continued approval of the FUND in terms of the INCOME TAX ACT.

Handwritten signature/initials

158 296
6

7 MISCELLANEOUS PROVISIONS

7.1 Currency

Contributions and benefits are payable in the currency of the Republic of South Africa.

7.2 Monetary advantage

The EMPLOYERS, TRUSTEES and the ADMINISTRATOR will not derive a monetary advantage from monies paid into or out of the FUND and no monies of the FUND will become the property of any of the aforementioned other than specifically provided for in the RULES.

7.3 Transfers from other funds

7.3.1 The TRUSTEES may, after consultation with the VALUATOR and subject to conditions determined by them, approve special arrangements for the preservation of transferred retirement benefit entitlements in respect of a particular MEMBER or a category of MEMBERS. Such special arrangements and the conditions as may be determined by the TRUSTEES in respect thereof will, subject to the provisions of Section 14 of the ACT, have the effect of amending the provisions of the RULES not compatible therewith in respect of such person or persons, thereby making provision for, *inter alia*, the following:

7.3.1.1 the amendment of the conditions of membership of the FUND in respect of MEMBERS, having regard to the conditions that applied to MEMBERS under such PREVIOUS FUND;

7.3.1.2 the recognition of certain periods of former service for the purposes of determining the MEMBER'S benefits in terms of the RULES;

7.3.1.3 the payment of a transfer value by a PREVIOUS FUND to the FUND in respect of MEMBER'S benefits.

7.4 Right to obtain copies of or to inspect certain documents

7.4.1 The FUND will deliver to any MEMBER on request by such MEMBER and on payment of an amount to cover any photocopying, printing and related costs, a copy of the GENERAL RULES and SPECIAL RULES pertaining to such MEMBER, and the most recent revenue account and balance sheet prepared in terms of section 15 of the ACT.

7.4.2 Every MEMBER will be entitled to inspect without charge at the registered office of the FUND, a copy of any of the documents referred to in Rule 7.4.1 as well as a copy of the last report (if any) by the VALUATOR prepared in terms of section 16 of the ACT, the last statement (if any) and report thereon prepared in terms of section 17 of the ACT, and any scheme which is being carried out by the FUND in accordance with the provisions of section 18 of the ACT.

7.5 Amendments to the General Rules and the Special Rules

7.5.1 The TRUSTEES may at any time amend the GENERAL RULES by a majority of votes, provided that:

7.5.1.1 the value of a MEMBER'S FUND CREDIT prior to such amendment will not be reduced;

7.5.1.2 the amendment is not inconsistent with the provisions of the ACT and of the INCOME TAX ACT;

7.5.1.3 the amendment will not be made if the effect would be that the liabilities of one or more of the EMPLOYERS will or in all likelihood will be increased and such EMPLOYER has not consented to the amendment,

Handwritten signatures and initials

298

160

provided further that an amendment to the RULES affecting the financial basis of the FUND will be referred to the VALUATOR for his comments before being adopted;

7.5.2 The TRUSTEES will, at the request of an EMPLOYER amend the SPECIAL RULES applicable to it, provided that --

7.5.2.1 the provisions of Rule 7.5.1 above will apply *mutatis mutandis* to such proposed amendment;

7.5.2.2 the TRUSTEES will not be required to effect the requested amendment if the amendment will impact on the other EMPLOYERS and MEMBERS in their employ or, if effecting the amendment will or is likely to place the TRUSTEES in conflict with their duties.

7.5.3 Within sixty (60) days of the passing of a resolution effecting an amendment to the RULES, the PRINCIPAL OFFICER will submit the amendment to the RULES to the REGISTRAR in the prescribed format and with the prescribed documents.

7.5.4 Once registration has taken place, the TRUSTEES will submit the amendment to the COMMISSIONER in writing, for their approval.

7.5.5 An amendment to the RULES will only apply from the time it is registered by the REGISTRAR unless specifically specified that the amendment be effective retrospectively.

7.6 Binding power of Rules

The provisions of the RULES will be binding on the MEMBERS, other beneficiaries, the FUND and its officials, a person who institutes a claim against the FUND and any person whose claim against the FUND is derived from that person.

[Handwritten signature]
[Handwritten signature]

299

161

7.7 Termination of the Fund

7.7.1 The FUND may be wound up if --

7.7.1.1 the TRUSTEES resolves that it should be wound up;
or

7.7.1.2 a court of competent jurisdiction determines that it be wound up.

7.7.2 If the FUND is wound up in any of the circumstances referred to above, the TRUSTEES will appoint a liquidator, subject to the approval of the REGISTRAR,

7.7.3 The liquidator will dissolve the FUND by dividing the assets of the FUND among the MEMBERS on such basis as the liquidator deems equitable, provided that --

7.7.3.1 the amount allocated by the liquidator to each MEMBER may, at the request of the MEMBER be transferred to an APPROVED PENSION FUND or an APPROVED RETIREMENT ANNUITY FUND or be paid to the MEMBER as a lump sum less any applicable tax;

7.7.3.2 every MEMBER who left the SERVICE of an EMPLOYER may for the purpose of this Rule be regarded as being a MEMBER on the date of termination of the FUND. The benefit paid to such former MEMBER will be taken into consideration in determining the amount payable, if any; and

7.7.3.3 If the FUND is dissolved in terms of section 28 of the ACT, all monies remaining unclaimed for a period of six months after the date on which the payment of benefits by the liquidator commenced will be paid into the Guardian's Fund and thereafter there will be no

162 300

claim against the FUND in respect of such benefits. The liquidator will include in his final liquidation and distribution account a record of the amount paid to the Guardian's Fund and the benefits in respect of which the amount was so paid. The liquidator will furnish to the REGISTRAR a certificate stating that he took all reasonable steps to trace the persons entitled to the benefits.

7.7.4 An auditor approved by the REGISTRAR will certify that the liquidator's final liquidation and distribution account is correct.

7.7.5 If the FUND is dissolved in terms of section 29 of the ACT and the order for the winding up of the FUND does not make section 410 of the Companies Act, 1973 applicable or make any other directions regarding unclaimed monies, the provisions of Rule 7.7.3.3 will apply.

7.7.6 On the liquidation of the FUND the beneficiaries in terms of the RULES are deferred creditors of the FUND and their claim in their capacity as beneficiaries will not be met until the claims of ordinary creditors have been paid.

7.8 Withdrawal of an Employer

7.8.1 If one of the EMPLOYERS gives written notice to the TRUSTEES of its intention to terminate its participation in the FUND or is wound up, whether voluntarily or not, or ceases to carry on business, then, unless a reconstructed company or organisation takes the place of such EMPLOYER, the provisions of Rule 7.7 will apply *mutatis mutandis*.

7.8.2 If the reconstructed company or organisation intends to take the place of the EMPLOYER, the SPECIAL RULES of that EMPLOYER will be amended accordingly.

[Handwritten signatures and initials]

301

163

7.9 Transfer or amalgamation of an Employer

7.9.1 If the operation of an EMPLOYER is transferred to or amalgamated with that of another organisation, such other organisation may:

7.9.1.1 continue contributions to the FUND in respect of the existing MEMBERS at the time of such transfer or amalgamation, subject to such conditions imposed by the TRUSTEES, in which case the FUND will not be affected except that the SPECIAL RULES applicable to the EMPLOYER will be amended accordingly; or

7.9.1.2 withdraw from the FUND in terms of Rule 7.8.

7.9.2 If the new employer participates in another fund or scheme, the new employer may direct that the benefits attributable to the affected MEMBERS be transferred to the other fund or scheme in which case the provisions of Rule 7.10 will apply.

7.9.3 If the new employer is an EMPLOYER in terms of the RULES, the MEMBERS will be re-allocated in the records of the FUND as employees of that EMPLOYER and the provisions of section 14 of the ACT will not apply.

7.10 New fund or scheme

If an EMPLOYER decides to establish a new fund or scheme for the principal purpose of providing retirement benefits for its employees or for certain of its employees, or to participate in another fund or scheme for this purpose, the TRUSTEES will, notwithstanding anything to the contrary in the RULES, apply each MEMBER'S FUND CREDIT to obtain benefits for the MEMBERS concerned under the new fund or scheme, in such manner as the TRUSTEES, after consultation with the VALUATOR and with the approval of the REGISTRAR, may decide, subject to the provisions of section 14 of the ACT

FINANCIAL SERVICES BOARD

Rigel Park 440 Rigel Avenue South, Etchellsmead Pretoria South Africa
PO Box 35086, Maitland Park, Pretoria, South Africa 0102
Tel (012) 428-8000 Fax (012) 347-0221 e-Mail: info@fsb.co.za
Int +27 12 428-8000 Int +27 12 347-0221 Toll free 0800 110443
Internet: <http://www.fsb.co.za>



Enquiries: Johan van Vollenhoven
Our ref: 12/0137404/1
Date: 20/04/2007

D. Dialling No.: 012 428 8153
Fax: 012 347 8787
e-mail: johanv@fsb.co.za

CASSIM PATEL
DYNAMIQUE SA CONSULTANTS AND ACTUARIES
POSTNET SUITE NO 308
PRIVATE BAG X30500
HOUGHTON
2041

CASE NUMBER: 149993

Dear Sir/Madam

AMENDMENT NO 1 TO RULES: UMBRELLA PENSION FUND

With reference to your letter dated 22 November 2006, I enclose a copy of the amendment to the Rules duly approved in terms of section 12(4) of the Pension Funds Act, 24 of 1956.

Yours faithfully

for REGISTRAR OF PENSION FUNDS



Handwritten initials and signature

AMENDMENT TO THE GENERAL RULES
OF THE UMBRELLA PENSION FUND

12/9/97/464

Amendment No. 1

EFFECTIVE DATE OF AMENDMENT: 1 October 2006

Extract from the minutes of a meeting of the Trustees/Management Committee of the Fund held on *27th November 2006* at *Parktown*

Resolved:

The Rules of the above Fund shall be amended with effect from 1 October 2006:

The reason for this amendment is to change the registered address under introduction and create a new provision for members who need to be temporary absent from employment under Miscellaneous Provisions, as follows:

1. INTRODUCTION

1.2 The registered address shall be:

6th Floor, North Wing
Oakhurst
11 St. Andrews Street
Parktown
2001

7. MISCELLANEOUS PROVISIONS

7.11 TEMPORARY ABSENCE

Contributions in respect of a MEMBER temporarily absent from work may, subject to the consent of the EMPLOYER, be suspended during his absence for a period not exceeding 12 consecutive months. Such temporary absence and suspension of contributions shall be notified in writing to the ADMINISTRATOR by the EMPLOYER prior to the commencement of the period of absence. Where the period of absence exceeds 12 months, the MEMBER shall be deemed to no longer be a MEMBER on the

[Handwritten signature]

166 304

longer be a MEMBER on the expiry of the 12 month period unless the EMPLOYER has requested an extension of the period and such extension has been agreed to by the ADMINISTRATOR.

7.11.1 Where the MEMBER is temporarily absent from work or temporarily resident outside the Republic of South Africa, any INSURED BENEFITS in respect of death and disability (if applicable) shall, subject to the payment of any premiums and to any terms and conditions required by the registered Insurer, be maintained unchanged for a period not exceeding 12 months unless written notification requesting a reduction is supplied to the ADMINISTRATOR from the EMPLOYER before the commencement of the period of absence.

7.11.2 Where the period of temporary absence or residence outside of the Republic of South Africa exceeds 12 months, cover for the INSURED BENEFITS will cease on the expiry of the 12 month period unless the EMPLOYER has requested an extension of the period of 12 months and the registered Insurer, at its sole discretion and on such terms and conditions as it may impose, has agreed to such extension.

Certified that the above resolution has been adopted in accordance with the Rules of the Fund.

Signed for the PARTICIPATING EMPLOYER:

[Signature]
.....
PRINCIPAL OFFICER

[Signature]
.....
DATE

[Signature]
.....
CHAIRPERSON

[Signature]
.....
DATE

[Signature]
.....
TRUSTEE

[Signature]
.....
DATE

DEUR MY GENEIGTVEE DE HULP
REGISTERED BY ME ON THIS 16th

2011
DAG VAN
DAY OF

[Signature]
ACOT

REGISTRAR OF PENSION FUNDS
REGISTRAR OF PENSION FUNDS

[Handwritten initials]

306
168

AMENDMENT NO. 2

TO THE RULES OF THE

IF UMBRELLA PENSION FUND

Handwritten signature/initials

169 307

IF UMBRELLA PENSION FUND

Extract from the minutes of a meeting of the TRUSTEES of the IF Umbrella Pension Fund held on 2 July 2009.

RESOLVED THAT with effect from 1 July 2009 the Rules be amended as follows:

- 1. A definition of "Ad Hoc Expenses" be included as Rule 2.6.2(a) as follows"

"AD HOC EXPENSES" means costs and expenses, other than EXPENSES, that are not necessarily payable monthly and are not necessarily capable of being predetermined and will include, *inter alia*, fees, taxes and levies paid and accrued to service providers, the regulatory authorities, TRUSTEES, premiums in respect of professional indemnity and fidelity guarantee insurance, and audit fees;"

- 2. The definition of "Expenses" in Rule 2.6.15 be deleted and replaced as follows:

"EXPENSES" means the ongoing monthly costs that cover administration services, consulting services and premiums in respect of INSURED DEATH BENEFITS and INSURED DISABILITY BENEFITS;"

- 3. The definition of "Fund Credit" in Rule 2.6.19 be deleted and replaced as follows;

"2.6.19 "FUND CREDIT" means

2.6.19.1 the MEMBER'S contributions in terms of Rules 4.1.1 and 4.1.2; plus

2.6.19.2 the EMPLOYER'S contributions in terms of Rule 4.2.1 that are allocated for retirement funding in terms of Rule 4.2.2.2; plus

2.6.19.3 amounts transferred to the FUND in terms of Rule 4.1.3;
less

Handwritten signature/initials

308

170

2.6.19.5 transfers to the Expense Reserve Account in respect of AD
HQC EXPENSES; plus

2.6.19.7 transfers from the Expense Reserve Account in terms of
Rule 4.7.2.2; plus

2.6.19.7 INVESTMENT RETURNS;"

4. The definition of "Investment Returns" in Rule 2.6.26 be deleted and replaced as follows:

"2.6.26"INVESTMENT RETURNS" means any income (received and accrued) less an allowance for any tax (including but not limited to retirement fund tax) related to the investment of the assets of the FUND, and part or all of any expenses (paid and accrued) related to the investment of the assets of the FUND, provided that INVESTMENT RETURNS in relation to a particular MEMBER or the Expense Reserve Account means the INVESTMENT RETURNS related to the portfolio or portfolios in which the assets underlying the MEMBER'S FUND CREDIT or Expense Reserve Account are invested, provided further that --

2.6.26.1 Allocation of INVESTMENT RETURNS may be adjusted to take into account timing of contributions;

2.6.26.2 Any variation in the basis of allocation of INVESTMENT RETURNS may be with or without retrospective effect; and

2.6.26.3 The basis to be used in allocating INVESTMENT RETURNS and any changes in such basis from time to time shall be recorded by the TRUSTEES and advised to the EMPLOYER;"

[Handwritten signature]

171 309

5. Rule 4.6 be added as follows:

4.6 Expenses

4.6.1 EXPENSES and AD HOC EXPENSES will be borne by the FUND. EXPENSES will be funded for by the contributions made by the EMPLOYERS to the FUND. The cost of AD HOC EXPENSES will be deducted from the MEMBERS' FUND CREDITS on such basis as may be determined by the TRUSTEES from time to time. AD HOC EXPENSES need not have accrued for an appropriate deduction to be made from the MEMBERS' FUND CREDITS and the TRUSTEES may deduct in respect of provisions that they make to ensure impartiality among the MEMBERS of the FUND. Should the amounts deducted from MEMBERS' FUND CREDITS be in excess of the amounts required to fund AD HOC EXPENSES, an appropriate credit will be made to the MEMBERS' FUND CREDITS. AD HOC EXPENSES may furthermore be funded by way of interest earned on contributions paid to the FUND prior to the investment of such contributions.

4.6.2 The FUND will be entitled to make payments in respect of EXPENSES and AD HOC EXPENSES to service providers and other creditors."

6. Rule 4.7 be added as follows:

4.7 Expense Reserve Account

The purpose of the EXPENSE RESERVE ACCOUNT is to fund the cost of AD HOC EXPENSES and to act as a conduit for the payment of EXPENSES. The following transactions will be recorded in this account:

4.7.1 Credits

4.7.1.2 That portion of the EMPLOYER'S contribution that is allocated for the purpose of meeting EXPENSES;

Handwritten signature/initials

172 310

4.7.1.2 Amounts allocated to this account from time to time by the TRUSTEES for the purpose of meeting AD HOC EXPENSES;

4.7.1.3 INVESTMENT RETURNS on the asset underlying the Expense Reserve Account from time to time.

4.7.2 Debits

4.7.2.1 Payments to service providers in respect of EXPENSES and AD HOC EXPENSES;

4.7.2.2 Transfers to the MEMBERS' FUND CREDITS in the event that the TRUSTEES are satisfied that the balance standing to the credit of the Expense Reserve Account is in excess of what is required;

4.7.2.3 Negative adjustments to INVESTMENT RETURNS on the assets underlying the Expense Reserve Account from time to time."

The REASONS for the amendments are:


- To clarify the various types of expenses incurred by the Fund;
- To provide for an Expense Reserve Account to facilitate the proper management of such expenses

[Handwritten signatures and initials]

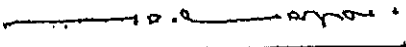
311
173

6

CERTIFIED that the above resolution has been adopted in accordance with the provisions of the Rules of the Fund.


CHAIRMAN

6/7/09
DATE

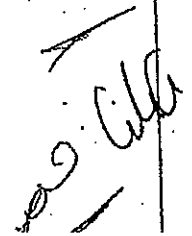

TRUSTEE

04.07.2009
DATE


PRINCIPAL OFFICER

3/7/09
DATE

DEUR MY GEREKISTREER OF HEDER DIE
REGISTERED BY ME ON THIS THE
26
DAG VAN October 2009
DAY OF
Kantoor van Pensioenfonds
Registrar of Pension Funds



IF UMBRELLA PENSION FUND
12/0/37464
AMENDMENT NUMBER THREE

Extract from the minutes of a meeting of the Board of Trustees of the IF Umbrella Provident Fund held at Sandton on 10 December 2010.

IT WAS RESOLVED THAT with effect from 1 February 2008, the Rules of the IF Umbrella Pension Fund be amended as follows:

- 1. Rule 1.2. to be deleted and replaced with the following:

The registered office of the FUND is The Place 1 Sandton Drive, Sandhurst, Sandton, 2196. The postal address is P O Box 1874, Parklands, 2121.
- 2. Rule 6.1.2. and 6.1.3. shall be deleted its entirety and replaced with the following:

6.1.2. The ADMINISTRATOR must appoint at least four TRUSTEES, at least two of the TRUSTEES cannot be employed by the ADMINISTRATOR or any one of its ASSOCIATED COMPANIES or any EMPLOYER or any other person or any other person that is appointed by the FUND for any purpose in terms of the RULES (hereinafter referred to as "EXTERNAL TRUSTEES"). TRUSTEES that cannot be considered EXTERNAL TRUSTEES will be referred to as "INTERNAL TRUSTEES".
- 3. Any reference to SPONSOR contained in Rule 6.2.1.2., 6.2.1.5, 6.4.4. and 6.4.5. shall be deleted and replaced by the word ADMINISTRATOR.

W. O. O.
W. O. O.

1
W. O. O.
W. O. O.

313

175

Reason for Amendments.

- To change the FUND'S registered address
- To provide for the provision of the appointment of TRUSTEES by the ADMINISTRATOR.

Certified that the above resolution has been adopted in accordance with the Rules of the Fund.

[Signature]
 PRINCIPAL OFFICER

11/10/2010
 DATE

[Signature]
 CHAIRMAN, BOARD OF TRUSTEE

10/12/2010
 DATE

[Signature]
 MEMBER, BOARD OF TRUSTEE

 DATE

[Signature]

[Handwritten mark]
 2

[Handwritten signature]

CL 5

"J+Z" 198
60

RULES OF THE IF UMBRELLA PROVIDENT FUND

Certified that these are the
Rules which will become effective
On 01 January 2004

[Handwritten signature]

61 199

IF UMBRELLA PROVIDENT FUND

Resolution of the Trustees of the If Umbrella Provident Fund:

Resolved:

That the IF Umbrella Provident Fund will commence with effect from 1 January 2004.

Certified:

That these are the Rules of the IF Umbrella Provident Fund which will become effective from 1 January 2004.

N. L. L. L.
.....
Chairman of Trustees

[Signature]
.....
Trustees

[Signature]
.....
Principal Officer

Deur my voorlopig geregtigter op teke van
Registered provisionally by me on this the
.....
dag van 09
day of September 2004
.....
REGISTRAR VAN PENSIOFONDSE
REGISTRAR OF PENSION FUNDS

IF Umbrella Provident Fund

[Handwritten marks]

TABLE OF CONTENTS

1 GENERAL..... 1

2 INTERPRETATION..... 2

3 MEMBERSHIP..... 12

4 CONTRIBUTIONS..... 12

4.1 Contributions by the Member..... 12

4.2 Contributions by the Employer..... 13

4.3 Benefit reserve account..... 14

4.4 Transferred surplus reserve account..... 15

5 RETIREMENT BENEFITS..... 15

5.1 Benefit..... 16

5.2 Retirement..... 16

6 DEATH AND DISABILITY BENEFITS..... 17

6.1 Death in Service on or before Normal Retirement Date..... 17

6.2 Death in Service after Normal Retirement Date..... 18

6.3 Restrictions..... 18

6.4 Payment of benefit..... 19

6.5 Disability Arrangement..... 19

6.5.1 Definition..... 19

6.5.2 Benefit..... 20

7 TERMINATION OF SERVICE..... 20

7.1 Resignation or dismissal..... 20

7.2 Redundancy or retrenchment..... 21

7.3 Payment of benefit..... 21

7.4 Employers Notification of reasons for termination of service..... 21

8 ABSENCE..... 22

9 TRANSFERS..... 23

9.1 Transfers into the Fund..... 23

9.2 Transfers out of or within the Fund..... 24

10 TERMINATION..... 25

10.1 Termination of the Fund..... 25

Handwritten signature or initials

10.2 Termination of participation in Fund by an Employer..... 27

11 DEDUCTIONS FROM BENEFITS..... 28

12 MANAGEMENT OF THE FUND..... 29

12.1 Management structure..... 29

12.2 Internal Trustees..... 29

12.3 External Trustees..... 30

12.4 Disqualification for holding office as Trustees..... 31

12.5 Term of office and remuneration..... 32

12.8 Meetings of Trustees..... 33

12.7 Other appointments..... 34

12.8 Indemnification of officers of Fund..... 35

12.9 Sub-committees..... 35

13 FINANCIAL PROVISIONS..... 36

13.1 Investments..... 36

13.2 Housing loans..... 38

13.3 Expenses..... 39

13.4 Accounts..... 39

14 ADMINISTRATION OF THE FUND..... 39

15 ALTERATIONS..... 41

16 INTERPRETATION OF RULES..... 42

17 MISCELLANEOUS PROVISIONS..... 43

Handwritten signature
201

202
64

1 GENERAL

- 1.1 A Fund to be known as the IF Umbrella Provident Fund established with effect from 01 January 2004.
- 1.2 The registered office of the FUND shall be at Medschome Park, Phase III, 17 Muswell Road South Bryanston. The postal address of the FUND is Postnet Suite 158, Private Bag X10015, Randburg, 2128.
- 1.3 The object of the FUND is to provide the retirement benefits for employees of participating EMPLOYERS, benefits in the event of their death and other ancillary benefits as set out in these RULES.
- 1.4 The FUND is an independent legal person existing separately, and in its own name, shall be capable in law of suing and of being sued and of acquiring, holding and alienating property, movable and immovable and of acquiring rights and obligations.
- 1.5 The RULES of the FUND comprise these general RULES, which are applicable to all participating EMPLOYERS and their employees and such SPECIAL RULES as may apply to individual participating EMPLOYERS and their employees. In the event of conflict between a general Rule and a Special Rule, the provisions of the Special Rule shall prevail.
- 1.6 If the registration of the FUND and these RULES in terms of the ACT is effected later than 01 January 2004, the RULES shall be deemed to have taken effect from 01 January 2004.

2 INTERPRETATION

2.1 In these RULES, unless inconsistent with the context, words defined in the ACT and not in the RULES shall have the meanings assigned to them in the ACT, clause headings and subheadings are solely for ease of reference and shall not be used in the interpretation of these RULES and, unless inconsistent with the context, all words and expressions denoting the singular shall include the plural and vice versa, words and expressions implying one gender shall include the other genders, words and expressions implying a natural person shall include an artificial person and vice versa and the following words and expressions shall have the following meanings assigned to them below (and cognate words and expressions shall have corresponding meanings) -

Handwritten signature/initials

65 203

2.1.1 "ACT" - the Pension Funds Act, 1956 and the regulations made in terms of that ACT;

2.1.2 "ADMINISTRATORS" - Integrated Futures (Pty) Ltd;

2.1.3 "APPROVED PENSION FUND" - a pension fund that is recognised or has been approved as such by the REGISTRAR and the COMMISSIONER in terms of the Income Tax Legislation in force from time to time and in respect of which a MEMBER meets the eligibility requirements for admission to membership thereof, provided that, if such fund has been approved by the COMMISSIONER as a preservation fund in accordance with the requirements of South African Services Practise Note RF 1/98 and any succeeding legislation or statutory practise the EMPLOYER must have admitted as a participating EMPLOYER in such preservation fund.;

2.1.4 "APPROVED PROVIDENT FUND" - a provident fund that is recognised or has been approved as such by the REGISTRAR and the COMMISSIONER in terms of the Income Tax Legislation in force from time to time and in respect of which a MEMBER meets the eligibility requirements for admission to membership thereof, provided that, if such fund has been approved by the COMMISSIONER as a preservation fund in accordance with the requirements of South African Services Practise Note RF 1/98 and any succeeding legislation or statutory practise the EMPLOYER must have admitted as a participating EMPLOYER in such preservation fund.;

2.1.5 "APPROVED RETIREMENT ANNUITY" - a retirement annuity Fund that is recognised or has been approved as such by the REGISTRAR and the COMMISSIONER in terms of the Income Tax Legislation in force from time to time and in respect of which a MEMBER meets the eligibility requirements for admission to membership thereof;

2.1.6 "ASSOCIATED COMPANY" - any company which is a SUBSIDIARY or HOLDING COMPANY of the ADMINISTRATORS or which is a SUBSIDIARY of any of the Administrator's Holding Companies;

2.1.7 "AUDITOR" - the AUDITOR appointed in terms of Section 9 and these RULES;

2.1.8 "COMMENCEMENT DATE" - 01 January 2004 notwithstanding the date of registration of these RULES;

Handwritten signature/initials

204

66

2.1.9 'COMMISSIONER' - the COMMISSIONER for the South African Revenue Service;

2.1.10 'DEPENDANT' - in relation to any MEMBER, means

2.1.10.1 a person in respect of whom the MEMBER is legally liable for maintenance;

2.1.10.2 a person in respect of whom the MEMBER is not legally liable for maintenance if such person

2.1.10.2.1 was, in the opinion of the TRUSTEES, upon the death of the MEMBER in fact DEPENDANT on the MEMBER for maintenance;

2.1.10.2.2 is the spouse of the MEMBER, including a party to a customary union according to indigenous law and custom or to a union recognised as a marriage under the tenets of any Asiatic religion, and including the same sex partner of a MEMBER;

2.1.10.2.3 is a child of the MEMBER, including a posthumous child, an adopted child and an illegitimate child;

2.1.10.3 a person in respect of whom the MEMBER would have become legally liable for maintenance, had the MEMBER not died.

2.1.11 'DISABILITY ARRANGEMENT' - an arrangement, subscribed to by an EMPLOYER, and more fully described in the SPECIAL RULES, which provides either -

2.1.11.1 income benefits for its employees in the event of their disablement until their retirement (and which shall provide for the continued payment, if necessary, out of the proceeds of such arrangement, until retirement, of the Member's contributions made in terms of 4.1.1 or both the Member's contributions and the EMPLOYER'S contributions in terms of 4.2.1;

2.1.11.2 income benefits for a period of time and thereafter, if disablement is permanent, a lump-sum benefit;

Handwritten signature/initials

205

67

- 4 -

2.1.11.3 a lump sum benefit

2.1.12 "ELIGIBLE EMPLOYEE" - those employees in the full time permanent SERVICE of a participating EMPLOYER specified in the SPECIAL RULES;

2.1.13 "EMPLOYER" - an Employer (and such of its SUBSIDIARY Companies as determined by the Employer from time to time) which has been admitted to the Fund as a participating Employer and which is specified in the SPECIAL RULES;

2.1.14 "EMPLOYERS PORTION" - an amount equal to the sum of -

2.1.14.1 that part of the contributions made by the EMPLOYER towards the Member's retirement benefit in terms of 4.2.1 which is applied towards his retirement benefit in terms of 4.2.2.2; and

2.1.14.2 in relation to each Member who was a Member of a PREVIOUS FUND -

2.1.14.2.1 whose funding structure operated on a defined benefit basis, a past service benefit, calculated at the date of transfer into the FUND by the Valuator to the PREVIOUS FUND, on actuarial principles which take into account, inter alia, the Member's pensionable SERVICE, pensionable salary and accumulated contributions under the PREVIOUS FUND, on the day before his transfer, less the amount transferred in terms of 9.1.1.1.1; or

2.1.14.2.2 whose RULES defined the EMPLOYER contribution rate, an amount calculated by the Trustees of such PREVIOUS FUND at the date of transfer which is equal to the contributions made towards the Member's retirement benefit by the EMPLOYER, increased until the date of transfer by interest in terms of the RULES of the PREVIOUS FUND, together with GAINS thereon throughout his Membership of the FUND;

2.1.15 "FINANCIAL YEAR" - The first FINANCIAL YEAR falling on 30 June 2005, eighteen months after commencement; and thereafter each twelve month period ending on 30 June in each year;

2.1.16 "FUND" - the IF Umbrella Provident Fund;

See - 4/16

2.1.17 "FUND CREDIT" - for each Member at any particular date the sum of -

2.1.17.1 his MEMBER'S PORTION; and

2.1.17.2 his EMPLOYER'S PORTION.

2.1.18 "FUND SALARY" - the Member's basic annual salary or wages, together with such other emoluments, and the cash value of such other benefits, or a part thereof, as each EMPLOYER may direct (unless otherwise stipulated in the SPECIAL RULES); provided that -

2.1.18.1 for the purposes of the FUND, FUND SALARY shall be determined annually on such date or dates as may be determined by the EMPLOYER;

2.1.18.2 if the remuneration which constitutes the Member's FUND SALARY is reduced at any time then, subject to the agreement of the Member, the EMPLOYER may direct that, for the purposes of the FUND, the reduction shall either not be applied in the calculation of the Member's FUND SALARY or shall be applied only partially;

2.1.18.3 in the case of a commission earner, the EMPLOYER shall have the right to determine any period over which commission may be averaged for the purposes of determining FUND SALARY in relation to the INSURED PORTION;

2.1.19 "FUNERAL ARRANGEMENT" - an arrangement, subscribed to by an EMPLOYER, which provides funeral benefits for its employees and their immediate families in the event of their death;

2.1.20 "GAINS" - any income (received and accrued) less an allowance for any tax and part or all of any expenses (paid and accrued) and capital gains and losses (realised and unrealised) of the FUND. Gains shall be allocated to all Members' portions and EMPLOYERS portions, the benefit reserve account (referred to in 4.3) and the transferred surplus reserve account (referred to in 4.4) in relation to the participating EMPLOYER on such equitable basis as the TRUSTEES, in consultation with the VALUATOR, determine in their reasonable discretion from time to time. Any variation in the basis of allocation may be with or without retrospective effect. The basis to be used in allocating GAINS and any changes in such basis from time to time shall be recorded by the TRUSTEES and advised to

*See
- C/let*

207

69

the EMPLOYER. Where contributions paid by or in respect of different Members of different participating EMPLOYERS are invested in different types of investments, the GAINS relating to each type of investment will be allocated equitably among the Members whose contributions are invested in that type of investment;

2.1.21 "HOLDING COMPANY" - a Holding Company as defined in the Companies Act, 1973;

2.1.22 "INSURED PORTION" - the amount of death cover as specified in the SPECIAL RULES and payable in terms of 8.1;

2.1.23 "MEMBER" - an ELIGIBLE EMPLOYEE who, having been admitted to membership of the FUND in accordance with these RULES has not ceased to be a Member in terms of these RULES;

2.1.24 "PERSONAL ACCOUNT" - in relation to each Member at any particular date the accumulated value of -

2.1.24.1 his contributions made in terms of 4.1.1, as specified in the SPECIAL RULES; and

2.1.24.2 any amount transferred in terms of 9.1.2; and

2.1.24.3 in relation to each Member who was a Member of the PREVIOUS FUND, any amount transferred to the FUND in terms of 9.1.1.1, together with GAINS thereon throughout his Membership of the FUND.

2.1.25 "NORMAL RETIREMENT AGE" - in respect of any MEMBER the age between 55 and 70 years as specified in the SPECIAL RULES applicable in respect of his EMPLOYER;

2.1.26 "NORMAL RETIREMENT DATE" - the last day of the month in which a Member reaches the retirement age specified in the SPECIAL RULES;

2.1.27 "PARTICIPATION DATE" - the date on which an EMPLOYER commences participation in the FUND as specified in the SPECIAL RULES;

2.1.28 "PREVIOUS FUND" - any APPROVED PROVIDENT FUND or APPROVED PENSION FUND in which an EMPLOYER participates or participated;

Handwritten signatures and initials at the bottom right of the page.

208

70

- 2.1.20 "PRINCIPAL OFFICER" - the PRINCIPAL OFFICER of the Fund appointed in accordance with these RULES;
- 2.1.30 "REGISTERED INSURER" - an insurer registered in terms of the Long Term Insurance Act, 1998;
- 2.1.31 "REGISTRAR" - the Registrar of Pension Funds;
- 2.1.32 "RSA" - Republic of South Africa;
- 2.1.33 "RULES" - these general RULES and the SPECIAL RULES as altered from time to time;
- 2.1.34 "SERVICE" - employment with the participating EMPLOYER specified in the SPECIAL RULES and shall include any period during which the Member is deemed to remain in SERVICE in terms of 8.2;
- 2.1.35 "SPECIAL RULES" - the Rules which are applicable to each individual participating EMPLOYER and its ELIGIBLE EMPLOYEES;
- 2.1.36 "SUBSIDIARY" - a SUBSIDIARY as defined in the Companies Act, 1973;
- 2.1.37 "TRUSTEES" - the TRUSTEES appointed in terms of these RULES;
- 2.1.38 "VALUATOR" - a VALUATOR appointed in terms of these RULES.
- 2.1.39 ACTUARIAL SURPLUS means the surplus, if any, as may be determined in terms of the ACT.
- 2.1.40 EMPLOYER SURPLUS ACCOUNT means the account referred to in the ACT and shown in RULE 4.3.
- 2.1.41 MEMBER SURPLUS ACCOUNT means the account referred to in the ACT and shown in RULE 4.3.
- 2.1.42 MINIMUM INDIVIDUAL RESERVE means the minimum amount, as shown in the ACT, payable to a MEMBER on death or leaving SERVICE for any reason other than on LIQUIDATION or PARTIAL LIQUIDATION of the FUND.

Handwritten signature/initials

2.1.4) SURPLUS APPORTIONMENT DATE, if applicable, means the effective date upon which any ACTUARIAL SURPLUS is apportioned in terms of the ACT

2.2 Any reference to any statute, regulation or other legislation shall be a reference to that statute, regulation or other legislation as at the date of registration of these RULES, and as amended or substituted from time to time.

2.3 If any provision in a definition is a substantive provision then, notwithstanding that it is only in a definition, effect shall be given to that provision as if it were a substantive provision in the body of these RULES.

2.4 Where any term is defined within a particular clause other than this 2, that term shall bear the meaning ascribed to it in that clause wherever it is used in these RULES, unless the contrary is expressly stated or appears from the context.

MEMBERSHIP

3.1 Each ELIGIBLE EMPLOYEE in SERVICE on the PARTICIPATION DATE shall become a MEMBER of the FUND within twelve months after the PARTICIPATION DATE.

3.2 ELIGIBLE EMPLOYEES who enter SERVICE after the PARTICIPATION DATE shall join the FUND as a condition of employment. For the purposes of the INSURED PORTION, ELIGIBLE EMPLOYEES shall join the FUND immediately on joining SERVICE unless otherwise stipulated in the SPECIAL RULES. For the purposes of retirement benefits, ELIGIBLE EMPLOYEES shall join the FUND on the first day of the month coincident with or next following the date of joining SERVICE, or such earlier or later date as advised by the EMPLOYER from time to time unless specified in the SPECIAL RULES.

3.3 A MEMBER shall not be permitted to withdraw from membership while he remains in SERVICE.

3.4 A MEMBER who has left SERVICE for any reason and has received all the benefits which may be due to him in terms of these RULES shall immediately cease to be a MEMBER.

CONTRIBUTIONS

4.1 Contributions by the Member

4.1.1 Each MEMBER shall make contributions throughout his SERVICE at the rate set out in the SPECIAL RULES.

Handwritten signature or initials in the bottom right corner.

4.1.2 Each Member's contributions shall be deducted by his EMPLOYER from his salary or wages, provided that, without derogating from 2.1.9.1, while a MEMBER is in receipt of benefits from the DISABILITY ARRANGEMENT, his contributions shall be paid from the DISABILITY ARRANGEMENT.

4.1.3 Contributions shall be paid within seven days after the end of the month in respect of which the contributions were made, in accordance with the provisions of section 13A of the ACT.

4.2 Contributions by the Employer

4.2.1 Each EMPLOYER shall make a monthly contribution in respect of each MEMBER in his employment at the rate set out in the SPECIAL RULES, less the Employer's contributions in respect of the MEMBER for that month to the DISABILITY ARRANGEMENT and/or the FUNERAL ARRANGEMENT, as applicable.

4.2.2 Out of the amount paid in terms of 4.2.1 -

4.2.2.1 such amounts as are allocated to meet the administration and general expenses of the FUND and any INSURED PORTION costs in respect of each MEMBER of that EMPLOYER for the month concerned, shall be applied for this purpose; and

4.2.2.2 the balance shall be applied towards the Member's retirement benefit.

4.2.3 Any variations in the EMPLOYERS contributions required in terms of 4.2.1, the rate or the manner of its application towards retirement or other benefits shall be set out in the SPECIAL RULES:

4.2.4 Contributions by the EMPLOYER shall be paid within seven days after the end of the month in respect of which the contributions were made, in accordance with the provisions of section 13A of the ACT.

4.3 Benefit reserve account

4.3.1 A benefit reserve account shall be maintained for each EMPLOYER under the FUND.

4.3.2 The amount standing to the credit of the benefit reserve account for each EMPLOYER shall be increased by the share of any GAINS applied thereto in terms of 2.1.18.

- 4.3.3 The amount standing to the credit of the benefit reserve account for each EMPLOYER shall be used, as decided by the TRUSTEES in consultation with the EMPLOYER, to meet all or part of the costs referred to in 4.2.2.1 and/or to increase benefits payable to MEMBERS by the FUND.
- 4.3.4 Any portion of any ACTUARIAL SURPLUS granted to the EMPLOYER in terms of Sections 15B, 15C and 15F of the ACT shall be credited to this account.
- 4.3.5 The EMPLOYER may request the BOARD to utilise the surplus as set out in Sections 15E and 15J of the ACT.
- 4.3.6 Any portion of any ACTUARIAL SURPLUS granted to the MEMBERS in terms of Sections 15B and 15C of the ACT shall be credited to this account.

4.4 Transferred surplus reserve account

- 4.4.1 A transferred surplus reserve account shall be maintained for each EMPLOYER under the FUND, to which shall be credited any amount required to be credited in terms of 9.1.1.2.
- 4.4.2 The amount standing to the credit of the transferred surplus reserve account for each EMPLOYER shall be increased by the share of any GAINS applied thereto in terms of 2.1.18.
- 4.4.3 The amount standing to the credit of the transferred surplus reserve account for each EMPLOYER shall be used, as decided by the TRUSTEES and with the agreement of the EMPLOYER, to meet all or part of the EMPLOYERS contributions required in terms of 4.2.1, unless otherwise specified in the SPECIAL RULES.

5 RETIREMENT BENEFITS

5.1 Benefit

- 5.1.1 The pension payable to a MEMBER on his retirement in terms of 5.2 shall be such amount as can be purchased by his FUND CREDIT at the date of his retirement.
- 5.1.2 The pension which becomes payable in terms of 5.1.1 may be purchased in the Member's name from a REGISTERED INSURER, and thereafter the FUND shall have no further liability in respect of the MEMBER, such liability resting with the

[Handwritten signature]

REGISTERED INSURER from whom the pension is purchased. The terms and conditions applicable to such pension, including options elected by the MEMBER and the determination of any benefits arising on his death, shall be subject to the provisions of the ACT and shall be set out in writing by the REGISTERED INSURER; provided that the pension so purchased shall be a compulsory, non-commutable, non-assignable pension, payable for life. Each MEMBER hereby appoints the ADMINISTRATORS as his duly authorised agent to facilitate the transfer of monies to a REGISTERED INSURER for the purposes of purchasing a pension.

5.2 Retirement

- 5.2.1 A MEMBER who has reached such minimum age as is specified in the SPECIAL RULES may, provided that such minimum age is not lower than the minimum retirement age specified by the COMMISSIONER, retire on the last day of any month occurring before he reaches his NORMAL RETIREMENT DATE.
- 5.2.2 A MEMBER who has not retired in terms of 5.2.1 must retire on reaching his NORMAL RETIREMENT DATE unless his EMPLOYER agrees to his remaining in SERVICE after that date.
- 5.2.3 If TRUSTEES, in consultation with the EMPLOYER, after considering medical or other evidence acceptable to it, is satisfied that a MEMBER has become totally and permanently incapable of efficiently carrying out his duties, it may agree to his retirement at any time before he reaches the NORMAL RETIREMENT DATE.
- 5.2.4 A MEMBER who is allowed to remain in SERVICE after his NORMAL RETIREMENT DATE shall retire on such later date as he agrees with his EMPLOYER.

5.3 Payment of benefit

- 5.3.1 Payment of the retirement benefit in terms of 5.1 shall be used to secure a life pension with a registered life assurer, provided that the Member, at his sole discretion, to commute all or part of the pension.
- 5.3.2 The benefit shall be paid after deduction of any tax payable on the benefit.

6 DEATH AND DISABILITY BENEFITS

6.1 Death in Service on or before Normal Retirement Date

If a MEMBER dies while in SERVICE, on or before the NORMAL RETIREMENT DATE, the Member's beneficiary or beneficiaries shall become entitled to the Member's INSURED PORTION (if applicable) plus his FUND CREDIT at the date of his death. Any benefit payable to a minor beneficiary may be paid in more than one payment in such amount as the TRUSTEES may from time to time consider appropriate and in the best interests of such beneficiary; provided that interest at a reasonable rate, having regard to the investment return earned by the FUND, shall be added to the outstanding balance at such times as the TRUSTEES may determine; provided further that any balance owing to such beneficiary at the date on which he attains majority or dies, whichever occurs first, shall be paid in full. Any benefit payable to a major beneficiary may be paid in more than one payment if the beneficiary consents thereto in writing and in addition consents in writing to the amounts of payments, intervals of payment and interest to be added; provided further that any such consent may be withdrawn on written notice of ninety days (or such shorter period as may be stipulated in the written consent), the balance of the benefit being payable to the beneficiary immediately upon expiry of such notice period.

6.2

Death in Service after Normal Retirement Date

If a MEMBER dies while in SERVICE after reaching his NORMAL RETIREMENT DATE, his FUND CREDIT at the date of death shall become payable to the Member's beneficiary or beneficiaries, unless the SPECIAL RULES otherwise specify.

6.3

Restrictions

6.3.1 The INSURED PORTION payable in terms of 6.1 shall be insured with a REGISTERED INSURER and shall not become due and payable unless the claim for the benefit has been admitted by the REGISTERED INSURER. If the claim is admitted by the REGISTERED INSURER, the INSURED PORTION shall be limited to the amount paid by the REGISTERED INSURER in consequence of such claim.

6.3.2 Where so required by the REGISTERED INSURER which is underwriting the benefit, a MEMBER may need to be examined by a medical practitioner in terms of the REGISTERED INSURERS underwriting requirements. Each MEMBER shall submit to a medical examination if this is necessary in terms of the REGISTERED INSURERS underwriting requirements or in order to maximize the value of benefits made available to the MEMBER in the event of his death. Each MEMBER accepts that, until such medical examination is completed, the level of

- 13 -

benefits in the event of death may be restricted to the free cover limit offered by such REGISTERED INSURER.

6.3.3 Depending on the results of this examination, the benefit, or part of the benefit payable in terms of 6.1, may be restricted in such manner as determined by the REGISTERED INSURER.

6.3.4 If any part of a death benefit payable in terms of 6.1 has been insured with a REGISTERED INSURER, then no increase in FUND SALARY during a period in which the MEMBER is disabled in terms of the Rules of the DISABILITY ARRANGEMENT shall apply for the purposes of that part of the death benefit which is so insured without the prior agreement of the REGISTERED INSURER.

6.4

Payment of benefit

6.4.1 Payment of the death benefit in terms of 6.1 shall be made in terms of section 37C of the ACT. Any decision in terms of section 37C shall be made by the TRUSTEES and from time to time in consultation with the EMPLOYER which employed the deceased MEMBER, notwithstanding that the TRUSTEES will have the final decision. The payment by the FUND to a Trustee contemplated in the Trust Property Control Act, 1988 for the benefit of the beneficiaries thereof shall be deemed to be a payment to such beneficiaries.

6.4.2 The benefit shall be paid after deduction of any tax payable on the benefit.

6.5

Disability Arrangement

6.5.1 Definition

A MEMBER will be classified as "disabled" in terms of this 6.5 if his condition is such as to satisfy the provisions governing disablement which is set out in the policy issued by the REGISTERED INSURER. "Disablement" has a corresponding meaning.

6.5.2 Benefit

6.5.2.1 If so specified in the SPECIAL RULES, a MEMBER who becomes temporarily or permanently disabled shall become entitled to be paid an amount or amounts on the basis set out in the SPECIAL RULES in terms

215

77

of a Disability Agreement; provided that on retirement, the Member's FUND CREDIT will, in addition, be paid to the MEMBER.

6.5.2.2 The FUND shall not acquire nor have any interest (whether financial or otherwise) nor invest in nor make any funds available to any REGISTERED INSURER or an EMPLOYER or a MEMBER in respect of any DISABILITY ARRANGEMENT.

6.5.2.3 The benefit shall be paid after deduction of any tax payable on the benefit.

7 TERMINATION OF SERVICE

7.1 Resignation or dismissal

A MEMBER who leaves SERVICE (other than in terms of 5) of his own free will or is dismissed by his EMPLOYER for reasons other than those provided for in 7.2, shall become entitled to a lump sum benefit equal to -

7.1.1 his PERSONAL ACCOUNT at the date of leaving SERVICE; plus

7.1.2 the EMPLOYER'S PORTION

7.2 Redundancy or retrenchment

A MEMBER who leaves SERVICE (other than in terms of 5) as a result of his having been declared redundant or having been retrenched, shall become entitled to his FUND CREDIT at the date of leaving SERVICE, unless the SPECIAL RULES specify otherwise.

7.3 Payment of benefit

7.3.1 The benefit in terms of this 7 shall be paid to the MEMBER as a lump sum. Payment shall be made as soon as is reasonably possible after the date of his leaving SERVICE.

7.3.2 Instead of receiving the benefit entirely as a lump sum, the MEMBER may transfer part, or all, of the benefit to another APPROVED PROVIDENT FUND, an APPROVED PENSION FUND or an APPROVED RETIREMENT ANNUITY FUND. Once this transfer has been made, the MEMBER shall have no further claim on the FUND.

7.3.3 If a Member leaves the service of a Participating Employer for any reason other than retirement, disablement or death;

The Member's Personal Account shall be made paid up until the Member's retirement date, death or disablement on the occurrence of which the benefits provided for in terms of these Rules shall become payable; or such Member shall be entitled to the balance of his Personal Account calculated at the end of the month during which the withdrawal occurred.

7.3.4 The benefit shall be paid after deduction of any tax payable on the benefit.

7.4

Employer's notification of reasons for termination of Service

For the purposes of establishing the benefit to which the MEMBER is entitled in terms of this 7, the FUND shall be entitled to act without further enquiry on the particulars given to it by the EMPLOYER of the reason for the Member's termination of SERVICE.

8

ABSENCE

8.1

When a MEMBER is on leave with full pay or with pay less than full pay and he is required to contribute to the FUND in terms of the SPECIAL RULES, he shall contribute in accordance with 4.1.1 and the EMPLOYER shall continue to contribute in respect of him in accordance with 4.2.1 and all benefits under the FUND in respect of him shall be maintained.

8.2

A MEMBER qualifying for a disablement benefit in terms of the RULES of a DISABILITY ARRANGEMENT shall, for the purposes of the FUND, until retirement, be deemed to remain in SERVICE. Contributions to the FUND shall continue to be made in accordance with the rules of the Disability Agreement.

8.3

If a MEMBER is on leave without pay, no contributions shall be made by him and the contributions made by the EMPLOYER in respect of him shall be limited to those required to maintain the death benefit payable in terms of 6.1, which benefit shall continue to be payable -

8.3.1

throughout the period of leave, if the Member's leave is due to sickness; or

Handwritten signature and initials at the bottom right of the page.

217

7.9

8.3.2 If the Member's leave is due to reasons other than sickness, for not longer than six months or such longer period up to twenty-four months as determined by the EMPLOYER and agreed by the REGISTERED INSURER.

TRANSFERS

9.1 Transfers into the Fund

9.1.1 The FUND shall, subject to and in accordance with section 14 of the ACT (or such other section as may govern the transfer of any business from a registered fund from time to time), receive such amount as becomes payable to the FUND by the PREVIOUS FUND as the result of the transfer of Members of that Fund to the FUND. Of the amount so transferred -

9.1.1.1 an amount equal to a Member's FUND CREDIT in the PREVIOUS FUND shall be transferred in respect of each MEMBER and shall be allocated as follows -

9.1.1.1.1 an amount determined by the PREVIOUS FUND to be equal to at least the Member's own contributions to that Fund up to the date of transfer from that Fund, or such other greater amount as may be specified in the SPECIAL RULES (if applicable) less any tax payable thereon, shall be applied under the MEMBER'S PORTION; and

9.1.1.1.2 the remainder shall be applied under the EMPLOYER'S PORTION; and

9.1.1.2 that part of the amount which is not transferred in respect of each MEMBER (if any) shall be applied under the benefit reserve account in terms of 4.3.1 or the transferred surplus reserve account in terms of 4.4.1, unless otherwise specified in the SPECIAL RULES.

9.1.2 If a MEMBER who was a Member of any other APPROVED PROVIDENT FUND or an APPROVED PENSION FUND prior to becoming a MEMBER of the FUND chooses to transfer the benefit to which he is entitled on leaving that Fund into the FUND, the amount so transferred shall be allocated to his MEMBER'S PORTION.

[Handwritten signature]

218

80

9.2 Transfers out of or within the Fund

9.2.1 If a MEMBER

9.2.1.1 is compulsorily transferred to the Service of a company or other organisation which is not a SUBSIDIARY of the participating EMPLOYER under the FUND, and if the transferred MEMBER becomes a Member of another APPROVED PENSION FUND or an APPROVED PROVIDENT FUND established for the benefit of the employees of the organisation to which he is transferred; or

9.2.1.2 while remaining in SERVICE, becomes a Member of another APPROVED PENSION FUND or APPROVED PROVIDENT FUND in which the EMPLOYER participates,

the Member's FUND CREDIT calculated at the date of his transfer, less (if applicable) such costs incurred by the ADMINISTRATORS in arranging such transfer, as may be determined by the TRUSTEES, and less any amounts payable in terms of existing legislation, shall be transferred to that Fund and the MEMBER shall have no further claim on the FUND.

9.2.2 If a MEMBER is compulsorily transferred to the Service of a company or other organisation which is a participating EMPLOYER under the FUND, then the Member's FUND CREDIT calculated at the date of his transfer shall be transferred and allocated in the manner in terms of 9.1.1 to the MEMBER'S PORTION and EMPLOYER'S PORTION in the records of the new participating EMPLOYER under the FUND and he shall have no further claim on the FUND with regard to the previous participating EMPLOYER.

9.2.3 If the circumstances provided for in 9.2.1 or 9.2.2 do not exist, the TRUSTEES, in consultation with the EMPLOYER, shall decide on the manner of dealing with the MEMBERS benefit entitlement subject to any requirements of the ACT and the COMMISSIONER

9.2.4 In determining a Member's FUND CREDIT for the purposes of 9.2.1 and 9.2.2, the TRUSTEES, after consultation with the VALUATOR, shall recommend what portion, if any, of the benefit reserve account referred to in 4.3 shall be paid in addition to the Member's FUND CREDIT.

[Handwritten signature]

219

81

- 18 -

10 TERMINATION

10.1 Termination of the Fund

10.1.1 The TRUSTEES may terminate the FUND at any time by giving six months' written notice to all the EMPLOYERS; provided that if the majority of the EMPLOYERS and the MEMBERS agree, the FUND may be continued on such terms and conditions as they may determine.

10.1.2 If the FUND is to be terminated, then the TRUSTEES shall, subject to the approval of the REGISTRAR, appoint a liquidator who must liquidate the FUND with effect from the date of the REGISTRAR'S approval of his appointment.

10.1.3 In accordance with the instructions of the liquidator, the total monies available under the FUND in respect of each of the EMPLOYERS, after payment of all expenses incurred in the liquidation in relation to each EMPLOYER shall be applied to provide benefits for all MEMBERS of each EMPLOYER on an equitable basis recommended by the VALUATOR and approved by the liquidator.

10.1.4 The procedure in terms of 10.1.3 shall be in accordance with the ACT and be subject to the following provisions -

10.1.4.1 The amount available for a MEMBER under 10.1.3 shall, as directed by the liquidator, either -

10.1.4.1.1 be transferred for his benefit to another APPROVED PENSION FUND, APPROVED PROVIDENT FUND, or APPROVED RETIREMENT ANNUITY FUND; or

10.1.4.1.2 if the MEMBER so requests, be paid to the MEMBER as a lump sum benefit; and (tax)

10.1.4.2 If a person to whom an amount is payable cannot be traced, the amount referred to in 10.1.4.1 shall be disposed of in terms of the scheme of arrangement for the liquidation of the FUND;

10.1.4.1.1
10.1.4.1.2
10.1.4.2

220

82

10.1.4.3 In making an apportionment in terms of 10.1.3 the liquidator shall take into consideration every former MEMBER who left SERVICE during the period of twelve months ending on the date of commencement of liquidation or such other period as may be determined by the liquidator, subject to the approval of the REGISTRAR. A former Member's apportionment may be reduced by the amount of the benefit which he received on leaving SERVICE.

10.1.5 When all payments have been made by the FUND in terms of 10.1.4, the FUND shall have no further liability to any person and its registration in terms of the ACT shall be cancelled.

10.2 Termination of participation in Fund by an Employer.

10.2.1 Any EMPLOYER participating in the FUND may, terminate its participation in the FUND, for any reason whatsoever, at any time, by giving six months written notice to the TRUSTEES unless the SPECIAL RULES otherwise specify.

10.2.2 On any EMPLOYER ceasing its participation as an EMPLOYER in the FUND, the FUND CREDIT of each MEMBER in the SERVICE of that EMPLOYER on a date determined by the TRUSTEES, shall, as directed by the TRUSTEES in consultation with the EMPLOYER, and in accordance with the ACT, either -

10.2.2.1 be transferred to another APPROVED PROVIDENT FUND, APPROVED PENSION FUND or APPROVED RETIREMENT ANNUITY FUND or to another participating EMPLOYER under the Fund; or

10.2.2.2 if the TRUSTEES so determines and subject to the restrictions imposed by and requirements of the COMMISSIONER from time to time (including any request that amounts owing to the COMMISSIONER be withheld by the FUND), be paid to the MEMBER as a lump sum benefit in which event the liquidation provisions in terms of 10.1 shall apply to the EMPLOYER'S termination of the FUND.

10.2.3 The EMPLOYER shall then cease to be an EMPLOYER in relation to the FUND and its MEMBERS shall cease to be MEMBERS and shall have no further claim on the FUND in respect of their participation in the FUND in relation to that EMPLOYER.

[Handwritten signature]

221

83

- 20 -

The FUND shall have the right to make such deductions from the benefits to which a MEMBER or other beneficiary is entitled in terms of the RULES as are permitted in terms of section 37D of the ACT and in respect of which a claim has been lodged in writing within such reasonable time of the event giving rise to the benefit as the TRUSTEES in consultation with the EMPLOYER may from time to time fix for making such claims.

12 MANAGEMENT OF THE FUND

12.1 Management structure

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

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

12.1.3 Alternates may, at the discretion of the TRUSTEES, be appointed or elected, as the case may be.

12.2 Internal Trustees

12.2.1 The ADMINISTRATORS shall appoint two TRUSTEES (hereinafter referred to as "Internal TRUSTEES") both of whom shall be employees of the ADMINISTRATORS or of any one of its Associated Companies, and may also appoint a TRUSTEE to fill any permanent vacancy from time to time.

12.2.2 An Internal Trustee shall cease to hold office -

12.2.2.1 if he gives written notice of resignation as a TRUSTEE to the FUND; or

12.2.2.2 if he ceases to be in the employment of the ADMINISTRATORS or of any one of its Associated Companies as a director; or

Handwritten signature/initials

222

84

12.2.2.3 If he has failed to attend three consecutive TRUSTEES' meetings without leave from the other TRUSTEES; or

12.2.2.4 If the other TRUSTEES resolve that he be removed from office; or

12.2.2.5 If the ADMINISTRATORS resolve that he be removed from office; or

12.3

External Trustees

12.3.1 The ADMINISTRATORS shall appoint at least two, but not more than four, TRUSTEES who are not in the employment of the ADMINISTRATORS or of any one of its Associated Companies or any EMPLOYER or any other person which is appointed by the FUND for any purpose in terms of these RULES (hereinafter referred to as "External TRUSTEES"). The ADMINISTRATORS may also appoint a Trustee to fill any permanent vacancy from time to time.

12.3.2 An External Trustee shall cease to hold office -

12.3.2.1 If he gives written notice of resignation as a TRUSTEE to the FUND; or

12.3.2.2 If he has failed to attend three consecutive Trustee meetings without leave from the other TRUSTEES; or

12.3.2.3 If the other TRUSTEES resolve that he is to be removed from office; or

12.3.2.4 If the ADMINISTRATORS resolve that he be removed from office; or

12.3.2.5 If the majority of MEMBERS or the EMPLOYERS resolve that he is to be removed from office.

12.4

Disqualification for holding office as Trustees

No person in any of the following categories shall be eligible for appointment as a TRUSTEES Member (and if a Trustee at any time falls in any such category he shall cease to hold office) -

12.4.1 a minor or any person who is insane or otherwise incapable of acting;

[Handwritten signature]

223

85

- 22 -

12.4.2 any person who is disqualified from being a director in terms of an order under the Companies Act, 1973;

12.4.3 an unrehabilitated insolvent;

12.4.4 any person removed from an office of trust on account of misconduct;

12.4.5 any person who has been convicted and sentenced either to imprisonment without the option of a fine or to a fine exceeding R100 for one of the following - theft, fraud, forgery or uttering a forged document, perjury, an offence under the Corruption Act, 1992, any offence involving dishonesty or any offence in connection with the promotion, formation or management of a company.

12.5

Term of office and remuneration

12.5.1 The TRUSTEES appointed in terms of 12.2 and 12.3 shall hold office until the close of the TRUSTEES' meeting which concludes the ordinary business of the FUND for the fifth FINANCIAL YEAR, unless they cease to hold office in terms of 12.2.2 or 12.3.2. The TRUSTEES so retiring shall be eligible for re-appointment. The provisions of this 12.5.1 shall apply, mutatis mutandis, to new or re-appointed TRUSTEES.

12.5.2 Notwithstanding the provisions of 12.5.1, the TRUSTEES shall cease to hold office at the end of the period of notice given in terms of 10.1 and, if the FUND is to continue in force after that date, the RULES shall be altered with effect from that date to set out the conditions governing the management of the FUND as from that date.

12.5.3 The Internal TRUSTEES appointed in terms of these RULES shall not be entitled to any remuneration for their Services as such.

12.5.4 The External TRUSTEES appointed in terms of these RULES shall be entitled to such remuneration for their Services as recommended by the ADMINISTRATORS and decided by the Internal TRUSTEES from time to time.

12.6

Meetings of Trustees

12.6.1 The chairman shall be elected annually by all the TRUSTEES from among their number. If the chairman of the TRUSTEES is absent from any meeting, the TRUSTEES shall elect a chairman for that meeting from their number.

see
A. L. G.

224

86

12.6.2 The TRUSTEES shall meet from time to time to conduct the business of the FUND, but not less than twice in any FINANCIAL YEAR. Four TRUSTEES shall form a quorum, provided that a majority of External TRUSTEES is present.

12.6.3 Notice of at least fifteen days for ordinary meetings shall be given to the TRUSTEES unless the TRUSTEES agree to waive such notice period. Minutes of all meetings must be kept.

12.6.4 At all meetings of the TRUSTEES, the decision of the majority shall be binding. If no majority decision can be reached on any matter, the matter shall be referred to the next meeting of the TRUSTEES. If no majority decision can be reached at that meeting, the matter shall be referred, for a recommendation, to a person agreed to by the TRUSTEES and suitably qualified in the matter in dispute.

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

12.6.6 In the event that the TRUSTEES are unable to agree as to which suitably qualified person, or arbitrator the matter should be referred, as the case may be, then the suitably qualified person or arbitrator shall be appointed by the Arbitration Foundation of Southern Africa. Any costs incurred in resolving disputes shall be met by the FUND.

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

12.7 Other appointments

12.7.1 The TRUSTEES shall appoint a VALUATOR and an AUDITOR to the FUND and may withdraw such appointment and make another appointment in its place at any time.

12.7.2 The ADMINISTRATORS shall be appointed to act as ADMINISTRATORS to the FUND. The TRUSTEES may terminate such appointment and make another in its place.

Handwritten signature/initials

225

87

12.7.3 The TRUSTEES shall appoint a PRINCIPAL OFFICER in terms of the ACT and may withdraw any such appointment and make another appointment in its place at any time. If the PRINCIPAL OFFICER is absent from the RSA, or is otherwise unable to perform his duties, the TRUSTEES shall, within thirty days, appoint another person to act as PRINCIPAL OFFICER for the period of his absence or inability.

12.7.4 The PRINCIPAL OFFICER shall be entitled to such remuneration for his services as recommended by the ADMINISTRATORS and decided by the TRUSTEES from time to time.

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

12.8 Indemnification of officers of Fund

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

12.8.2 The TRUSTEES shall ensure that the FUND is insured against any loss resulting from the gross negligence, dishonesty or fraud of any of the TRUSTEES or of the PRINCIPAL OFFICER.

12.9 Sub-committees

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

13 FINANCIAL PROVISIONS

13.1 Investments

Handwritten signature or initials at the bottom right corner.

226

88

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

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

13.1.3 The TRUSTEES shall have power to effect policies of insurance with one or more REGISTERED INSURERS for the purpose of insuring the INSURED PORTION payable in terms of these RULES.

13.1.4 The TRUSTEES may, subject to the requirements of the REGISTRAR, obtain an overdraft from a bank or borrow from an EMPLOYER or any other party, on such terms as they think fit, such sums as they approve for the purpose of completing any investment or meeting any temporary cash shortage and for this purpose may give such security as they decide.

13.1.5 All title deeds and securities must be registered in the name of the FUND or in the name of such nominee company acceptable to the REGISTRAR as the TRUSTEES may appoint. The documents of title registered in the name of the FUND in connection with any investment or asset of the FUND must be kept in safe custody at the registered office of the FUND or in a banking institution, as decided by the TRUSTEES. Any documents of title registered in the name of a nominee company in connection with any investment or asset of the FUND must be kept in safe custody at the registered office of that company or in a banking institution, as decided by that company.

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

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

13.1.6.2 a financial institution as defined in the Financial Institutions (Investment of Funds) Act, 1984;

Handwritten signature/initials

227

89

13.1.6.3 a person approved in terms of section 4(1)(a) of the Stock Exchanges Control Act, 1988; or

The TRUSTEES shall not be liable for the negligence, dishonesty or fraud of an institution referred to in 13.1.7.2 or a person referred to in 13.1.7.3

13.1.7. The TRUSTEES, after consultation with the participating EMPLOYER, shall have the power, in terms of and in accordance with these RULES, to-

13.1.7.1 transfer the assets and liabilities of the FUND, or a portion thereof, to another APPROVED PENSION FUND or to an APPROVED PROVIDENT FUND or to take transfer of the assets and liabilities, or a portion thereof, of another APPROVED PENSION FUND or APPROVED PROVIDENT FUND; and

13.1.7.2 receive the amount payable to the FUND by reason of the transfer from the PREVIOUS FUND to the FUND of those MEMBERS who became MEMBERS in terms of 9.1.

13.2 Housing loans

13.2.1 The TRUSTEES shall have the power to grant a loan to a MEMBER for a purpose referred to in section 19(5)(a) of the ACT. Such loan shall be subject to the provisions set out in section 19(5)(b), (c) and (cA) of the ACT.

13.2.2 The TRUSTEES shall also have the power to furnish a guarantee in respect of a loan by some other person to a MEMBER for a purpose referred to in section 19(5)(a) of the ACT and, if so required for such purpose, may make a deposit in pledge with a bank or building society as collateral security. Such guarantee shall be subject to the provisions of the ACT and the requirements of the REGISTRAR.

13.3 Expenses

The administration expenses of the FUND shall be paid by each EMPLOYER, subject to the administration agreement entered into with the ADMINISTRATORS. Any other general expenses in connection with or incidental to the management of the FUND shall be met by the FUND.

13.4 Accounts

[Handwritten signature]

228

90

- 27 -

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

14 ADMINISTRATION OF THE FUND

14.1 The FUND shall be administered by the ADMINISTRATORS appointed by, and acting on the instructions of the TRUSTEES. The ADMINISTRATORS may contract such other Administrators registered in terms of the ACT, including any ASSOCIATED COMPANY of the ADMINISTRATORS, to perform such of the administrative functions of the FUND as the ADMINISTRATORS deem appropriate.

14.2 The EMPLOYERS shall from time to time furnish to the FUND in respect of those employees who are MEMBERS all necessary particulars affecting their benefits or their entitlement to benefits. The FUND shall be entitled to act upon such particulars without further enquiry and shall not be responsible to any MEMBER or to the EMPLOYER or to any other person or body whatsoever for any misstatements or errors or omissions which may be contained in such particulars.

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

14.4 All cheques of the FUND shall be issued by the ADMINISTRATORS and all contracts and other documents pertaining to the FUND shall be signed by such persons as the FUND may appoint; provided that documents to be deposited with the REGISTRAR must be signed in the manner set out in the ACT.

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

14.6 The ADMINISTRATORS shall keep full and true accounts of the FUND as required in terms of 13.4.

14.7 Transfers of monies to and by the FUND may be effected electronically or otherwise via direct transfers into and from nominated bank accounts and the FUND may utilise such electronic commerce, internet banking and other electronic facilities as may be available for these purposes.

228
90

229

91

15 ALTERATIONS

15.1 The TRUSTEES may alter these RULES at any time; provided that any change which has an impact on the operation of the FUND shall be subject to the consent of the ADMINISTRATORS.

15.2 No alteration to the RULES which affects the financial condition of the FUND may be made until it has been approved by the VALUATOR.

15.3 No alteration to the SPECIAL RULES shall be made without the consent of the EMPLOYER including alterations which affects an EMPLOYERS financial contribution to the FUND, until it has been approved by the EMPLOYER.

15.4 All alterations to the RULES shall be submitted to the REGISTRAR, the COMMISSIONER Authorities and any other statutory authority which so requires.

15.5 If the registration of any alteration to these RULES in terms of the ACT is effected on a date after the effective date of the alteration, the alteration shall nevertheless take effect from the effective date as stated in the alteration.

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

16 INTERPRETATION OF RULES

16.1 The decision of the TRUSTEES as to the meaning of or interpretation of these RULES or part of a rule and the decision of the TRUSTEES, in consultation from time to time with the EMPLOYER, as to the meaning of or interpretation of the applicable SPECIAL RULES or part of a Special Rule shall be final and binding on the EMPLOYERS, MEMBERS and every person claiming to be entitled to a benefit under these RULES, subject to the provisions of section 30A of the ACT.

16.2 Any question which may arise with regard to a claim by any person under these RULES shall be decided by the TRUSTEES, subject to the provisions of section 30A of the ACT.

16.3 If any person affected by a decision of the FUND in terms of 16.1 or 16.2 is dissatisfied with the decision, he shall have the right to -

Handwritten signature and initials

230

92

16.3.1 lodge a written complaint as envisaged in section 30A of the ACT. If such person remains dissatisfied, he may lodge his complaint with the pension funds adjudicator appointed in terms of the ACT which shall be dealt with in accordance with sections 30D to 30P of the ACT; or

16.3.2 refer the matter to arbitration in accordance with the provisions of the Arbitration Act, 1965. Notice of intention to exercise such right must be given by the person concerned to the FUND not later than three months from the date of the FUND'S decision and, before the arbitration commences, the person concerned must furnish such security for the costs of the arbitration as the TRUSTEES may reasonably require. The costs of the arbitration shall be in the discretion of the arbitrator.

16.4 The EMPLOYER, the TRUSTEES (or one or more of their number) or any other person having a complaint or dispute of fact or law shall, notwithstanding anything to the contrary in these RULES, have the right to invoke the complaint procedures in accordance with the ACT.

17 MISCELLANEOUS PROVISIONS

17.1 Subject to payment of such fee as the FUND may require, a MEMBER shall be entitled, on application, to a copy of these RULES and the SPECIAL RULES which are applicable to his EMPLOYER or, if the MEMBER so requests, a summary of such RULES, if available.

17.2 Subject to payment of such fee as the FUND may require, a MEMBER shall also be entitled on application to a copy of any latest revenue account and statement of investments of the particular participating EMPLOYER under the FUND.

17.3 Each MEMBER must produce evidence of age acceptable to the FUND and must also give such other information as may reasonably be required for the purposes of the FUND.

17.4 Payment of each benefit in terms of these RULES shall be made to the person entitled thereto at the registered office of the FUND.

17.5 Should a beneficiary request postage by ordinary mail of a cheque or cheques, the beneficiary shall carry the risk of a cheque being lost in the post or being stolen.

17.6 Payment in terms of 17.4 or 17.5 shall constitute full and final settlement of all claims against the FUND and neither the FUND, the TRUSTEES nor the ADMINISTRATORS or its agents shall have any further liability for the benefit to any person.

[Handwritten signature]