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17.7 All benefits and rights to benefits in terms of these RULES shall be subject to the prohibitions, inter alia, as to reductions, and cessations, contained in sections 37A and 37B of the ACT.

17.8 If a benefit due under the FUND, other than a benefit payable in terms of 6, is not claimed within three years after the date on which it became due for payment, the benefit shall revert to the FUND; provided that if a potential beneficiary approaches the FUND at any stage thereafter, the TRUSTEES shall consider his claim and if the circumstances so warrant, shall pay the benefit to the beneficiary, together with such proportionate share of the GAINS earned by the FUND, as they may allow.

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

17.10 No person shall have any claim concerning the FUND either upon the FUND, the TRUSTEES, the ADMINISTRATORS or its agent, or against the Employers, except in accordance with these RULES.

17.11 Admission to membership of the FUND shall be regarded as an acknowledgement by the MEMBER that he agrees that these RULES, including any alteration to these RULES, and any applicable SPECIAL RULES, shall be binding upon him and upon any person claiming to derive a benefit under the FUND by virtue of his membership.

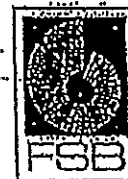
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FINANCIAL SERVICES BOARD

Rigel Park 446 Rigel Avenue South Erasmusrand Pretoria South Africa
PO Box 35656 Menlo Park Pretoria South Africa 0102
Tel (012) 428-8000 Fax (012) 347-0221 e-Mail info@fsb.co.za
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Enquiries : Benny Moloko D. Dialing No. : 012 428 8005
Our ref : 12/8/37452/1 Fax : 012 347 8787
Date : 22/03/2007 e-mail : bennym@fsb.co.za

Mr Cassim Patel
Dynam-ique SA Consultants and Actuaries
Private Bag X30500
HOUGHTON
2041

CASE NUMBER: 150078

Dear Sir

AMENDMENT NO.1: IF UMBRELLA PROVIDENT FUND

Your application dated 22 November 2006 refers. I have enclosed a copy of the Amendment duly approved and registered in terms of section 12(4) of the Pension Funds Act, No. 24 of 1956.

Yours faithfully

Benny Moloko
for REGISTRAR OF PENSION FUNDS



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AMENDMENT TO THE GENERAL RULES
OF THE IF UMBRELLA PROVIDENT FUND
12/8/37452.

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 17 November 2006 at Parktown T.M.S.

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: 3rd 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

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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

.....
21/11/06
DATE

[Signature]
.....
CHAIRPERSON

.....
22/11/06
DATE

[Signature]
.....
TRUSTEE

.....
22/11/06
DATE

DEUR MY BENEGISTREER OP HIERE DIE REGISTERED BY ME ON THIS THE
22
DAG VAN <i>March</i> 2007
DAY OF <i>March</i>
REGISTRAR OF PENSION FUNDS

[Handwritten signature]

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FINANCIAL SERVICES BOARD

Rigel Park 448 Rigel Avenue South Erasmusrand Pretoria 0181 South Africa
PO Box 36855 Menlo Park Pretoria 0102 South Africa
Tel +27 12 428 8000 Fax +27 12 347 0221 E-mail info@fsb.co.za
Toll free 0800 110443 Internet http://www.fsb.co.za



ENQUIRIES: Victoria Mollong
OUR REF: 12/8/37452
DATE: 07 September 2009

D. DIALING NO.: 012 367 7223
FAX: 012 347 8787
E-MAIL: victoriam@fsb.co.za

Cassim Patel
Aon South Africa (Pty) Ltd
P.O. Box 1874
Parklands
Gauteng
2121

CASE NUMBER: 210410

Dear Sir

AMENDMENT DOCUMENT 2 TO THE RULES: IF UMBRELLA PROVIDENT FUND

Your letter of 7 July 2009 refers. I have enclosed a copy of the Amendment duly approved and registered in terms of section 12(4) of the Pension Funds Act, No. 24 of 1956.

Yours faithfully

FOR REGISTRAR OF PENSION FUNDS

Enclosure



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AMENDMENT NO. 2

TO THE RULES OF THE

IF UMBRELLA PROVIDENT FUND

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IF UMBRELLA PROVIDENT FUND

Extract from the minutes of a meeting of the TRUSTEES of the IF Umbrella Provident 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

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2.6.19.5 transfers to the Expense Reserve Account in respect of AD
HOC. 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;"

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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;

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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 EARNINGS 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 EARNINGS 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

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1.4.6


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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

REGISTERED BY ME ON THIS THE
8
DAY OF September 2009

Registrar of Pension Funds

Yao
MG

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IF UMBRELLA PROVIDENT FUND

12/8/37452

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 Provident 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".

6.1.3. Should the ADMINISTRATOR fail to appoint a TRUSTEE within 45 days from the date of being notified of the vacancy, or if the ADMINISTRATOR advises the TRUSTEES that it waives its right to appoint TRUSTEES as contained in Rule 6.1.2, the TRUSTEES will be entitled to appoint a TRUSTEE.

- 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.

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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

10/10/2010
 DATE

[Signature]
 CHAIRMAN, BOARD OF TRUSTEE

10/12/2010
 DATE

[Signature]
 MEMBER, BOARD OF TRUSTEE

10/12/2010
 DATE

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IF UMBRELLA PENSION FUND

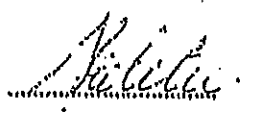
Resolution of the Trustees of the IF Umbrella Pension Fund;

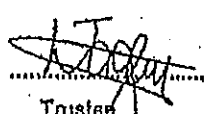
Resolved:


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

Certified:

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


.....
Chairman of Trustees


.....
Trustee

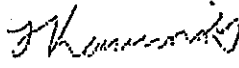


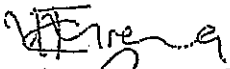
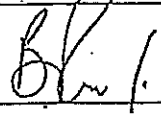

.....
Principal Officer

Deur my voorlopig gereguleer op hierdie die
Registered provisionally by me on this the
.....
dag van 04
day of October 2004
.....
REGISTRATEUR VAN PENSIOENFONDSE
REGISTRAR OF PENSION FUNDS



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THE MEETING OF THE TRUSTEES OF THE IF UMBRELLA PENSION AND PROVIDENT
FUNDS HELD AT THE OFFICES OF DYNAM-IQUE SA IN PARKTOWN
ON 27 SEPTEMBER 2006

Name	Designation	Signature
Tony Kamionsky	Trustee	
Renier Botha	Independent Trustee and Chairman	
Oswald Mokoena	Principal Officer	
Tammy Murewa	Trustee	
Brian Rosen	Independent Trustee	

MINUTES OF THE MEETING OF THE TRUSTEES OF THE IF UMBRELLA PENSION AND PROVIDENT FUNDS HELD AT 10H00 ON WEDNESDAY 27 SEPTEMBER 2006 AT DYNAM-IQUE SA HEAD OFFICE, PARKTOWN

PRESENT:	Tony Kamlonsky	(TK)	Trustee and Chairperson
	Jammy Murewa	(TM)	Trustee
	Oswald Mokoena	(OM)	Principal Officer
	Renier Bôtha	(RB)	Independent Trustee
	Brian Rosen	(BR)	Independent Trustee

1. Welcome

TK welcomed all the Trustees and declared the meeting open.

2. Apologies

There were no apologies.

3. Replacement of Principal Officer, Independent Trustee and Trustees

TK indicated that Lorraine Jager had resigned from Dynam-ique SA, Consultants and Actuaries and simultaneously resigned as the Trustee of the IF Umbrella Pension and Provident Funds and Claire Mol has also resigned as Principal Officer and Trustee. TK advised that these two sponsor appointed Trustees had been replaced by himself and Ms Tammy Murewa. The Independent Trustees were happy with this. TK further proposed that Oswald Mokoena take over as Principal Officer and the Trustees approved this appointment. It was also agreed that TK should take over the chairmanship of the Fund as this was most practical and cost effective when it comes to signing documents.

BR suggested that both Lorraine Jager and Claire Mol should furnish the Trustees with formal resignation letters for record purposes.

Action: OM

TK advised that as the IF umbrella funds and the Dynam-ique SA umbrella funds were both now sponsored and administered by Dynam-ique SA it makes sense to have the same Trustees for both Umbrella Funds. The Trustees are now the same on both funds with the exception of BR. In this regard it was therefore felt that BR should be replaced as an Independent Trustee which TK felt was also appropriate given his involvement with the administration systems of Dynam-ique SA. BR advised that he supports the decision and he would step down.

The Trustees discussed possible alternative Independent Trustees and all were in agreement that Ms. Gail le Greiller would be a suitable candidate given she has experience in being an Independent trustee and vast experience in the industry and she is a qualified lawyer. It was agreed that TK make contact with her to see if she would be willing to stand.

Action: TK

4. Acceptance of Minutes of the Previous Meeting

The minutes of the meeting held on 13 March 2006 were accepted as a true reflection of the matters discussed by those who were present at that meeting.

5. Matters Arising from the Minutes of the Previous Meeting

Surplus Apportionment

BR suggested that TK should follow up with the Fund's Actuary (Vivian Cohen) to find out how far he was with compiling the necessary figures/paperwork for a nil surplus submission. TK suggested that the fund should also be made valuation exempt as the fund does not have any reserves/surplus. Being valuation exempt would also be more practical and cost effective as you would then not need a Valuator to sign all the transfers.

Action: TK



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Members within 5 years to retirement

BR enquired as to what was being done to advise members who are within five years of retirement as he felt members should be given advice on this matter. It was felt that this was the duty of the brokers to ensure that members be given proper advice with regards to their investments. It was agreed that the Trustees could not issue standard advice as the circumstances were different for each person and the best that the Trustees could do was to issue a general communication drawing the brokers attention to this advice issue. TK suggested that a communiqué could be send out to brokers following each Trustee meeting communicating items of relevance that the Trustees have discussed. TK offered to draft a template for such a communication.

Action: TK

6. Administration Report

The Trustees went through the administrator's reports on the Funds. The reports consisted of the following:

- a) Investment Value Reports for the period 1 March 2006 to 31 August 2006
- b) Contributions received for the period 1 March 2006 to 31 August 2006
- c) Schedule of claims paid for the period 1 March 2006 to 31 August 2006
- d) Schedule of outstanding claims for the period 1 March 2006 to 31 August 2006
- e) Membership Statistics for the period 1 March 2006 to 31 August 2006
- f) Members due to retire within 5 years.

Mr Tim Brookes, the administrator, joined the meeting and gave additional input concerning the reports. A concern was raised with regards to the large number of outstanding claims. Mr Brookes confirmed that the backlog had largely been cleared now and an updated report as at today's date would show relatively few outstanding claims. At this point Mr Brookes left the meeting.

The Trustees raised a concern with regard to the lack of Membership Statistics and requested from the Administrator that in future this report should reflect the figures i.e. membership as at the beginning of the period, new entrants, withdrawals, deaths, and closing memberships. The Trustees pointed out that the report does not in future need to include the members who are within 5 five years of retirement given the earlier discussion on this issue.

The Trustees enquired as to whether there were any schemes in arrears and if any what was being done to remedy this. Ms Fowler joined the meeting for this issue and brought to the attention of the Trustees that one of the Funds, namely Absolute Hardware, had not paid the contributions for some time and she has advised the FSB and the broker. This fund is unlikely to be a problem however as there is only one member on the fund who is the head of the company and the person responsible for paying premiums.

7. New Matters

General Rules:

The Trustees agreed that the Stamped General Rules should be made available at every meeting.

Action: OM

Fidelity Cover:

The Trustees enquired as to whether there was a Fidelity Cover in place and requested that OM should look into this matter.

Action: OM

Financials:

It was brought to the attention of the Trustees that the Financials have not yet been submitted and an extension was originally granted and followed by a blanket extension which was granted to all the schemes. It was suggested that another request should be made for a further short extension although it is understood the chances of getting a new extension were minimal.

Action: OM

W.G.

Investments:

TK brought to the attention of the Trustees that the offering of Investment Portfolios on this Umbrella was quite broad and he is of the view that we need to possibly limit the investment options and establish an investment policy and process for admitting new managers. TK cited the Dynam-ique Sa Umbrella Funds which are a lot more restrictive in their investment offering. It was agreed that TK would draft an investment policy and circulate to the Trustees for comment.

Action: TK

8. Date of Next Meeting

It was agreed that the meeting will be held towards the end of November 2006, however this may change depending on the availability of the Trustees.

With no further business to discuss the meeting adjourned at 11h15

J. Hammond
CHAIRMAN

22/11/06
DATE

[Signature]

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MINUTES OF THE MEETING OF THE TRUSTEES OF THE DYNAM-IQUE SA UMBRELLA PENSION AND PROVIDENT FUNDS AND THE IF UMBRELLA PENSION AND PROVIDENT FUNDS HELD AT 10H00 ON WEDNESDAY 22 NOVEMBER 2006 AT DYNAM-IQUE SA HEAD OFFICE, PARKTOWN

PRESENT:	Tony Kamlonsky	(TK)	Trustee and Chairperson
	Tammy Murewa	(TM)	Trustee
	Gail le Grelfier	(GLG)	Independent Trustee
	Renfer Botha	(RB)	Independent Trustee
	Oswald Mokoena	(OM)	Principal Officer

1. Welcome

TK welcomed the newly constituted Board of Trustees to the first combined meeting of the Dynam-ique SA Umbrella Funds and the IF Umbrella Funds and declared the meeting open. A special welcome was extended to GLG who was attending a trustees meeting of these funds for the first time. The Board confirmed the continued appointment on both sets of umbrella funds of TK as the Chairman of the Trustees and the continued appointment of OM as the Principal Officer.

2. Apologies

There were no apologies.

3. Replacement Independent Trustee

TK reconfirmed that GLG has accepted an invitation to join as an Independent Trustee on both sets of umbrella funds (Dynam-ique SA and IF). GLG is a qualified lawyer and has extensive experience in the retirement funds industry. A request was made to the Principal Officer to furnish the trustees with a note on the rules of both sets of Umbrella funds highlighting what the rules say about the constitution and quorum of the Board and any key differences in the rules between the two sets of umbrella funds.

Action: OM

TK also asked the trustees to make sure that they supply their personal details to OM in order to have a trustee register in place. It was also agreed that OM would set up a register for conflicts of interest and gifts.

Action: OM

O.M. advised that a file was available comprising Rules, Administration Agreements and Administration Manual and that this could be scrutinised by the Trustees at all Trustee meetings.

4. Acceptance of Minutes of the Previous Meeting

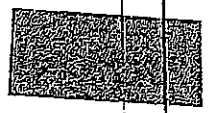
The minutes of the meeting held on 30 August 2006 were accepted as a true reflection of the matters discussed by those who were present at that meeting.

5. Matters Arising from the Minutes of the Previous Meeting

Auditors

TK requested TM to give an update on how far the auditors were in finalising the 2005/2006 audit. TM advised that the Dynam-ique SA Umbrella Pension Fund audit was complete and the auditor was waiting for TM to review the draft and send it to the other trustees for their comments. As far as the Dynam-ique SA Provident Fund goes there are some questions that the auditor wants to be answered and corrections to be made to certain numbers. The draft should be shortly available for review by the trustees once the queries are sorted out. The audit for both the IF Umbrella Pension and Provident Funds were still underway and with these audits TM had a concern that the auditor was taking too long. TM advised that the funds were currently enjoying the blanket extension which applies to the 2005/2006 audit period, but she would ensure that the audits are completed as soon as possible.

Action: TM



Investment Policy

TK tabled a document detailing a proposed Investment Policy for the funds for scrutiny and approval by the trustees. GLG queried which investment portfolios were currently available to clients. TK advised that Allan Gray and their LISP platform and Investment Solutions were the current default portfolios. On the IF Umbrella Funds acsis were also used quite extensively. The Investment Policy provides for additional asset managers/portfolios to be added subject to their being a business justification and subject to the manager passing a due diligence. It was suggested that the Investment Policy should actually be incorporated into the Rules of the fund which TK should look at once the Investment Policy is finalised. A final suggestion was that the Rules should make provision for a Participating Employer appointing an Agent (broker/consultant) who could give investment or other instructions on their behalf. It was agreed that the Investment policy would be distributed to all the Trustees for final comment.

Action: TK

6. Principal Officer's Fees

TK advised that he brought up this subject as he felt the PO needs to be remunerated for the work that he does for the Funds and it was also standard market practice for the Fund to pay the Principal Officers for the work they do on the fund. TK proposed a figure of around R 1,500.00 per month per fund and the Trustees agreed on R1,000.00 per month per fund with immediate effect. The fee would be paid to Dynam-ique SA who in turn remunerate the Principal Officer.

Action: TM

7. Housing loans – Providers and Trustees responsibility

TK advised that housing loan agreements are being put in place for both sets of umbrella funds. TK asked the trustees what their feeling is as to what is the responsibility of the Trustees w.r.t. approving housing loans. He also pointed out that there was one particular employer who was keen to have housing loan guarantees via the fund made available to his staff. The trustees discussed this and the feeling is that as long as the rules of the fund permit this facility they support it and utmost care should be taken with regard to the abuse of this benefit and banks should be requested to ensure that when they grant loans to individuals it is for genuine housing loan purposes.

8. Noting of New Participating Employers

The Trustees requested that a list of new principal employers should be made available to the trustees at every meeting.

Action: OM

9. Administration Report

OM tabled the Administration Report detailing the following:

- a) Investment Policy Reports as at 31 October 2006
- b) contributions for the period: 1 August 2006 to 31 October 2006
- c) Schedule of claims paid for the period: 1 August 2006 to 31 October 2006
- d) Schedule of outstanding claims as at 31 October 2006
- e) Membership Statistics for the period: 1 August 2006 to 31 October 2006

There were some issues relating to the above reports and the trustees needed clarification on them. At this stage Ms Busisiwe Muzi, the Head of Administration from Dynam-ique SA, was called into the meeting. Busisiwe addressed the queries and informed the trustees that Dynam-ique SA were implementing a Workflow system in 2007 which would allow for more comprehensive and accurate reporting on the claims paid and the outstanding claims.

The trustees requested that in future the Admin reports across the two sets of umbrella funds be standardised wherever possible. OM will request this from the administrator.

Action: OM

It was also noted that one of the funds had a lot of money in cash which is generally not the ideal investment for a pension fund. The trustees debated whether they should put a default investment portfolio in place on the funds however it was felt

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that due to these funds being open umbrella funds there would not be one portfolio that would be suitable to all participating employers and hence it was decided that no default portfolio should be put in place.

10. Report on Compliance issues

The Trustees requested that for all future meetings they be given feedback on all the following compliance issues:

- a. Regulation 28 compliance
- b. Audited Financials
- c. Late or non-payment of contributions
- d. Forex reports
- e. RFT.

11. New Matters

There were no new matters to discuss

12. Date of Next Meeting

The next meeting will be held on 22 March 2006 at 10:00 at Dynam-Ique SA's offices.

With no further business to discuss the meeting closed at 12h00

Thammond
CHAIRMAN

16/8/07
DATE

AND IF

THE MEETING OF THE TRUSTEES OF THE DYNAM-IQUE SA UMBRELLA PENSION AND PROVIDENT FUNDS HELD AT THE OFFICES OF DYNAM-IQUE SA IN PARKTOWN ON 22 MARCH 2007

Name	Designation	Signature
Tony Kamionsky	Chairman and Trustee	<i>Thammond</i>
Renier Botha	Independent Trustee	<i>[Signature]</i>
Gail le Grellier	Independent Trustee	<i>[Signature]</i>
Tammy Murewa	Trustee	<i>[Signature]</i>
Oswald Mokoena	Principal Officer	<i>[Signature]</i>

Chf

QL8

**MINUTES OF THE MEETING OF THE TRUSTEES OF THE
DYNAM-IQUE SA UMBRELLA PENSION AND PROVIDENT FUNDS
AND THE
IF UMBRELLA PENSION AND PROVIDENT FUNDS
HELD AT 10H00 ON WEDNESDAY, 22 MARCH 2007
AT DYNAM-IQUE SA HEAD OFFICE, PARKTOWN**

PRESENT:	Tony Kamlonsky	(TK)	Trustee and Chairperson
	Tammy Murewa	(TM)	Trustee
	Gallie Grellier	(GLG)	Independent Trustee
	Renier Bolha	(RB)	Independent Trustee
	Oswald Mokoena	(OM)	Principal Officer

1. Welcome

TK welcomed all to the combined meeting of the Dynam-iqwe SA Umbrella Funds and the IF Umbrella Funds and declared the meeting open.

2. Apologies

There were no apologies.

The trustees suggested that in future there be one Agenda for both the Dynam-iqwe and the IF Funds.

3. Acceptance of the Minutes of the Previous Meeting

The minutes of the meeting held on 22 November 2006 were accepted, but not signed due to a wording change that should be rectified by the PO and the PO should then hand the minutes to the Chairman for signing.

4. Matters Arising from the Minutes of the Previous Meeting

4.1 Audited Financial Statements

TM brought to the attention of the trustees that she was still waiting for the auditors of the Dynam-iqwe SA Umbrella schemes to forward the final drafts of the Financials. The draft for the Pension Fund was given to her towards the end of 2006 and she requested OM to have a look at it as she was not sure about the accuracy of the report OM picked up some errors on the draft.

The errors were fixed and the draft sent back to the auditors to produce a final draft.

The auditors have not yet forwarded the final draft at the time of this meeting

With regards to the IF Umbrella Funds the Pension Fund audit queries have been resolved by Dynam-iqwe SA and the documents were ready to be sent to the auditors. The IF Provident Fund was not yet ready and they were expecting it to be ready shortly.

Action: TM

4.2 Investment Policy

The Trustees reconfirmed their stance of only allowing asset managers on our standard platform. The trustees expressed a concern that there could be a tendency amongst the brokers to appoint Investment Managers for a fee unknown to the trustees. This practice poses a problem since the trustees have to know about this and also the trustees have a responsibility as far as investment of fund monies goes.

5. Register of conflicts of interest

OM tabled a document bearing the title Declaration of Interest Guideline. This was to assist the trustees to understand what constitutes conflict of interest.

The trustees agreed that a form should be drawn up which the trustees will have to fill in so that it can be established whether the involvement of trustees in certain business does not constitute conflict of interest.

Action: OM

GLG

6. What the rules say about the constitution and quorum of the Board

OM advised that in terms of the rules 4 trustees have to be present at the meeting to form a quorum.

~~The Trustees brought up a point regarding whether the Trustees had the authority to change the administrator of these funds. As the Rules stand they do not as the Rules specify the administrator to be Dynamique SA as opposed to any registered administrator appointed by the Trustees. The independent trustees noted their concern with not having the option available of changing administrators.~~

7. Noting of New Participating Employers

No list of new participating employers had been included in the packs for the meeting and the Trustees requested that such lists be included in the packs for future meetings.

Action: OM

8. Administration Report

The admin reports were presented to the trustees and they comprised of the following:

- a) Investment Policy Statement as at 28 February 2007
- b) Contributions for the period 1 November 2006 to 28 February 2007
- c) Schedule of claims paid for the period 1 November 2006 to 28 February 2007
- d) Schedule of outstanding claims as at 1 November 2006 to 28 February 2007
- e) Membership statistics for the period 1 November 2006 to 28 February 2007

~~The trustees expressed some dissatisfaction about the way the reports were presented, both in terms of the content (either was missing information) and in terms of the format (the reports had been distributed via e-mail which means the Trustees had to print them)~~

~~It was agreed that in future the admin reports should, in addition to being e-mailed prior to the meeting, be presented as hardcopies at the meeting and the format should be changed as the present one did not really give a clear picture. The reports should also include contributions paid late and date invested. Bank balances should be made available for all the funds. The Trustees would also like to receive exception reporting wherever possible. In future the Head of Administration should be available to answer queries that trustees may have regarding the reports.~~

Action: OM

9. Report on Compliance Issues

~~The trustees would like to have this report to ensure that the funds were compliant at all times.~~

Action: OM

10. New Matters

OM reported that there is a need to amend the rules as recommended by the FSB. The rules that need to be amended are the following:
Rule no 5.14.1.2 Rule 6.8.12 and Rule no 6.9.1
GLG offered to help with two of the amendments namely Rule no 5.14.1.2 and 6.9.1

Action: OM & GLG

Colts

11. Date of Next Meeting

The next meeting will be held on 26 July 2006 at 10:00 at Dynam-Ique SA's offices.

With no further business to discuss the meeting closed at 12h00

J. Kamion
CHAIRMAN

16/8/07
DATE

THE MEETING OF THE TRUSTEES OF THE IF UMBRELLA PENSION.
FUNDS HELD AT THE OFFICES OF DYNAM-IQUE SA IN PARKTOWN
ON 16 AUGUST 2007

Name	Designation	Signature
Tony Kamionsky	Chairman	<i>J. Kamion</i>
Renier Botha	Independent Trustee	
Oswald Mokoena	Principal Officer	<i>[Signature]</i>
Tammy Murewa	Trustee	<i>[Signature]</i>
Gail le Grellier	Independent Trustee	<i>[Signature]</i>

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GL9

Elizabeth Wessels

From: Tony Kamionsky <tony.kamionsky@dynam-i-que.co.za>
 Sent: 24 May 2007 01:00 PM
 To: 'Gail le Grellier'
 Subject: RE: Martin Morris

Gail,

Thanks for this note – I appreciate it and you needn't ever feel bad about taking us to task on issues. In this case there have been some problems largely due to Martin using an investment manager that was not on our platform (I have now told him he can no longer do this) and whilst there will have been some loss to members the losses are not significant. We have put a plan in place to address Martin's issues and will have it sorted out in about 2 weeks time. As you say administration always has its problems but we will sort out all the issues (and hopefully it doesn't cost us too much money in the process!)

I will give you an update on how we are tracking with Martin's issues next week.

Regards
 Tony

From: Gail le Grellier [mailto:glegrellier@absamail.co.za]
 Sent: 24 May 2007 07:09 AM
 To: 'Tony Kamionsky'
 Subject: Martin Morris

Hi again Tony – previous Email was simply to let you know that Martin has come to me with his concerns. I copied him as I want him to be aware that I have told you that we have spoken. Regarding the actual issues, I must say that they do leave me somewhat concerned as they appear to revolve around investments not made and/or incorrectly made which is always a risky issue, carrying a lot of potential liability for the Trustees and the Administrator, not to mention the prejudice to the members (potentially).

Please Tony, would you let me have a detailed breakdown of the issues and whether these claims have any validity or not. I must know about this as Trustee of the fund. I also think that the other Trustees must be told about this potential problem – we should be informed of all such problems. Our primary duty is to the members of the fund (not the administrator) and as such, we have to act independently of the administrator. I know that this is difficult for you as you are wearing two hats – that is why it is absolutely imperative that myself and Renier know what is going on. May I leave it to you to communicate to Renier?

Tony, as you and I both know, I am aware of a number of operational issues at Dynamique. I don't enjoy being in a position of cracking the whip at all, but I must be completely unemotional about these things. Having said that, I would welcome working with you to sort out the issues (on these Dynamique Funds as well as Integrated) – I am quite happy to be supportive if I know something serious is being done to fix these gaps. Regarding the other funds that are not connected to you – I am simply a member of those boards and must abide by the boards' decisions, but again, I would always prefer to work with the administrator to fix problems than remove business – reason being that I know that admin is a problem all over the show. So, that being said, let me know how I can help and, most importantly for this issue, please let Renier know what is going on and let's see what can be done to sort this out urgently.

Regards, Gail

Gail le Grellier
 Pensions Law Consultant

Postnet Suite 120
 Private Bag X 9
 Benmore
 2010

Tel : (011) 783-1274
 Fax : (011) 884-9465
 Cel : 082 447 3140

Wessels

9110

MINUTES OF THE SPECIAL MEETING OF THE TRUSTEES OF THE IF UMBRELLA PENSION AND PROVIDENT FUNDS HELD AT 10H00 ON THURSDAY 5 JULY 2007 AT DYNAM-IQUE SA HEAD OFFICE, PARKTOWN

PRESENT: Tony Kamionsky (TK) Trustee and Chairperson
Tammy Murewa (TM) Trustee
Gail le Grellier (GLG) Independent Trustee
Renier Botha (RB) Independent Trustee
Oswald Mokoena (OM) Principal Officer

1. Welcome

TK welcomed everyone to this special trustee meeting. The purpose of this meeting was to address the complaint raised with the trustees by an intermediary Anthony Cohen.

2. Apologies

There were no apologies.

3. Background and Discussion

The complaint relates to funds of Anthony's that are administered in the IF Umbrella Funds with the complaint primarily dealing with late allocation of monies.

TK gave the trustees background to the problems that Dynam-Ique SA had recently had on the IF Funds. The staff member looking after these funds had let Dynam-Ique SA down and then the replacement staff member also let Dynam-Ique SA down. There had therefore been delays with the monthly allocations of monies. The situation was being addressed by Dynam-Ique SA transferring one of their experienced existing staff members onto the IF Umbrella Funds to look after Anthony Cohen's funds and other intermediary's funds.

TK assured the trustees that he was taking Anthony Cohen's complaints seriously and was making every effort to ensure a smooth administration service is provided to all Dynam-Ique SA's clients. In this regard Dynam-Ique SA had employed an additional 6 staff members over the last 2 months to beef up their administration, accounting and technical teams.

The trustees pointed out that after the last trustee meeting based on the quality of the information provided they did feel that the administration was not where it should be and that they thought it was a matter of time before they get a complaint from either the fund members or the intermediaries. The Trustees are therefore glad that the problems are being addressed.

In so far as Anthony Cohen's specific issues were concerned:

- 1) TK had looked at the instances where contributions were allocated late but because the markets had been flat over the period in question there had been no prejudice/loss suffered by the members
2) The interest loss on Primserv due to the late allocation of part of the February and March 2007 contributions had been calculated and amounted to about R2000 and Dynam-Ique SA was in the process of crediting the members with this loss.

TK was tasked with sending a response to Anthony Cohen together with a copy of these minutes.

Signed

16/8/07
Chairman

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GL11

MINUTES OF THE MEETING OF THE TRUSTEES OF THE DYNAM-IQUE SA UMBRELLA PENSION AND PROVIDENT FUNDS AND THE IF UMBRELLA PENSION AND PROVIDENT FUNDS HELD AT 10H30 ON WEDNESDAY 24 NOVEMBER 2007 AT DYNAM-IQUE SA HEAD OFFICE, PARKTOWN

PRESENT: Tony Kamlonsky (TK) Trustee and Chairman
Tammy Murewa (TM) Trustee
Gail le Greller (GLG) Independent Trustee
Renier Botha (RB) Independent Trustee
Oswald Mokoena (OM) Principal Officer
Penny Stofferfoht (PS) Dynam-ique SA (present for the Administration report back)

1. Welcomes

The Chairman welcomed all to the combined meeting of the Dynam-ique SA Umbrella Funds and the IF Umbrella Funds and declared the meeting open.

2. Apologies

There were no apologies.

3. Acceptance of the Minutes of the Previous Meeting

The minutes of the meeting held on 16 August 2007 were confirmed as a true reflection of the discussions that took place at that meeting and signed by the Chairman.

4. Matters Arising from the Minutes of the Previous Meeting

4.1 Audited Financial Statements

TM, in her capacity as the Accounting Officer of Dynam-ique SA, reported that the Financials for the Dynam-ique SA Pension and Provident Funds for the year ended February 2008 were ready and were with the Fund Auditors for final cosmetic changes. Mr Botha requested that comments on each one of the audit findings be prepared so that the Trustees are in a position to answer any queries from the FSB. The Chairman commented that he did not believe that the qualifications were significant and that he had already given comments on each finding to the auditors. TM advised that the deadline of end November 2007 for submitting these financials would be met.

TM reported that there was still a stalemate with regards to the IF Umbrella Pension and Provident Funds with the problem being unreconciled items from the period that Integrated Futures were the administrator to the Funds. The Trustees expressed their concern at the risks that the Funds were exposed to with these unreconciled items and queried whether Dynam-ique SA would be liable for any losses as a result of buying Integrated Futures. TK advised that Dynam-ique SA took over the administration appointments of Integrated Futures and did not buy the company Integrated Futures and hence had not taken over any of the liabilities of integrated futures. Mr Kamlonsky advised that there could be a need once all the audits are completed and the related funding checks are completed for the fund to take action against Integrated Futures. The Trustees were of the view that it would be premature to take any legal action at this stage.

RB advised that for this issue to be resolved a Forensic Auditor may need to be brought in. GLG suggested that the trustees could consider appointing a Forensic Auditing company know to her and she offered to provide details to TK should he require such details. The Trustees instructed TK to get the financials completed as a matter of urgency. TK agreed to revert back to the Trustees within the next two weeks after the meeting with a firm audit plan and deadline.

Action: TK

4.2 Register of conflicts

It was agreed that the register should be drawn in accordance with the 110w PF 130.

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Action: OM

5. Investment Report and historical reports from Asset Managers

There was nothing to discuss as this matter has been dealt with in previous meetings.

6. Administration Report

An administration report had been circulated prior to the trustees meeting however RB felt that the reports were not of the standard required by the trustees and as such it was felt that it was not worth discussing the reports. The trustees insisted that the administrator has to raise the standard and quality of reports for future meetings. The suggested wish list for what should be included in the administration report is as follows:

- New Participating Employers: When were rules signed,
- When were they sent for registration,
- When were they registered

Section 14	Date draft received from previous administrator Date sent to FSB for approval Date received from the FSB
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Withdrawals	Date received Date paid
-------------	----------------------------

Death Benefits	Date received Date paid
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PFA Cases	There should be a register in place which should be presented to the trustees at every Meeting.
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Action: PS

7. Compliance Issues

RB and GLG believe that the trustees should spend time on PF130 to put all the necessary compliance issues in place however until the basic administration reporting is in place the trustees do not feel comfortable dealing with the compliance issues. It was therefore agreed that discussion around PF130 will be held over to the next meeting.

8. Death Claims

OM reported back on some of the recent death claims. OM pointed out there were instances where because of lack of knowledge he found it difficult to convince some people who were nominated as beneficiaries that they could not be considered as their level of dependency upon the deceased member could not be proved and they were in a good financial standing.

TK queried who should be paying the cost of death claim investigations. The Trustees agreed that it was a valid fund expense and that a rule amendment should be drafted to enable the funds to pay for investigations however it was agreed that Oswald should not carry out investigations going forward. In terms of the approval of the death claims it was felt that wherever possible the full board of trustees should jointly consider each case however in urgent cases the round robin e-mail approach could still be used.

9. Replacement of Ms Tammy Murewa as a Trustee

TK advised that TM will be leaving Dynamique SA at the end of the month and as such she was resigning as a trustee and would need to be replaced. TK advised that another Sponsor appointed trustee will be appointed by Dynamique SA to replace TM and TK would advise the trustees who this person will be. TK thanked TM for the contribution she had made during her tenure and wished her luck in her future endeavours.

Action: TK

10. General.

10.1 Replacement of the current P.O.

Adler

TK suggested that given the need to improve the quality of the administration reporting to the Trustees that a new Principal Officer be appointed in place of OM, one with stronger administration abilities. The Trustees were in agreement with this. TK would revert soonest with a new candidate for the position of PO. Also this will enable OM to concentrate on death claims.

Action: TK

11. Date of Next Meeting.

The next meeting is scheduled for the 27 February 2008 at 10:00.

With no further business to discuss the meeting adjourned at 12h20

Thamwong

CHAIRMAN

27/2/08

DATE

r. h. G.

GL 12

Elizabeth Wessels

From: Tony Kamionsky <tony.kamionsky@dynam-ique.co.za>
 Sent: 11 December 2007 11:59 AM
 To: 'Gail le Grellier'; 'Oswald Mokoena'; 'renier'
 Subject: RE: Plan for IF Financials

Gail, Renier,

I confirm we have now worked through the unreconciled items and have addressed what we can and what remains is not material. We are therefore proceeding with the audits and the unreconciled items will be allocated to an unreconciled account – I have cleared this with the FSB and they have accepted this approach. We therefore just need to put together our working papers which we will now start doing – with the holidays and allowing for some leeway I will look to book the auditors for the end of January. We will therefore make the new FSB blanket extension date of march 2008 and hence there will be no penalties. It is also good news for us as trustees that none of the unreconciled items are material.

Regards
Tony

From: Gail le Grellier [mailto:glegrellier@absamail.co.za]
 Sent: 06 December 2007 07:06 AM
 To: 'Tony Kamionsky'; 'Oswald Mokoena'; 'renier'
 Subject: Plan for IF Financials

Hi Tony
 It is around 2 weeks since our trustee meeting. We resolved that the administrator must come up with a plan to sort out the IF Financials. The plan should include target dates etc. Please could we be advised of that that plan (we decided on a deadline of 2 weeks). It is absolutely imperative that we get things going on this issue. It is vital for the membership that the financials are finalized, whatever that takes in order to do it. As I indicated, if Dynamique are unable to do the necessary, I suggest you call in Russell Lacey and Ludi Schulze of LSRC to assist you. As a trustee I am not happy with the situation at all and simply cannot allow it to continue. Kindly advise as a matter of extreme urgency. Regards, Gail

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MINUTES OF THE SPECIAL MEETING OF THE TRUSTEES OF THE DYNAM-IQUE SA UMBRELLA PENSION AND PROVIDENT FUNDS AND IF UMBRELLA PENSION AND PROVIDENT FUNDS HELD ON THURSDAY, 7 FEBRUARY 2008 AT DYNAM-IQUE SA HEAD OFFICE, PARKTOWN

PRESENT: Tony Kamionsky (TK) Trustee and Chairperson
Renier Botha (RB) Independent Trustee
Gail le Grellier (GLG) Independent Trustee
Penny Stollerfoht (PS) Trustee
Cassim Patel (CP) Alternate Principal Officer
Ian Young (Y) AON South Africa

Welcome

TK welcomed all the Trustees and declared the meeting open. This was a special meeting convened by TK due to AON South Africa having taken over the ongoing business of Dynam-ique SA with effect from 1 February 2008.

Apologies

Apologies: Oswald Mokoena who was on leave.

AON South Africa

IY who is head of retirement fund administration at AON gave a presentation on AON and explained the various aspects of their business, the system they use, etc. He stressed that AON has a broad global business network and provides distinctive value to their clients. IY, after answering a number of queries from the trustees, then excused himself from the meeting.

TK explained that AON will take over all the staff and continue providing the exact same offering and service that Dynam-ique SA has been providing up to now and everything will even remain in Dynam-ique's offices for now. Therefore everything the clients have come to expect and everything Dynam-ique SA has promised to the clients carries on and the change will be largely seamless other than a name change. TK therefore believes that there will be no downside nor interruption to the clients and there is a big up side to the clients in that their administrators now have the proper financial backing which TK could not provide as an individual with limited means. AON also have BEE credentials.

After some discussion the Trustees resolved to appoint AON South Africa as the administrators to the funds effective 1 February 2008. The Trustees also approved an amendment to the General Rules of the Dynam-ique SA Umbrella Pension Fund and the Dynam-ique SA Umbrella Provident Fund changing the definition of administrator from Dynam-ique SA to any registered administrator.

Appointment of Auditor on the IF Umbrella Pension and Provident Funds

TK tabled the audit quote from VVR and Company (Costas Vakis) and advised the trustees that VVR had to date been the auditors providing the best service and the best rates on retirement fund audits and proposed appointing VVR as the auditors to the IF Umbrella Funds. RB and GLG felt that the independent trustees should meet with the auditor first and it was agreed that GLG would arrange a meeting with Costas and then revert back to the trustees if she was happy with appointing him.

Action: GLG

Date of Next Meeting

It was agreed that the next full meeting scheduled for the 27 February 2008 would go ahead at the offices of AON.

With no further business to discuss the meeting adjourned at 5 p.m.

Signature of Tony Kamionsky
CHAIRMAN

27/2/08
DATE

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DYN M-IQUE SA
fund administrators

GL 14

AON CONSULTING

**DYNAM-IQUE SA UMBRELLA PENSION AND PROVIDENT FUNDS
AND
IF UMBRELLA PENSION AND PROVIDENT FUNDS**

**MINUTES OF THE TRUSTEE MEETINGS HELD ON WEDNESDAY, 9 JULY 2008 AT
AON HEAD OFFICE, SANDTON**

Present: Mr O Mokoena (OM) Principal Officer
Mr C Patel (CP) Alternate Principal Officer
Mrs P Stolterfoht (PS) Trustee
Mr R Botha (RB) Independent Trustee
Ms G le Grellier (GLG) Independent Trustee

By Invitation: Mr G Smith (CS) Aon Consulting
Mr I Young (IY) Aon Consulting
Mr D Lepar (DL) Aon Consulting

Apologies: None

Details	To Action														
<p>1. PRESENT</p> <p>1.1 Welcome and Apologies Mr Smith welcomed everyone to the meeting and declared the meeting open. No apologies were noted.</p> <p>1.2 Resignation of Trustees Mr Smith requested that the Rules of the respective Funds be made available to ensure that the meeting would be conducted in line with the Rules and that the quorum is constituted properly.</p> <p>He further advised that the existing Trustees and Principal Officers of the Funds had resigned and that new Trustees must be appointed by the Sponsor, Aon Consulting, and a new Principal Officer must be appointed by the Trustees.</p> <p>The following Officers resigned:</p> <table border="1" data-bbox="430 1792 1101 1915"> <thead> <tr> <th>Name</th> <th>Position</th> </tr> </thead> <tbody> <tr> <td>Mrs P Stolterfoht</td> <td>Trustee</td> </tr> <tr> <td>Mr O Mokoena</td> <td>Principal Officer</td> </tr> <tr> <td>Mr C Patel</td> <td>Alternate Principal Officer</td> </tr> </tbody> </table> <p>It was noted that Mr T Kamionsky had resigned from the Board of Trustees when Aon purchased the Dynam-Ique business.</p> <p>After discussion the following new Trustees were appointed by the Sponsor and accepted as such by the remaining Trustees:</p> <table border="1" data-bbox="430 2116 1101 2210"> <thead> <tr> <th>Name</th> <th>Position</th> </tr> </thead> <tbody> <tr> <td>Mr G Smith</td> <td>Trustee</td> </tr> <tr> <td>Mr MD Lepar</td> <td>Trustee</td> </tr> </tbody> </table>	Name	Position	Mrs P Stolterfoht	Trustee	Mr O Mokoena	Principal Officer	Mr C Patel	Alternate Principal Officer	Name	Position	Mr G Smith	Trustee	Mr MD Lepar	Trustee	
Name	Position														
Mrs P Stolterfoht	Trustee														
Mr O Mokoena	Principal Officer														
Mr C Patel	Alternate Principal Officer														
Name	Position														
Mr G Smith	Trustee														
Mr MD Lepar	Trustee														

Details	To Action
<ul style="list-style-type: none"> • Monies sent to ACSIS for investing were not balancing resulting in a mismatch of assets. <p>Mr Botha reported a mismatch in investments with ACSIS. It was agreed that the audit committee would investigate this matter and agree on an action plan to correct the situation. Mr Young would provide a report back at the next Trustees meeting.</p> <p>It was noted that should any mismatch result in a loss of revenue, Mr Kamionsky had undertaken to pay for any errors that occurred prior to the Funds' transfer to Aon and that the funds had adequate fidelity cover through Camargue Underwriters.</p>	IY
<p>3.4 Confidentiality Agreement</p> <p>Mr Lepar raised concerns regarding Ms le Gellier's impartiality as a Trustee due to her involvement in funds that are currently being administered by ex-directors of Dynamique.</p> <p>After discussion it was agreed that a confidentiality agreement be drafted to protect Aon's interests.</p>	IY
<p>4. ADMINISTRATION</p> <p>4.1 Death Claims</p> <p>It was agreed that death claims would be managed by the administration committee. It was further agreed that investigations conducted to identify potential beneficiaries should be the responsibility of the employer and, in instances where the Trustees are satisfied with the information supplied, social workers be engaged to carry out the investigations.</p> <p>4.2 Administration Report</p> <p>Mrs Stollerfoht presented an administration report for the Funds and the following was noted:</p> <ul style="list-style-type: none"> • The contribution process is running smoothly and will be refined on an ongoing basis. • Investment contributions are being processed between 48 hours and 15 days due to historical matters that have to be attended to. <p>Ms le Gellier once again raised concerns about the mismatches on ACIS investments and enquired whether this would be reconciled. Mrs Stollerfoht confirmed that Mr Kamionsky had undertaken at the previous Trustees meeting to reconcile all the investments with the assistance of the actuarial team.</p> <p>After discussion Mr Smith suggested that QED Actuaries be approached to assist with the investment reconciliation exercise on these funds. Mr Young would investigate this option with QED.</p>	IY
<p>5. INVESTMENTS</p> <p>Mr Lepar took the Trustees through the investment strategy and its advantages.</p>	
<p>6. ANY OTHER BUSINESS</p> <p>No additional items were noted for discussion.</p>	

Details	To Action
<p>7. DATE OF NEXT MEETING The next meeting would be held in August 2008 and a date would be confirmed to the Trustees.</p> <p>There being no further business the meeting was closed.</p> <p>_____ Chairperson</p> <p>_____ Dated</p>	

DYNAM-IQUE SA
Fund administrators

GL15

AON CONSULTING

**DYNAM-IQUE SA UMBRELLA PENSION AND PROVIDENT FUNDS
AND
IF UMBRELLA PENSION AND PROVIDENT FUNDS**

**MINUTES OF THE TRUSTEE MEETINGS HELD ON WEDNESDAY, 17 SEPTEMBER
2008 AT AON HEAD OFFICE, SANDTON**

- Present:**
- Mr C Smith (CS) Chairperson and Trustee
 - Mr I Young (IY) Principal Officer
 - Mr R Botha (RB) Independent Trustee
 - Ms G le Grellier (GLG) Independent Trustee
 - Mr D Lepar (DL) Trustee
- By Invitation:**
- Mr C Vakis (CV) VVR & Company Chartered Accountants (SA)
 - Ms L Wolfaardt (LW) Scribe
- Apologies:** None

Details	To Action																								
<p>1. PRESENT</p> <p>1.1 Welcome and Apologies Mr Smith welcomed everyone to the meeting and declared the meeting open. No apologies were noted.</p> <p>1.2 Conflicts of Interest It was noted that there were no conflicts of interests to be declared.</p> <p>1.3 Composition of the Board of Trustees It was noted that the current Board of Trustees were as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Name</th> <th style="text-align: left;">Position</th> <th style="text-align: left;">Date Appointed</th> <th style="text-align: left;">Date Office Terminates</th> </tr> </thead> <tbody> <tr> <td>C Smith</td> <td>Chairperson & Trustee</td> <td>09.07.2008</td> <td>30.06.2010</td> </tr> <tr> <td>I Young</td> <td>Principal Officer</td> <td>09.07.2008</td> <td>30.06.2010</td> </tr> <tr> <td>D Lepar</td> <td>Trustee</td> <td>09.07.2008</td> <td>30.06.2010</td> </tr> <tr> <td>R Botha</td> <td>Independent Trustee</td> <td>TBC</td> <td>TBC</td> </tr> <tr> <td>G le Grellier (Ms)</td> <td>Independent Trustee</td> <td>TBC</td> <td>TBC</td> </tr> </tbody> </table> <p>After discussion it was agreed that Mr Botha and Ms le Grellier would provide the Chairperson with confirmation of the date that they were appointed as Trustees of the Funds.</p> <p>Mr Botha would also look into the term and appointment of Trustees as reflected in the Rules of the funds for verification and consideration.</p>	Name	Position	Date Appointed	Date Office Terminates	C Smith	Chairperson & Trustee	09.07.2008	30.06.2010	I Young	Principal Officer	09.07.2008	30.06.2010	D Lepar	Trustee	09.07.2008	30.06.2010	R Botha	Independent Trustee	TBC	TBC	G le Grellier (Ms)	Independent Trustee	TBC	TBC	
Name	Position	Date Appointed	Date Office Terminates																						
C Smith	Chairperson & Trustee	09.07.2008	30.06.2010																						
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D Lepar	Trustee	09.07.2008	30.06.2010																						
R Botha	Independent Trustee	TBC	TBC																						
G le Grellier (Ms)	Independent Trustee	TBC	TBC																						
<p>2. CONFIRMATION OF PREVIOUS MINUTES</p> <p>The minutes of the meeting held on 10 July 2008 were reviewed and minor changes were noted.</p>																									

Details	To Action
<p>It was agreed that once all the necessary changes had been made to the minutes, a revised set would be forwarded to the Trustees for review, after which the Chairperson would sign them off:</p>	
<p>3. MATTERS ARISING FROM THE PREVIOUS MINUTES</p>	
<p>3.1 Confidentiality Agreement Mr Young had not provided the Trustees with a draft agreement and it was agreed that he would round robin the draft agreement to the Trustees and present an agreement for signature next Trustees meeting.</p>	IY
<p>4. ADMINISTRATION</p>	
<p>4.1 Administration Report Mr Young presented an administration report as at 31.07.2008 at the meeting. Mr Smith commented that he was not satisfied with the layout of the current report and after discussion it was agreed that Ms le Grellier would discuss this further with Mr Young and agree on a revised format going forward.</p>	IY/GIG
<p>4.2 Administration Sub-Committee Update Ms le Grellier updated the meeting on the administration process of the funds and confirmed that she was satisfied with the current processes that was put in place by Aon, i.e. moving the claims, updates and accounts to Aon's administration division. Mr Lepar also confirmed that after speaking to the administration staff, he is more comfortable with the administration of the funds.</p>	
<p>Ms le Grellier raised one concern about the payment of claims that are not running 100%. Mr Young advised that contractors have been employed to monitor and audit the current administration processes and that he would provide the Trustees with an update report on all administration issues by 30 October 2008.</p>	IY
<p>In response to a recommendation from Mr Lepar that more manpower be employed by Aon to resolve administration issues, Mr Young suggested that priority lists be requested from the brokers in order to produce an administrator priority list.</p>	IY
<p>Mr Young further suggested that a communication be drafted to be sent out to all brokers informing them of the current administration and financial status of the funds. After discussion it was agreed that Mr Young would draft and round robin the communication to the Trustees for review and comments. Once approved it was agreed that each broker would be visited and presented with the communication for discussion at these meetings.</p>	IY
<p>5. AUDITS AND FINANCIAL</p>	
<p>5.1 Annual Financials Update Mr Young introduced Mr Costas Vakis of VVR and Company.</p>	
<p>Mr Vakis provided the Trustees with feedback on the IF Umbrella Funds audits and the following was noted:</p>	
<p>IF Umbrella Funds</p> <ul style="list-style-type: none"> • The fieldwork had been completed on the 2006 audits. • He advised that these unsigned financials (without an opinion) should be submitted to the Financial Services Board as soon as possible to avoid penalties for late submissions. 	

Details	To Action
<p>It was agreed that the financial drafts be distributed to the Trustees by mid-October, for review and that a meeting then be set up with the FSB for the submission of the financials.</p> <p>It was further agreed that Mr Vakis would provide the Trustees with a Statement of Responsibility for signature by the Trustees that would accompany the financials along with an audit strategy plan that would be provided by Mr Young.</p> <p>Audit Timelines and Cost Proposal The Trustees had been provided with a cost and timeline proposal by Mr Vakis for the audits going forward and Mr Young took the Trustees through this.</p> <p>The proposed timeline and audit costs were reviewed and approved by the Trustees. It was also agreed that Mr Vakis would provide the Trustees with a project plan for the audits. He also confirmed that he would provide monthly updates on the audits.</p> <p>Ms. le Grellier raised a question as to the liability aspect for paying additional audit costs incurred by the Fund. It was agreed that exorbitant costs would be referred to the relevant liable parties for settlement as identified.</p> <p>Mr Young presented a tax invoice received from VVR for the interim IF Provident Fund audit and it was agreed this invoice would be forwarded to the Trustees for approval before payment is made.</p> <p>Appointment of Auditors Mr Young presented two resolutions at the meeting for Trustees approval and signature appointing VVR & Company as auditors to both the Dynam-ique SA and IF Umbrella Funds respectively.</p>	<p>IY</p> <p>IY</p>
<p>5.2 Audit Sub-Committee Update Dynam-ique Umbrella Funds In response to a query by Mr Botha regarding the above audits, it was agreed that Mr Vakis would contact BDO to confirm the status of the 2006 financial statements and would revert to Mr Botha.</p>	<p>IY</p>
<p>6. INVESTMENTS</p> <p>6.1 Investment Update Mr Lepar provided the Trustees with an update on the current Fund Managers, Allan Gray, and suggested that another investment platform be considered in addition to Allan Gray.</p> <p>After discussion it was agreed that Mr Lepar would provide Mr Smith with the following documentation before this suggestion is explored further:</p> <ul style="list-style-type: none"> • An investment review of current investments and portfolios. • The current agreement in place between Allan Gray and Dynam-ique. • A list of alternative Fund Managers and products available. <p>6.2 Investment Reconciliation Exercise Mr Young suggested that each Participating Employer's investments be reviewed separately in order to quantify existing discrepancies before attempting to reconcile the Umbrella Funds' investments.</p>	

Details	To Action
<p>7. ANY OTHER BUSINESS</p> <p>7.1 Fidelity Cover Mr Smith presented a copy of Mr Kamionsky's personal fidelity cover to the Trustees and advised that Aon agreed to renew this cover on Mr Kamionsky's behalf and offset the cost from the outstanding balance still payable to Mr Kamionsky. Mr Lepar noted that according to the sale agreement, Mr Kamionsky was paid in full upfront and after discussion it was agreed that Mr Lepar would forward the sale agreement to Mr Smith for review before Aon takes action in this regard.</p> <p>In addition it was agreed that a letter be drafted to Mr Kamionsky advising him of potential liabilities, the cost of which would be borne by him.</p> <p><i>Dynam-Ique and IF Umbrella Funds</i> Mr Young had provided a copy of the fidelity cover schedule from Camargue for the Dynam-Ique umbrella funds and it was noted that no schedule had been provided for the IF Umbrella Funds.</p> <p>As the Dynam-Ique fidelity cover had expired on 31 July 2008 it was agreed that this cover should be renewed to 31 December 2008, after which it would be renewed annually. The status of the IF Umbrella Funds fidelity cover would also be investigated.</p> <p>7.2 TSA Agreement Mr Lepar would forward this agreement to Mr Smith for his review.</p>	<p>DL</p> <p>IY/CS</p> <p>IY</p> <p>DL</p>
<p>8. DATE OF NEXT MEETING The next meeting would be scheduled for November 2008 and proposed dates would be forwarded to the Trustees.</p> <p>There being no further business the meeting was closed.</p> <p>_____</p> <p>Chairperson</p> <p>_____</p> <p>Dated</p>	

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GL16

AON CONSULTING

DYNAM-IQUE SA UMBRELLA PENSION AND PROVIDENT FUNDS
AND
IF UMBRELLA PENSION AND PROVIDENT FUNDS

MINUTES OF THE TRUSTEES MEETING HELD ON 8 DECEMBER 2008

Present: C Smith Chairman
D Lepar Trustee
G le Grellier Independent Trustee
R Botha Independent Trustee
I Young Principal Officer

By Invitation: None

Details	To Action
<p>1. PRESENT</p> <p>1.1 Welcome and Apologies The Chairman welcomed all Trustees to the meeting. No apologies were noted and the Trustees signed the attendance register.</p> <p>1.2 Conflicts of Interest No additional conflicts of interest were noted to those previously declared.</p> <p>It was suggested that Ms le Grellier provide a draft Gifts Policy and Conflicts register. In addition she would sign a confidentiality agreement to protect Aon's interests.</p>	<p>GLG</p>
<p>2. MINUTES OF THE PREVIOUS MEETING The minutes of the previous meeting held on 9 July 2008 was adopted and signed by the Chairman.</p>	
<p>3. MATTERS ARISING FROM THE PREVIOUS MINUTES</p> <p>3.1 Amendment of minutes Mr Botha noted that the date of the prior minutes had to be amended to 9 July 2008 before signing. It was also noted that the effective appointment dates of the Trustees were incorrect as per minutes of 17 September 2008 which also needed to be corrected before signature.</p> <p>3.2 Composition and Terms of Office of the Trustees Mr Botha and Ms le Grellier presented correspondence and minutes in this regard to the Chairman. It was agreed that the Terms of Office need to be ratified and the Rules amended accordingly. This would then be synchronised across the four funds.</p> <p>In addition both Ms G le Grellier and Mr Botha are to bill for arrear fees due. It was agreed this would be discussed with Mr Smith outside the Trustees meeting.</p> <p>3.3 Confidentiality Agreement The confidentiality agreement was discussed and agreed on by all Trustees in principle. Mr Young would mail the final agreement to the external Trustees for signature.</p>	<p>Aon</p> <p>RB/GLG</p> <p>IY</p>
<p>4. ADMINISTRATION</p> <p>4.1 Sub-committee meeting After discussion it was agreed Mr Young and Ms G le Grellier would formalise monthly sub-committee meetings for the year and these would run in conjunction with the set Trustee meetings. Ms G le Grellier would then provide a report back on sub-committee meetings held at the formal Trustee meetings.</p>	<p>IY/GLG GLG</p>

Details	To Action
<p>4.2 Death Benefits The Trustees discussed the process and approval method for death claims. It was agreed that the turn-around on approving claims would be 48 hours going forward and all Trustees would be copied in on responses received. It was further agreed that all Trustees would be included in the decision making process.</p>	ALL
<p>4.3 Fidelity Cover It was agreed that the Pioneer claims should not be presented to Mr Kamionsky jointly with Aon's claims. Mr Young advised that he and Mr Rob Williams of Aon had scheduled a meeting with Pioneer to discuss the claims. Mr Young would provide feedback at the next Trustees meeting.</p> <p>A general letter to Mr Kamionsky regarding claims arising had been sent and a detailed letter was in the process of being prepared for submission.</p> <p>Mr Lepar requested that Fidelity cover certificates be obtained and recorded on all four funds.</p>	<p>IY</p> <p>IY</p> <p>Aon</p>
<p>4.4 TSA Agreement It was noted that Mr Lepar had sent a copy of the agreement to Mr Smith previously. It was agreed that going forward Aon would include a detailed schedule disclosing fees and percentages earned by participants (and signed off by the various participants) for approval by the Trustees. Mr Lepar would arrange a formal contract with TSA for approval.</p>	<p>?</p> <p>DL</p>
<p>4.5 Audits and Financials Mr Young discussed the VVR audit plan with the Trustees and requested that Mr Botha set up a meeting with the auditors in March 2009 to discuss the audit plan which will then be presented at a meeting with the Financial Services Board early in 2009. It was agreed that Mr Young would liaise with Mr Costas Vakis on this matter as well and that Mr Vakis should attend all future Trustees meetings.</p>	<p>RB</p> <p>IY</p>
<p>4.6 Investments Mr Lepar provided the Trustees with feedback on the Allan Gray position. It was agreed this matter would be put on hold until the book of business had been cleaned up and business decisions made around the book of business. The Trustees also agreed that the current investment strategy should be reviewed in 2009 and discussed with the Trustees thereafter.</p>	Note
<p>4.7 Any Other Business Mr Young presented the Trustees with a resolution allowing Mr Pernod Ricard to sign off disinvestments at Allan Gray. The resolution was accepted and duly signed by the trustees.</p>	
<p>5. DATE OF NEXT MEETING Trustee meeting dates for 2009 were still to be confirmed.</p>	Aon
<p>There being no further business the meeting was closed.</p>	
<p>_____ CHAIRMAN</p>	<p>_____ DATE</p>

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GL 17



**Dynam-ique SA Umbrella Pension and Provident Funds
and
IF Umbrella Pension and Provident Funds**

Minutes of the Trustees Meeting held on 30 March 2009

Venue : The Place, 1 Sandton Drive, Sandton

Time : 10h00

Present:	C Smith	Chairman
	D Lepar	Trustee
	G le Grellier	Independent Trustee
	R Botha	Independent Trustee
	I Young	Principal Officer
	L Wolfaardt	Scribe

By Invitation:	C Vakis	Aon Consulting
	V Pillay	

Item no.	Description	To Action
1.	Present	
1.1	Welcome and Apologies The Chairman welcomed everyone to the meeting. No apologies were noted and the attendance register was subsequently signed.	
1.2	Conflicts of Interest It was agreed this item would be discussed later in the meeting.	
2.	Minutes of the Previous Meeting The corrections made to the minutes of the meetings held on 9 July 2008 and 17 September 2008 were approved and signed by the Chairman along with the minutes of the meeting held on 8 December 2008. It was requested that a Minute Book be implemented and all relevant signed minutes be pasted in the book. The Principal Officer to ensure that this is done.	IY
3.	Matters Arising from Previous Minutes	
3.1	Composition and Terms of Office of the Trustees Mr Botha presented a copy of Old Mutual Rules which stipulates the Terms of Office for Trustees. After discussion it was agreed that Ms le Grellier would review the draft document and round-robin the document to the other Trustees for approval. Once approval has been finalised new Rules would be drafted for the respective Funds.	GIG
3.2	Confidentiality Agreement Ms le Grellier presented the signed Confidentiality Agreement to Mr Young.	Noted
3.3	TSA Agreement The Chairman informed the meeting that the TSA agreement has been handed to Aon's compliance officer for review and comments. The reviewed agreement would be tabled for comments and review at the next Trustees meeting. In	CS

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Item no.	Description	To Action
<p>4.</p> <p>4.1</p>	<p>Audits and Financials</p> <p>Annual Financials Update</p> <p>Messrs Vakis and Pillay provided the Trustees with an update on the respective audits as follows:</p> <ul style="list-style-type: none"> Meeting with Financial Services Board: A meeting was held with the FSB in February 2009 to provide them with an audit plan for the four Funds. Mr Pillay was requested to provide the FSB with a report on timelines for draft annual financial statements for the various Funds by 31 March 2009. IF Umbrella Funds: The deadlines for the audits were delayed due to unforeseen circumstances and audits would commence this week for both Funds. Dynam-ique Funds: The new audit plan reflected that the 2007 audits would be finalised by October 2008 and 2008 drafts should be available for review by the Trustees by December 2008, however, this could not be guaranteed. Additional Resources: It was confirmed that all junior accounts personnel had been replaced by senior fund accountants to ensure all aspects of the funds are kept up to date. <p>After discussion the following action was agreed:</p> <ul style="list-style-type: none"> Mr Young would send a file note to Mr Botha on items discussed at the FSB meeting. Once the finalised audit plan had been submitted to the FSB on 31 March 2009, Mr Botha would schedule a meeting with the FSB to get an updated report from them. Mr Pillay would send Mr Botha a monthly progress report on all the audits for his information. Mr Botha would keep file notes on all items discussed at the audit sub-committee meetings and these notes to be included in all Trustee packs going forward. The Chairman suggested that Mr Botha open an audit file to keep record of the updated Auditor's proposal for the audits, audit progress reports, audit plans, minutes of sub-committee meetings, etc. Mr Vakis confirmed he would forward a revised proposal to Mr Botha for his file. <p>4.2 SARB Reports</p> <p>Mr Young informed the meeting that the invoice amount for the four Funds' quarterly SARB Reports were large because of previous quarterly reports not having been submitted by the previous Administrators.</p> <p>After discussion it was agreed that Mr Vakis would do an audit on the SARB reports and provide the Trustees with his recommendations on the way forward. It was agreed that an invoice would then be raised based on his report and a resolution would be round-robbined to the Trustees for signature, allowing Aon to recover the invoice amount from the various Funds.</p>	<p>VP</p> <p>IY</p> <p>RB</p> <p>VP</p> <p>RB</p> <p>RB</p> <p>CV</p> <p>CV/IY</p>
<p>5.</p> <p>5.1</p>	<p>Administration</p> <p>Administration Report</p> <p>Mr Young took the Trustees through the first administration report and explained the contents agreed on by the administration sub-committee meeting and noted that the outlay of the reports would be finalised by the next Trustees meeting. The following changes were noted:</p> <ul style="list-style-type: none"> Membership per Category to be taken out. The heading, "Claims paid for period" to change to "Claims paid or raised for period". 	<p>IY/GIG</p>

11/1/09

Item no.	Description	To Action
5.2	<p>Fidelity Cover Mr Young provided an update on the following:</p> <ul style="list-style-type: none"> • Claims against Mr Kamionsky: he advised that a letter was sent to Mr Kamionsky in respect of various claims and that Mr Kamionsky requested more detail in respect of each claim, i.e. back up documentation. Mr Young confirmed that he was in the process of getting the requested documentation together for submission to Mr Kamionsky. • Funds fidelity cover certificates: It was agreed that as Principal Officer, Mr Young should ensure that this cover is in place for all the Funds. It was further agreed that Mr Young would send copies of the fidelity certificates to the Trustees via email for their information. <p>Ms le Grellier suggested that a legal opinion be obtained on the process to be followed for lodging the claims discussed above and it was agreed that Mr Young would firstly get a copy of Mr Kamionsky's policy from him and then present it to Aon's compliance and legal department for a legal opinion.</p>	<p>IY</p> <p>IY</p> <p>IY</p>
6.	<p>Investments</p> <p>6.1 Investments Update Mr Lepar confirmed that the current investment platforms being used by brokers are Alan Gray and Investment Solutions.</p> <p>After discussion it was agreed that the current investment strategy and policy for each Fund be tabled for discussion at the next Trustees meeting.</p> <p>It was further agreed that Mr Lepar would set up a half day investment meeting, which all the Trustees would attend to discuss responsibilities of each party, current investment portfolios, etc.</p>	<p>DL</p> <p>DL</p>
7.	<p>Industry Update</p> <p>7.1 Trustees' De-Coders Included in the Trustees packs were two Trustees' De-Coders for information purposes, which covered Social Security Reform, General Financial Services Amendment Act 2008 and Beneficiary funds and no comments were noted</p>	
8.	<p>Any Other Business</p> <p>8.1 Claim for Deceased: Mr SE Jule The Chairman requested Trustees' approval to put the proposed R28 000 benefit in a Trust Fund for the minors of the deceased and the Trustees subsequently agreed.</p> <p>8.2 Administration Agreement It was noted that there were currently no administration agreement in place between the respective Funds and Aon.</p> <p>After discussion it was agreed that Mr Young would round-robin a draft administration agreement to the Trustees for review and comments, which would then be tabled for discussion and signature at the next Trustees meeting.</p> <p>Mr Young advised that when taking on a new client, the client should sign a service level agreement with the administrator as well as a participating employer agreement.</p> <p>Mr Lepar advised that the brokers already have these agreements in place and said he would email Mr Young and Ms le Grellier a blank "take-on pack" that the brokers present to new clients for signature.</p>	<p>CS</p> <p>IY</p> <p>DL</p>

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Item no.	Description	To Action
8.3	<p>Communication with Brokers The Chairman noted that a communication to brokers are long overdue and after discussion the following was agreed:</p> <ul style="list-style-type: none"> • Mr Young and Ms le Grellier to finalise a communication draft to brokers discussing pre-billing. The draft to be round-robbined to the Trustees for comments. • Finalised communication to be sent out to brokers by mid-April at the latest. <p>In response to a question from Mr Botha regarding the communication of financial planning to Fund members as well as where responsibility for this lies, it was agreed that Mr Young and Ms le Grellier would table this item for discussion at the next administration sub-committee meeting and revert back to the Trustees at the next Trustees meeting.</p> <p>In addition, it was also agreed that a draft Communication Policy be tabled for discussion at the next Trustees meeting.</p> <p>Ms le Grellier asked Mr Lepar for his opinion on current administration service being received from Aon and he agreed that a lot of progress has been made but improvement is still needed in respect of service level agreement turn-around times and timelines for paying claims.</p>	<p>IY/GIG IY IY/GIG CS/LW Noted</p>
8.4	<p>Conflicts of Interest Ms le Grellier presented the Trustees with a draft Gifts policy and Conflicts register for discussion and after reviewing the document it was agreed that Ms Wolfaardt would forward the electronic document to the Trustees for signature in their personal capacities. The main document would be tabled for signature at the next Trustees meeting.</p>	LW
8.5	<p>Fund Expenses Ms le Grellier proposed that an Expense Reserve Account be opened for each Fund which will be used to pay ad-hoc expenses incurred such as FSB levies, audit expenses, etc. After discussion it was agreed that she would forward a draft proposal to Mr Young for review and once the Trustees have approved this, this would be included in the new Rules for each of the Funds.</p>	IY
9.	<p>Date of Next Meeting The next Trustees meeting would be held on 26 June 2009 at 10h00.</p> <p>There being no further business the meeting was closed.</p> <p>_____ CHAIRMAN</p> <p>_____ DATE</p>	

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**Dynam-ique SA Umbrella Pension and Provident Funds
and
IF Umbrella Pension and Provident Funds**

Minutes of the Trustees Meeting held on 2 July 2009

Venue : The Place, 1 Sandton Drive, Sandton

Time : 12h00

Present:
C Smith (CS) Chairman
D Lepar (DL) Trustee
G le Grellier (GIG) Independent Trustee
R Botha (RB) Independent Trustee
I Young (IY) Principal Officer

By Invitation:
V Pillay (VP) Aon SA
L Wolfaardt (LW) Scribe

Item no.	Description	To Action
1.	Present	
1.1	Welcome and Apologies The Chairman welcomed all the Trustees to the meeting and no apologies were noted.	
1.2	Conflicts of Interest Ms le Grellier confirmed that the Gifts policy and Conflicts register had been finalised. It was agreed that the individual signing pages would be signed by all the Trustees after the meeting.	GIG
2.	Minutes of the Previous Meeting The minutes of the meeting held on 30 March 2009 was approved and signed by the Chairperson.	
3.	Matters Arising from Previous Minutes	
3.1	Composition and Terms of Office of the Trustees Ms le Grellier confirmed that the Terms of Office were ratified and she presented the Trustees with copies of the Rule Amendments required for each of the Funds. After discussion it was agreed that the Rule Amendments would be submitted to the Financial Services Board and that Ms le Grellier would commence with the redrafting of the Funds' Rules to ensure that they incorporate the submitted Rule Amendments.	Aon GIG
3.2	TSA Agreement Mr Smith advised that Aon's compliance department is of the opinion that the drafted TSA Agreement is not comprehensive enough. He had requested the compliance department to draft a more complete agreement which would need Trustees' approval before signature.	CS

CS
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Item no.	Description	To Action
3.3	<p>Fidelity Cover The Trustees suggested that the processes and procedures for lodging claims against Mr Kamionsky should be in place as soon as possible. It was agreed that Mr Young would schedule a meeting with Aon's legal department with both Mr Smith and Ms le Grellier to look at this matter from both a Fund and Aon point of view.</p>	IY
	<p>Mr Young advised that the fidelity cover certificates had been misplaced and that he would follow this up with both the Underwriter and Aon's Risk Services division to get the cover in place urgently.</p>	IY
3.4	<p>Administration Agreement Mr Young confirmed that this agreement had been signed off.</p>	Note
3.5	<p>Communication with Brokers Mr Young confirmed that a communication to brokers had been sent out. He requested the Trustees to provide him with abbreviated curriculum vitas for the next communication that is due for distribution to the brokers.</p> <p>It was agreed by the Trustees that a formal Communication Policy is not necessary at this stage and that Mr Lepar would provide feedback at the next Trustees meeting on the response from brokers on the communications sent to them.</p>	ALL DL
4.	<p>Administration Matters</p>	
4.1	<p>Administration Report The Trustees reviewed the administration reports for the respective Umbrella Funds that were included in the agenda packs and the following was noted:</p> <ul style="list-style-type: none"> • Total number of member movements per participating employer does not add up in all the administration reports. • Details of claims raised or paid: a comments column to be inserted to provide status of claims raised. • A section to be inserted for death claims. 	IY IY IY
4.2	<p>Contributions The Trustees reviewed the contributions schedules for the respective Umbrella Funds that were included in the agenda packs.</p>	
5.	<p>Audits and Financial</p>	
5.1	<p>Annual Financials Update Mr Pillay provided the Trustees with an audit schedule for the various audits and the following was noted:</p> <ul style="list-style-type: none"> • IF Umbrella Pension and Provident Funds – 2006: The draft financials would be made available to the Trustees for review by 10 July 2009 and these were scheduled for submission by end July 2009. • Dynamique Pension and Provident Funds – 2007: The auditors had advised that, due to the size of these Funds, it would take longer to process the audits than originally anticipated. <p>Mr Pillay confirmed that an audit schedule had been submitted to the Surveillance department at the Financial Services Board after the last Trustees meeting. After discussion the Trustees requested that Mr Pillay ensure that both the Surveillance as well as the Extensions departments are kept up to date on the audits' progress to ensure that no unnecessary penalties are incurred.</p>	VP Noted VP
5.2	<p>SARB Reports Mr Pillay provided the Trustees with a copy of all the SARB Reports up to March</p>	<p><i>MSG</i></p>

Item no.	Description	To Action
	The Trustees confirmed their satisfaction with the progress being made in this regard. Mr Pillay also advised that the auditors would audit the SARS Reports as part of their duties.	Noted
6.	Investments	
6.1	Investments Update Mr Lepar provided the Trustees with an example of the Dynam-ique Umbrella Funds' investment platforms currently being utilised and the following was noted	
	<ul style="list-style-type: none"> The current investment platforms being used is that of Allan Gray and Investment Solutions. Mr Lepar confirmed that the brokers do not provide financial advice to their clients as this is provided by intermediaries. In response to a query from Mr Smith, Messrs Lepar and Young confirmed that there are investment contracts in place between the relevant investment managers and the participating employers. It was agreed that Mr Young would check and confirm that there are investment contracts in place between Aon as administrator and the investment managers, as well as contracts between the investment managers and the Umbrella Funds. Mr Lepar would set up a half-day investment meeting in due course. 	IY DL
7.	Industry Update	
7.1	Trustees' De-Coder The latest Trustees' De-Coder that was included in the agenda packs was noted.	
8.	Any Other Business	
8.1	Aon Costs and Risks Letter The Trustees discussed and reviewed the letter sent out by Mr Young to the Trustees in respect of current costs being borne by Aon SA (Pty) Ltd. After discussion it was agreed that the cost of R1.6 million already incurred by Aon would be split as follows: <ul style="list-style-type: none"> 75% to be borne by the Funds, and 25% to be borne by Aon. The above split was agreed on the condition that any costs recovered from claims against Mr Kamionsky would be allocated firstly to the Funds in order to recover the 75% and the balance would be allocated to Aon. Mr Young and Ms le Grellier will process the transfers between the Funds and Aon. It was agreed that this matter be included in the discussion with Aon's legal department regarding the claims process against Mr Kamionsky.	IY/GIG IY
9.	Date of Next Meeting The next meeting is scheduled for 21 September 2009. There being no further business the meeting was closed.	

Chairman's Signature

Date

Chlor

GL 19

**Dynam-ique SA Umbrella Pension and Provident Funds
and
IF Umbrella Pension and Provident Funds**

Minutes of the Trustees Meeting held on 2 October 2009

Venue : The Place, 1 Sandton Drive, Sandton

Time : 10h00

Present:

- C Smith (CS) Chairman
- D Lepar (DL) Trustee
- G le Grellier (GIG) Independent Trustee
- R Botha (RB) Independent Trustee
- I Young (IY) Principal Officer

By Invitation:

- V Pillay (VP) Aon SA
- L Wolfaardt (LW) Scribe

Item no.	Description	To Action
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1. Present
 - 1.1. Welcome and Apologies
The Chairman welcomed the Trustees to the meeting. No apologies were noted and the attendance register was signed by all present.

In light of some urgent matters that needed to be discussed, it was agreed that some items on the presented agenda would be held over until the next Trustees meeting.
2. Minutes of the Previous Meeting
The minutes of the meeting held on 2 July 2009 was confirmed as a true reflection of matters discussed and the Chairman signed off the minutes.
3. Matters Arising from Previous Minutes
 - 3.1 Rule Amendments
This matter was held over. To be discussed at the next Trustees meeting.
 - 3.2 TSA Agreement
This matter was held over. To be discussed at the next Trustees meeting.
 - 3.3 Fidelity Cover
Mr Young confirmed that the respective Funds are covered for R10 million at a premium cost of R8000 per Fund. He also confirmed that there had been a break in cover and that any pre-existing claims cannot be covered by the cover now in place. The Trustees agreed that the cover put in place was adequate.
 - 3.4 Claims against Mr Kamionsky
The Chairman advised that a meeting was held with Aon's legal department and the lawyer that originally drew up the contract between Aon and Mr Kamionsky. Ms le Grellier requested the Trustees to approve the appointment of an independent legal party to review the position of both Aon and Dynam-ique to

GIG *le Grellier*

Item no	Description	To Action
	Ms le Grellier would set up meetings with the law firm to be appointed and the Trustees to get clarity on each Trustee's position. She will then provide feedback at the next Trustees meeting.	GIG
3.5	Communication with Brokers This matter was held over. To be discussed at the next Trustees meeting.	
3.6	Aon Costs and Risks Letter Mr Young confirmed the money had not been paid out of the Funds yet but that this would be paid over to Aon in the next quarter.	IY
4.	Administration Matters	
4.1	Committee Meetings In response to a question from the Chairman, Ms le Grellier and Mr Young confirmed that some informal meetings were held and progress had been made. Mr Smith commented that various death claim resolutions are signed off by him and he is concerned about the round robin process currently in place. He suggested that Mr Coetzee and Mr Mokoena attend the monthly death claim sub-committee meetings (still to be scheduled) with the various death claim files to ensure proper governance and informed decisions being made. Based on the outcome of these meetings the frequency of meetings will be regulated.	IY/GIG
4.2	Administration Update Mr Young provided a general update on the administration of the Funds as follows: <ul style="list-style-type: none"> • Updates are running better. • Live automation of updates to the risk broker, TSA, started yesterday. • The next live automation to be up in place would be for updates to the investment brokers. • There is a significant increase in turn-around times for payments of claims and withdrawals. • A senior resource had been recruited that would manage client servicing. • Disinvestments are now done of units instead of money 	
5.	Audits and Financial	
5.1	Annual Financials Update Mr Botha asked Mr Pillay if all principle issues had been identified in respect of the financial aspects of the Funds. Mr Young confirmed that all the problems had been identified and processes are in place. <u>The Chairman requested that Mr Pillay and Ms Helen Barton have an internal meeting next week, after which the Chairman would meet with her to ensure that the processes put in place would speed up the audits. It was agreed that a project plan would be provided to the Trustees at the next Trustees meeting by Mr Pillay. This report back would also include confirmation that a revised action plan had been presented and approved by the Financial Services Board.</u>	VP/CS VP/IY
6.	Investments	
6.1	Investment Contracts This matter was held over. To be discussed at the next Trustees meeting.	
6.2	Investment Meeting Update This matter was held over. To be discussed at the next Trustees meeting.	

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Item no.	Description	To Action
7.	Any Other Business	
7.1	SARB Reports: Penalties	
	The Chairman advised the Trustees that there are potential penalties to the tune of R60 million for the late submission of the Funds' SARB reports and he would keep the Trustees posted on this matter.	CS
7.2	Transfer of Responsibility to Aon	
	Ms G. le Grullier suggested that a project plan be put in place to determine when the full responsibility of the Funds will become Aon's responsibility. The Chairman confirmed that a draft project plan is being put in place and that there is an Aon Operating Committee in place to monitor the current status of progress made on the various Funds. It was agreed that the project plan would be provided at the next meeting along with a costing model.	IY/CS
7.3	Attendance at Future Trustees Meetings	
	Mr Young suggested and it was agreed by the Trustees that the Aon compliance officer, Mr Johan Coetzee as well as the auditor, Costas Vakis should attend the next Trustees meetings.	IY
8.	Date of Next Meeting	
	The next meeting date would be confirmed to the Trustees.	
	There being no further business the meeting was closed.	

Chairman

Date

WAG

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**Dynam-ique SA Umbrella Pension and Provident Funds
and
IF Umbrella Pension and Provident Funds**

Minutes of the Trustees Meeting held on 26 May 2010

Venue : The Place, 1 Sandton Drive, Sandton

Time : 12h00

Present:		
C Smith	(CS)	Chairman
D Leper	(DL)	Trustee
G la Grellier	(GIG)	Independent Trustee
R Botha	(RB)	Independent Trustee
J Coetzee	(JC)	Interim Principal Officer

By Invitation:		
H Barton	(HB)	Aon SA
B Oosthuizen	(BO)	Aon SA
C Stuart	(CS)	Aon SA
J Adendorff		Adendorffs
J Trollip		Adendorffs
F Wasserfal		Adendorffs



1. Present

1.1 Welcome and Apologies

The Chairman welcomed all attendees to the meeting. No apologies were noted and the attendance register was signed.

It was noted that the Trustees' scribe was unable to attend and it was therefore agreed that a dictaphone would be used and Ms Barton would also take notes.

HB

1.2 Conflicts of Interests

The Chairman advised that he is both a trustee to the Funds as well as an employee of the administrator of the Funds and that this result in a conflict of interests. In light of this, he requested that he remove himself from the decision-making process in respect of the Adendorffs Asset Liability Match (ALM) proposal. He did however confirm that he would support the majority vote of the remaining Trustees.

The rest of the Board of Trustees confirmed that they had no conflicts of interest to declare.

The Chairman proposed a change to the format of the agenda as he had been advised that there was to be a fire drill and the building would require evacuation. It was agreed that the ALM item on the agenda be moved forward and that Adendorffs would present to the Trustees first and thereafter the Trustees would decide whether or not to reconvene to discuss the way forward as well as the remaining agenda items.

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Item no.	Description	Resolution
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2. ALM Project Proposal and Presentation
 The Chairman introduced Mr Clive Stuart to the Trustees as the new Head of Administration for the retirement funding division.

Mr Stuart introduced the Adendorffs attendees to the Trustees and gave a brief overview of their qualifications.

It was agreed that Mr Stuart would provide the Trustees with an overview of the ALM proposal first and then Adendorffs would present their proposal in detail afterwards.

2.1 Aon Proposal
 Mr Stuart provided a brief summary of Aon's position pertaining to the ALM project with the agenda packs and the rationale behind the Adendorffs proposal. The following was noted:

- Multiple problems to be resolved: Ms Le Grellet expressed the opinion that it would be difficult to find all necessary documents. Mr Stuart confirmed very few documents were found and he suggested that the brokers could be contacted to provide Aon with any documentation that they may have on record. He further noted that the recovery of all documents from any sources would be a significant project in its own right.

2.2 Adendorffs Proposal
 The Adendorffs team presented their proposal to the Trustees. This was a summary of the proposal that was provided with the agenda packs and the following was noted:

- Mr Adendorff confirmed that all staff that will be required for the project has extensive experience with pension funds. The data capture and processors would be provided by Deloitte.
- Mr Adendorff confirmed that all recommendations made by Adendorffs will be approved by the Board of Trustees before any action is taken.
- In response to a question from Ms Le Grellet, Mr Adendorff confirmed that the Compen system utilised by Adendorffs would be able to reconstruct an accurate picture of what should have happened with respect to member records and would then be compared to the Everest system at Aon for comparison on what actually happened.
- In response to a question from Ms Barton, Adendorffs confirmed 31.05.2008 was used for a finalisation point as it was the financial year end.
- In response to a question from Mr Lepar on the benefit to be gained from spending a significant amount on a rebuild exercise if the difference in data is minimal the Chairman advised that Ms Barton conducted a "dirty" ALM on some satellite funds and that very little of the data/information matched up, thus not minimal but a substantial difference in data existed.

The Chairman made a suggestion to the Trustees that they could use the respective participating employers' trial balances from 01.02.2006 as opening values for the rebuild start date.

- The Chairman advised that from both an Aon perspective and as Chairman of the Board, neither the board nor Aon could compromise themselves as far as being prudent is concerned.

He suggested that perhaps the best way to deal with the cost aspect is to integrate Adendorffs' pricing scale from a reasonability perspective. The

ChG

18/03/2010

Trustees indicated that they will not approve a project of this nature at the proposed costs as presented. They expressed grave concerns about the costs which they considered to be excessive.

- In response to a question from Mr Lepar, Mr Adendorff confirmed that if the data could be sorted out at fund level, financials could be generated for the outstanding year ends but that the financials would still be heavily qualified. Mr Botha said that no matter the amount of qualifications, he would suggest that we get the financials finalised and up to date as soon as possible from a regulatory perspective.
- Mr Lepar suggested that as the assets in the Dynamique funds were segregated by each participating employer, that the values be distributed across the membership rather than conduct a full rebuild. Ms le Gellier also suggested that the Section 14 values be reviewed to establish if the records had been allocated.
- The Trustees discussed the level of tolerance towards any variance in accuracy that would be acceptable in the event of a member challenging his/her values and taking the fund to the PFA for adjudication. Ms le Grellier confirmed that whatever decision the Trustees made would have to stand firm against any future challenges. The Trustees further suggested that alternative proposals be obtained vis-à-vis the cost associated with this project for consideration. A final decision will then be made on the way forward.
- Mr Lepar commented that the Nallex fund was rebuilt without using source documents and Ms Barton said that this was done by the Everest system programmer at cost to Aon.
- Mr Adendorff enquired how the Trustees would submit the funds for audit and submission to the Financial Services Board without a starting point. This aspect requires further consideration by the Trustees.
- Ms le Grellier said that deliverables and time tables would have to be set without any deviation from the time tables if the Board were to accept the cost proposals and make payment. Mr Adendorff responded that it would not be possible to confirm deliverables and time tables as the Board would have to decide whether they would like to lessen the cost but extend the time frame for the project or vice versa.
- Mr Lepar commented that the following areas were ignored
 - Investments into the wrong portfolios
 - No interest calculations for late payment or late investment
- Mr Botha asked if only one fund could be rebuilt to establish the overall potential cost implications.
- Carel Smith, in his capacity as a representative of Aon, reminded the Trustees that whatever the Board of Trustees decide, it had to be borne in mind that Aon could not participate in the rebuilding project free of charge.
- Mr Lepar suggested that the project could be done at a greatly reduced cost if Adendorff were to ignore a few aspects such as interest on late contribution; late investments; investments into wrong funds etc.
- Mr Stuart noted that the Trustees would have to make policy decisions and suggested that he meet with Adendorff outside the meeting to discuss the policy issues and get to an acceptable proposal, after which a Trustees meeting could be set up for approval.

CIS

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- Ms Le Grellier challenged why it was the responsibility of the Trustee Board to establish opening values.

The Chairman stressed that from Aon's perspective, notwithstanding compromising or approaching the process from a different angle, Aon as administrator of the respective funds would require an opening balance per member signed off by the Board of Trustees as at 01.02.2008 as none of the funds' financial statements have been finalised since 2005. He said that if the Board agreed that the values received from Tony Kamionsky (as the previous administrator) were accurate, he would be more than happy to accept those values. The Trustees confirmed that these values were not accurate and could not be accepted. It was resolved that a rebuild exercise is definitely required, subject to a more reasonable cost.

- The Chairman then asked the Trustees what they would consider to be a reasonable cost. The Trustees confirmed that between R5. - R11 million would be reasonable. The Chairman asked how the Trustees arrived at this cost/budget and Ms Le Grellier responded that this was a broad "thumb suck" extrapolating from another project she is aware of.

2.3 "Dirty" ALM Project

Ms Barton took the Trustees through the results of the "dirty" ALM conducted by her on the umbrella funds as at 31.12.2009 and the following was noted:

- Ms Barton stressed to the Trustees that the figures presented were unaudited, were for information only and based on an extract of data from the Everest System, as at that point in time and could only be used as a possible indication of the extent of asset mismatch.
- Mr Lepar commented that in his opinion, the unit pricing on Everest will never match the investment fund manager pricing. Ms Barton agreed that this could be the situation for historic periods but confirmed that there was no reason that each transaction could not be priced individually on the system since Aon's involvement from February 2008. Ms Barton explained her understanding of the 80%:20% investment process under Dynam-iques' administration for the disparity in unit prices.
- Ms Le Grellier asked for the opportunity to discuss the 80%:20% investment process in more detail with Ms Barton and this will be taken further outside the meeting.
- The Chairman asked whether there is a process/methodology in place that was followed at Fund level and at member level which could be presented to the Financial Services Board to prove the administration process at present is fit and proper. He also noted that any variance would have to be communicated to the market and this needed to be borne in mind by the Trustees.
- Mr Lepar noted that he felt the administrators and the Board of Trustees are throwing too much money at a problem that, in the end, is not going to show a lot of difference because of the unit pricing going forward.

The Chairman once again asked how Aon was to obtain opening balances for each individual member at the date of transfer of the umbrella funds to Aon in 2008.

It was noted by Mr Lepar that the Dynam-iques Funds and IF Funds have to be dealt with in different ways due to "global" investments.

WLi

AGENDA

- Ms. Le Greller said that if the cost was less for what was being proposed she would be happy to follow the proposals suggested however, she would not be able to go back to the members to justify the current costs being proposed. Mr. Lepar agreed with Ms. Le Greller.
- Mr. Stuart asked if the "dirty" ALM exercise could be done as of 01.02.2008, see what the difference is fund by fund and then see for each of the four funds where the difference is, calculate average contributions per member and ensure that the figure reflects against the member's record. Mr. Coetzee confirmed that the figures should balance at member level firstly and not at fund level.
- The Chairman once again asked that the Board of Trustees provide him with a solution as to the way forward to ensure that the Board of Trustees and Aon as administrator are protected against any legal action that might be taken against them by clients or members in future.
- The Chairman said the main issue is how Aon can get data from the brokers to start the process of rebuilding data.
- Mr. Lepar said that with his brokers, the issue was not the amount being paid out to individual members but the time it was taking to pay out the benefit. Ms. Oosthuizen responded that the time it takes to pay out a benefit is directly connected to the quality of data available on the system and the requirement to review each member's record for missing information before payment.
- The Chairman also agreed and said that you cannot balance at fund level if you do not balance at member level first of all.

The Chairman thanked Adendorffs for their valued input and contribution to the meeting and they, with Mr Stuart, were excused from the meeting.

2.4 Sourcing of Additional ALM Proposals

Ms. Le Greller asked if an independent firm could be approached to verify Adendorffs' costs that were presented. She proposed forwarding their quote to Brocco but the Chairman said that under no circumstances were Adendorffs' proposal to be sent to any entities as that would result in a breach of confidentiality by the Board of Trustees.

The Chairman stressed to the Trustees that Aon had not appointed Adendorffs to run this project but was requested to get proposals from outside companies, some of which declined because of capacity.

The Trustees confirmed that they would like to get more than one quote on the project in order that they can measure Adendorffs proposal against alternative quotes.

The Board authorised Mr Lepar to launch his own investigation to see if there are other companies in the industry that could provide alternative quotes. He would then provide feedback at the next meeting to be scheduled for next week. He was also authorised to undertake a check of Adendorffs references in the market.

DL

DL

Mr Botha confirmed he did not believe the Adendorffs rate to be unrealistic nor did he challenge the amount of resource and time.

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Item **Description** **Location**

3. **Date of Next Meeting**
In light of time constraints it was agreed that another Trustees meeting would be scheduled for the following week in order to cover the matters not addressed at today's meeting and to look at alternatives to the Adendorffs proposal. Noted

At this point the Trustees and Aon were required to evacuate the building due to a fire drill and the meeting was closed.

Chairman

Date

W. J. ...

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**Dynam-ique SA Umbrella Pension and Provident Funds
and
IF Umbrella Pension and Provident Funds**

Minutes of the Trustees Meeting held on 1 June 2010

Venue : The Place, 1 Sandton Drive, Sandton

Time : 09h30

Present:		
C Smith	(CS)	Chairman
D Lepar	(DL)	Trustee
G le Grellier	(GS)	Independent Trustee
J Cozies	(JC)	Interim Principal Officer
By Invitation:		
H Barton	(HB)	Aon South Africa
C Stuart	(CS)	Aon South Africa
R Williams	(RW)	Aon South Africa
L Wolfaardt	(LW)	Scribe
Apologies:		
R Bolha	(RB)	Independent Trustee

MEMORANDUM

1. Present
 1.1 Welcome and Apologies
 The Chairman welcomed all attendees to the meeting. Apologies were noted for Mr Bolha and it was confirmed that there was no quorum present for the meeting.

2. ALM Project Proposal
 It was noted that the Managing Director of Aon Consulting, Mr Rob Williams, was requested to attend today's meeting to provide feedback on Aon's involvement and financial commitment to the project following the Trustees meeting held on 26.05.2010. A subsequent meeting was held between Ms le Grellier, Mr Lepar and Deloitte vis-a-vis an alternative proposal for the rebuild project at Aon offices on the previous day. A formal proposal will be provided to the other Trustees for consideration.

Ms le Grellier gave Mr Williams an update on the proposals received from Adendorffs and Deloitte and raised the question as to where responsibility lies for the ALM project costs. She advised that the Trustees had no problem partnering with Aon and taking responsibility for the project up to a point but felt that the Funds should not bear all the costs involved with the project as the costs would not be justifiable to the members.

Mr Williams asked the Trustees to provide clarity on the aim of the exercise and posed the following questions to the Trustees:

- Was their requirement that all Funds needed to be 100% restructured since inception of the Funds up to 01.02.2008?

Grellier

Minute No.	Description	Resolution
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- Was there some lesser goal such as only restructuring to ensure that assets matched liabilities to members?
- What would the impact be on past members in respect of over or underpayment and was it the Trustees' intention to try to recoup overpayments, and top-up underpayments?

The Trustees agreed that they would be satisfied with a lesser objective than 100% accuracy but that they needed to make at least a sincere effort to rectify member records as much as possible, eg. Contributions that came in, investments made, switches made. Mr Williams agreed that this objective is more realistic than aiming for 100% accuracy. Ms le Greffer said she felt the most critical issue is the process to be followed for this project.

Ms Barton said she would provide the Trustees with the results from Aon's actuarial division where they rebuilt Kone Elevators by to give the Trustees an idea of the work involved and the variance in current data available versus the rebuilt results. HB

Ms le Greffer suggested we keep the Authorities informed of the process that Aon and the Trustees are going to follow to show prudence and good governance. HB/CIS

In response to a question from Mr Williams; Ms le Greffer indicated that she felt that a cost in the region of R8 -- R11 million would be reasonable. This cost would include matching of assets and liabilities, and was based on previous exercises that she had been involved with for other Funds. GIG

It was agreed that the Trustees would request quotes from the market based on a revised brief of what the Trustees require. All

Mr Stuart summarised the revised brief as follows to which the Trustees agreed:

- To match assets and liabilities at member level
- To ensure that all contributions were pulled through to member level
- To allocate incorrectly allocated investments at the end of the exercise
- To ignore late receipts and investments
- To ignore Section 14's out and terminations
- The Trustees to agree that the financials will still be heavily qualified and no efforts will be made as part of this project to change this situation.
- That it will not be necessary to find all missing data

Following discussion it was agreed that:

- Mr. Stuart, Ms Barton, and Ms le Greffer would visit Bredco this week to provide them with a brief in order that they can provide the Trustees with advice on the process and possibly an indication of how they would estimate a quote for such work. CIS/HB/
GIG
- Mr. Stuart would document revised terms of reference, circulate them to the trustees for comment, and then forward them to Deloitte and Andersen and request new quotes from them. CIS
- A further meeting of the trustees would be scheduled before the middle of the month if possible, to consider the new quotes; and thereafter they would put a proposal together to present to Mr Williams for assistance with funding.

2. Confirmation of Previous Minutes
The minutes of the meetings held on 23.10.2009 and 16.02.2010 would be held over for approval and signature at the next Trustees meeting since there was no quorum present. Noted

John

Item No.	Description	Reference
3.	Matters Arising From Previous Minutes	
3.1	New SLA Broker Contract Ms Barton advised that because the Intermediaries do not get remunerated by Aon, the administrator's legal opinion is that these contracts should be drawn up between the brokers and the Trustees Board. It was agreed Ms Barton would forward the draft contract to the Trustees for review and comment.	HB
3.2	Principal Officer Appointment The Chairman advised that he was satisfied with Ms le Grellier's proposal to pay the Principal Officers Association to provide the Funds with assistance in appointing an Independent Principal Officer. He provided an additional curriculum vitae to the Trustees at the meeting for consideration as well. It was agreed that all proposed curriculum vitae would be emailed to the Trustees for review, after which conference call interviews would be set up with the Trustees to finalise this matter at the next meeting to be scheduled around 14 or 15 June.	Noted HB/LW
3.3	Legal Opinion: Mr Kamlonsky PI Claim Ms Barton confirmed that she had meetings set up both with Aon's legal team to follow through the PI claims lodged with Mr Kamlonsky's Insurers this week. It was agreed she would raise a suggestion, from Ms le Grellier at these meetings to set up a further meeting with Aon's and the Funds' lawyers.	HB/GIG
4.	Investment Matters	
4.1	Revised Rules - Disinvestment Policy Ms Barton confirmed that she would go through the Rules with Mr Coetzee and will provide feedback at the next Trustees meeting.	HB/JC
5.	Any Other Business	
5.1	Election of New Chairman Mr Smith noted that he did not feel comfortable with the current conflict of interests that exists with him as Chairman of the Board and as an employee of Aon. After discussion it was agreed that the appointment of a Chairman would be tabled for discussion at the next meeting.	Noted
5.2	Matters Held Over It was agreed that all other matters tabled for discussion would be held over to the next Trustees meeting.	Noted
6.	Date of Next Meeting The next meeting date would be confirmed in due course. There being no further business the meeting was closed.	

Chairman

Date

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A.D.



**Dynam-ique SA Umbrella Pension and Provident Funds
and
IF Umbrella Pension and Provident Funds**

Minutes of the Trustees Meeting held on 16 June 2010

Venue : The Place, 1 Sandton Drive, Sandton

Time : 14h00

Present:		
G Smith	(CS)	Chairman
D Lepar	(DL)	Trustee
G le Grellier	(GIG)	Independent Trustee
R Botha	(RB)	Independent Trustee
J Coetzee	(JC)	Interim Principal Officer

By Invitation:		
H Barton	(HB)	Aon SA
C Stuart	(CS)	Aon SA
L Japple	(LJ)	Scribe

1. Present

1.1 Welcome and Apologies
The Chairman welcomed everyone to the meeting and advised that the normal scribe, Leonie, was on leave and that Leverne Japple would be taking minutes at this meeting.

1.2 Conflicts of Interests
The Chairman advised that due to a conflict of interest, he would not take part in any decisions to be made at the meeting as he is part of Aon, the administrator of the Funds, as well as Chairman of the Boards. However, he did note that he would support the majority vote on any decisions taken.

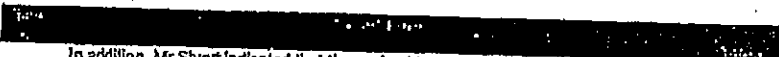
2. Confirmation of Previous Minutes
It was noted that there were changes to be made to the minutes that were provided to the Trustees for review and it was agreed that all changes would be emailed to Leonie and she would make them on her return. The minutes would then be signed by the Chairman.

3. ALM Project Proposal
The Chairman confirmed that today's meeting was scheduled to discuss the various ALM project proposals and to confirm which one the Trustees approved.

The Chairman requested Mr Stuart to provide the Trustees with an update on the various proposals received.

He advised that following the last board meeting, revised terms of reference had been agreed and circulated to Adendorffs and Deloitte. He, Ms Barton, Mr Botha, Ms le Grellier had met with Deloitte and Adendorffs the previous week to receive their proposals for this project. After the meetings Aon drew up a schedule to compare the quotes received from Deloitte and Adendorffs.

L. Japple



In addition, Mr Stuart indicated that the revised terms of reference had enabled Aon to revise its quote for the work that was required from it to support the project going forward, and this had been revised downward to R2.2 million.

Mr Stuart drew attention to the need to source funds amounting to almost R21 million for the project. He suggested that there should be a levy on current members, who were also members on 31 January 2008, and that the levy be based on the asset values of each member. This would mean that transferred or exited members would not have to be pursued to recover monies, and that members would pay in accordance with the value of their investments.

Trustees indicated that the previous administrator should ultimately be held liable for these expenses and that legal action should be considered with a view to recovering the costs.

After discussing the pros and cons of the proposals submitted by Deloitte and Adendorffs, the trustees resolved to appoint Deloitte to carry out this project subject to their confirmation that their fees would be the lower of the actual costs incurred, including disbursements and VAT, or R18-162-480 including VAT, and Mr Stuart was requested to obtain this confirmation by 17 June 2010.

In order to manage the project, the Board agreed to the appointment of a steering committee, and that Ms le Grellier be appointed as the Board's representative on that Committee.

Further, the Board agreed to meet the fees (based on time sheets) and expenses (based on actual supporting documents) related to this project, in respect of Mrs le Grellier and Aon.

In addition it was agreed that the following items would be actioned:

- The suggested levy to fund the project was accepted and a process needs to be formalised to deduct the costs from the Funds.
- A cash flow budget will be set up for the project.
- Ms le Grellier, Mr Botha and Mr Stuart would meet with the Financial Services Board next week to advise them of this project and get feedback from them. (Mr Botha to set up meeting)
- Once we have received feedback from the PSB, the Chairman would set up a meeting with both Aon and the Funds' legal teams to devise an appropriate strategy to recover the costs from the previous administrator.

5. **Date of Next Meeting** - The next meeting date would be confirmed to the Trustees once all the above action items have been finalised.

It was also agreed that the Principal Officer appointment and all matters arising from the above mentioned minutes would be discussed at the next Trustees meeting. It was also requested that the appointment of an additional Member Trustee be tabled for discussion at the next meeting.

There being no further business the meeting was closed


Chairman

13/7/2010
Date



QL 23

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1 July 2010

ATTENTION: The Trustees
Dynamique and the IF Pension and Provident Funds
PO Box 1874
Parklands
2121

Dear Sir/Madam

APPOINTMENT OF DELOITTE & TOUCHE TO ASSIST THE TRUSTEES AND THE ADMINISTRATOR TO RE-CREATE CREDIBLE MEMBER RECORDS WHICH WILL FACILITATE FUTURE ASSET / LIABILITY RECONCILIATIONS AT AN INDIVIDUAL MEMBER LEVEL FOR THE IF AND DYNAMIQUE FUNDS

We have pleasure in confirming our appointment as service providers for the project known as the ALM project. The proposal highlights your service requirements and our detailed response to these requirements.

The scope of the ALM project has been agreed to and is set out on page 2 and 3 of the attached proposal. Should the Trustees require any additional deliverables we would be happy to discuss these and amend the current scope accordingly.

Our approach of the ALM project has been highlighted in detail on page 5 and 6 in the attached proposal. The approach may be altered during the course of the project should the need arise. All material alterations from the agreed upon approach will be discussed with the Trustees before the alternative approach is adopted.

Our fees are set out on page 11 of the attached proposal. The total fee as agreed is R1 816 248 (including VAT). A monthly progress fee of R1 433 880 will be invoiced on the last day of the month and is payable in accordance with our standard terms and conditions set out on page 14 of the proposal.

INDEPENDENCE

As regards to the scope of this engagement, all management functions and decisions remain the responsibility of the Trustees of the Dynamique and the IF Pension and Provident Funds. Our team will not be required to make any management decisions or to exercise any discretionary authority. All management functions and decisions remain the responsibility of the Trustees of the Dynamique and the IF Pension and Provident Funds.

National Executive: GG Geirink Chief Executive AE Swiggers Chief Operating Officer GH Pannock Audit
DL Kennedy Tax & Legal and Risk Advisory L Geerlings Consulting L Basm Corporate Finance CR Bekman Finance
TJ Brown Clients & Markets NI Mtoba Chairman of the Board CH Quayle Deputy Chairman of the Board
Regional Leader: BGC Pannin

A full list of partners and directors is available on request

Handwritten signature

1 July 2010
ALM Project

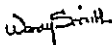
Our involvement will be restricted to activities of a supporting or advisory nature only. It will be up to the Trustees to decide on what action to take or entries to process on any recommendations that may be made. Where our assignment involves work that is normally performed by the administrators staff (Aon), it will remain the responsibility of Aon management to supervise the Deloitte & Touche personnel involved and to review their work.

Based on the scope of the engagement as set out above, we do not believe that our independence has been impaired in any way. To ensure our continued independence, the Trustees must agree any scope changes with us in writing.

In conclusion, we believe because of the commitment of our people to quality, their experience and innovative approach to problem solving, we will provide excellent services to the Trustees of the Dynamique and the IF Pension and Provident Funds.

We are pleased to be of assistance to you in this matter and assure you of our best attention at all times. Should you have any questions or wish to make any comments in respect of the above, please do not hesitate to contact us at your earliest convenience. The engagement Director, *Wendy Smith* can be reached at (021) 427 5456 or 082 557 2902.

Yours sincerely



Wendy Smith
Director

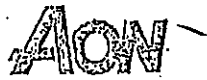
I understand and accept the terms of appointment set out in the above letter and in the attached proposal and I have been duly authorised to act on behalf of the IF and Dynamique funds in this matter.

For IF and Dynamique funds

Date:



GL 24



8 August 2010

Mr Jurgen Boyd,
Financial Services Board,
Pretoria.

By e-mail.

Aon South Africa (Pty) Ltd
Risk Consultants and Insurance Brokers
Actuarial, Healthcare & Retirement Funding Consultants
PO Box 1874, Parklands, 2121, Gauteng
The Place, 1 Sandton Drive, Sandhurst, Sandton, 2196
Johannesburg, South Africa
Telephone: +27 11 944 7000
Fax: +27 11 944 8000

Dear Jurgen,

Dynamique and IF Pension and Provident Funds.

Thank you for the time that you and Corlia gave up to meet with Renier Botha (a Trustee of the funds) and myself on 13 July, when we advised you of the issues confronting the Trustees of the 4 Dynamique and IF Umbrella funds. For ease of reference I have set out the key points which we identified during our meeting, in bullet form below:

- From 1 February 2008, Aon was appointed as administrator to a number of Pension and Provident Funds which had previously been administered by Dynamique SA Consulting and Actuaries (Pty) Ltd ("Dynamique"). Aon did not buy Dynamique but it did purchase and continue to use the existing administration system and employed some of Dynamique's existing staff.
- Issues were identified at an early stage and as time passed, Aon has identified more and more concerns with the integrity of the data and historical administration processes. The point has now been reached where, for a significant number of payments and for the production of annual member benefit statements, etc, a comprehensive review of members' electronic records, against payment receipts and actual investments, needs to be undertaken. This level of data interrogation has forced the Trustees to consider whether the funds' assets and liabilities are correctly reflected at a member, participating employer and fund level. The trustees decided to appoint Deloitte to reconstruct each participating employers' records at a member level to ensure that the assets are correctly reflected, and that no member is being disadvantaged.
- During our meeting I also advised that Aon, on behalf of the Trustees was about to send out a circular to the participating employers' intermediaries to advise them of the appointment of Deloitte to do the reconstruction, and requesting them to provide any relevant documents which may help with the reconstruction.
- You pointed out that the trustees have an obligation to communicate with the members, despite the concerns that would arise from such a communication. You commented that the members would potentially be advised by the participating employer and their intermediaries of the project and it would therefore be in the best interest of the Funds, to manage the communication via Aon, rather than through the intermediaries.
- You also raised the cost of project at R18m and I explained that the project was very extensive with 160 months of administrative records and transactions to be reconstructed. Aon had considered whether it should undertake the reconstruction work but felt that it may impact negatively on service levels to members. Aon supported the Trustees' decision to appoint Deloitte, who had already started work on the project.
- Renier pointed out that the project required a considerable amount of work and resources from Aon's side, and this was outside the scope covered by the current Service Level Agreement. The Trustees had therefore agreed to meet Aon's additional costs by the Funds.

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Page 2

- Renier advised that the Trustees proposed disinvesting sufficient funds at the beginning of the project to meet the monthly fees for the project. The cost of the project would be initially borne by those members who had been members of the fund during the Dynamique administration period and were still contributing members at present. This approach recognised that members joining the fund after 31 January 2008, would not bear any costs, and that the Trustees had little chance of recovering costs from members who had already exited the funds.
- I advised that the Trustees felt that a cautious approach must be taken to the payment of claims during the project and had decided to pay claims based on proven contributions net of fees, until such time as the member fund credits could be confirmed.
- You asked what action was being taken to recover the costs of the project, and pointed out that we needed to have a record of which members were bearing the cost of the Deloitte project so that they could potentially be reimbursed later. Renier confirmed that the trustees were seeking their own advice with regard to legal action to recover costs from the previous administrator.
- I pointed out that as a result of concerns regarding the data integrity, the Funds were unable to produce Annual Financial Statements from 2007 to 2008 at present, but that these would be a deliverable from the Deloitte project. Aon would then be in a position to produce AFS for its period of administration to date, 1 February 2008 onwards.
- In concluding the meeting you requested Aon, on behalf of the Trustees,
 - o to confirm the discussions in writing so that you could suspend the normal follow up on these outstanding financials, and
 - o to report back on the project timetable once it has been agreed at the next Steering Committee meeting, and to report quarterly on progress.

The first project steering committee was held today, Friday 6 August, and I will give you further feedback once the revised project plan and minutes are available.

Thank you for taking the time to meet with us and for your understanding.

Yours faithfully,



Clive Stuart
Project Manager

Cc Corlia Buitendag
Financial Services Board

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Aon South Africa (Pty) Ltd
 Actuarial, Healthcare & Retirement Funding Consultants
 PO Box 1874, Parklands, 2121, Gauteng
 The Place, 1 Sandton Drive, Sandhurst, Sandton, 2196,
 Johannesburg, South Africa
 Telephone: +27 11 944 7000
 Fax: +27 11 944 8000

10 September, 2010.

Dear Intermediary,

Re: Dynamique and IF Pension and Provident Funds

Following our letter dated 15 July, 2010, in the above regard, we have received several questions from Intermediaries, and in an effort to convey the additional information as widely as possible, the Board of Trustees has requested Aon to summarise the questions and convey the answers to all Intermediaries. The questions and answers are set out below:

1. What is value of "proven" member contributions?

These include the member and employers contributions, excluding admin and group risks costs.

2. Who is paying for the rebuild project? (How will the costs be apportioned?)

The funds are entitled to pay for the project costs. These costs are being funded by way of a levy of approximately 2,5% against the assets of the funds. The trustees have gone through a thorough process in ensuring that the costs of the project are competitive and will seek advice on how these costs can be mitigated. All recoveries will be credited to the funds. The trustees will keep you informed of any possible recoveries.

3. Do you suspect fraud?

We have not come across any facts that suggest there has been any fraudulent activity.

4. What happens where you issued benefit statements this year and members have higher allocations than they should have?

All members of the IF and Dynamique Funds will be receiving new benefit statements in due course. We expect some to show the same or similar balances, while others may show increased balances and others may show reduced balances, compared to the benefit statements which were issued previously. Whatever the new statements show will be regarded as the new balances. Note that a benefit statement is not a contractual document but merely illustrative. A higher allocation on a previous benefit statement in no way entitles a member to that higher allocation.

5. If there is a shortfall between the assets (money invested in the funds) and the liabilities (money shown as a credit on the members benefit statements) who will make good of this shortfall.

There are various possible reasons for any difference. On the one hand the assets or the liabilities could have been incorrectly stated, and this is what has been found in cases investigated to date. In this situation the investigation will correct the information, and there won't be any shortfall to be made good. Another

possible reason is that there has been some wrongdoing that has resulted in the assets being misappropriated. No evidence has been found of any wrongdoing to date, but in the event that such is uncovered, the trustees will take whatever action is appropriate to recover the monies.

6 How are Section 14 transfers going to be treated?

Transfers will only be made once the funds have been rebuilt, and new values have been determined. The section 14s will then be processed and payments made in the normal way.

7 On a fund's liquidation can the money not be transferred into Preservation funds instead of the money sitting with Aon until such time as you resolve all issues?

It is not prudent to transfer the monies into a Preservation Fund because the transfer values have not been finalised. The purpose of the project is to rebuild the member records to determine their values, and once this has been finalised, transfers will be possible.

8 What is the position of retirees during 9 – 12 month rebuild period? Will they get paid their full share of fund?

The trustees are conscious of the circumstances which face members on retirement and have directed Aon to undertake a review of each retiring member's account in order to establish the balance and pay them their full benefit.

9 How do members handle tax returns when top up payments are made in a different tax year?

Any top up payments to members will be processed in the same way as other payments and Aon will deduct the tax as directed by SARS.

- *If a top up payment is in the same tax year as the initial payment, the initial tax directive will be cancelled and Aon will request SARS to provide a new tax directive.*
- *If a top up payment is in a later tax year, Aon will apply for a new tax directive and will indicate to SARS that the payment accrued in the earlier tax year.*

10 If the previous Administrators are at fault, has Aon or the Trustees taken action against them to recover any losses and if so what action.

The trustees have acted in the Funds' best interests and are seeking legal advice where necessary to ensure that this objective continues to be achieved.

11 Please confirm all contributions post January, 2008, do not require rebuilding and claimants will be paid in full

Unfortunately we have already found cases where, for example, investments made into the incorrect portfolios pre 2008 can have a material impact on returns in subsequent years. Until the pre 2008 picture is clear it is not possible to treat the post January, 2008 period any differently.

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12 How and who is advising individual funds and members of the problems and procedures and when? Should this not be the trustees' job?

The trustees are conscious of their responsibility to communicate with members, but are also aware that intermediaries have the primary contact with members. The trustees have therefore decided to keep the intermediaries updated with issues and developments on an ongoing basis, during the course of the project, so that the intermediaries can communicate with their clients and the members. The trustees will however also be sending out a periodic newsletter to the members and will include an update on the need for the project, and information on progress.

Finally we would like to thank those Intermediaries who have sent us information relative to their clients. Some have forwarded old e-mails, while others have extracted the information onto hard drives and delivered those to our offices. All this information has been passed on to Deloitte and is being used in the rebuild of member records.

For those Intermediaries who have not yet sent any historical member information in to us, please review the list below and send it to the e-mail account which we have specifically created for this project at ALM@Aon.co.za. The following documents would be very useful:

- * monthly contribution schedules,
- * switch forms,
- * withdrawal forms
- * policy amendments,
- * risk schedules
- * section 14 data,
- * any other documents which you believe are relevant to your clients.

Aon and the Board of Trustees would like to thank you and your clients for your patience and understanding. The early work by Deloitte on this project has already confirmed the need for the rebuild of the member records, and as the project progresses there will be further communications with you to keep you and your clients abreast of the progress and any areas which may need your attention.

Yours faithfully,

-ALM Asset Liability Match | Retirement Funding Administration

Aon South Africa (Pty) Ltd
 The Place, 1 Sandton Drive Sandhurst
 P.O.Box 1874, Parklands 2121
 Tel: +27 +27 011 944 7000 | Fax: +27 +27 011 944 8145
 E-Mail: alm@Aon.co.za

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**Minutes of the meeting of the trustees of the
IF Umbrella Pension Fund
held at 10h00 on 10 December 2010
at the offices of the Aon Employee Benefits,
The Place, 1 Sandton Drive, Sandton**

1. Opening of meeting / recording of those present, those absent and any apologies

After noting that a quorum of at least four trustees was present, at least one of whom was an independent, the chairperson declared the meeting opened.

Present:

G Le Grellier	- Chairman and Independent Trustee
R Botha	- Independent trustee
L. Wingrove-Gibson	- Principal Officer
D Lepar	- Trustee
C Stuart	- Trustee

By Invitation:

Rob Williams	- Aon South Africa
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Apologies:

None

An attendance record was tabled for signature.

2. Composition of the Board of Trustees

Carel Smith had left the employ of Aon South Africa and as a result resigned from being a trustee of the fund. There were therefore only 3 trustees currently on the Board. The rules provide that there must be at least 4 trustees and therefore a quorum would be 4. There was therefore no quorum in place.

In terms of the rules of the fund the Administrator appoints the trustees. Rob Williams represents Aon South Africa being the administrator and on that basis appointed Clive Stuart as a replacement trustee. Clive Stuart is currently employed by Aon South Africa. On this basis it was confirmed that a quorum was in place.

The concern was raised that currently there are only four trustees. This could result in a quorum not being in place if one trustee due to unforeseen circumstances could not attend and therefore it was recommended that an additional trustee/ s should be appointed. It was requested that RW request the administrator to consider appointing an additional trustee. RW was concerned about the additional cost to the Fund and therefore the Board recommended that LWG be appointed as a trustee and would therefore fulfil the dual roles of being the fund's Principal Officer and a Trustee. This would be conveyed to Aon for a decision.

Clive

3. Conflicts of Interest

The following conflicts of interest were declared:

- CS is employed by Aon
 - DL is a broker and consultant to various participating employers in the Fund.
- No further conflicts were declared

4. Minutes of meeting held on 25 August 2010

The minutes of the meeting held on 25 August 2010 were confirmed as correct and accepted as an adequate reflection of what took place in the said meeting.

5. Matters discussed previously

5.1. Claim against Dynam-ique

5.1.1. Feedback was provided by GLG

A new attorney, Ren Dunster had been appointed. Hunter Thyne from Eversheds had notified the Trustees that he would need to resign due to a potential conflict of interest in that Evershed's acted on behalf of Aon in various other matters.

~~Ren Dunster is in the process of formulating a claim against Dynam-ique and has been instructed to proceed as soon as possible.~~

GLG further confirmed that a letter had been sent to Tony Kamionsky (TK) TK had responded to the said letter stating that he was not aware of any administrative problems and thought that the cost of R20 million quoted in the letter had been a typing error.

TK had contacted GLG and requested a meeting. GLG stated that she advised TK that she would only agree to meet with TK if the fund's attorney could be present. He subsequently sent a letter of demand to the trustees requesting certain information and documentation. He further stated that the trustees had failed to apply their minds.

It was agreed that the administrator would be provided with a copy of the letter from TK in order for them to respond.

GLG advised the board that various complaints had been received by brokers and participating employers. This had been due to a letter sent by TK stating that he was not aware of any maladministration of the fund during Dynam-iques days as administrators and that the appointment of Deloitte's was unnecessary and costly. As a result questions had been raised by the brokers and participating employers, namely, why was a rebuild necessary and how were these costs going to be recovered.

GLG stated that an additional communiqué would need to be sent to brokers in response to the letter sent by TK. The board debated what should be in the contents of this communiqué and in what detail should the trustees go. A draft communiqué had been done by Ren Dunster and circulated to the trustees for review and comments.

RB stated that he believed that one of the main reasons for the rebuild was so that financials could be finalised. As the last set of financials that had been submitted had been highly qualified. GLG cautioned the Board that even the rebuild might not result in unqualified financials, in fact the goal of the rebuild

C. J. J.

was not to ensure unqualified financials and therefore this aspect should not be highlighted as one of the reasons for the rebuild.

RB stated that he was concerned that the communiqué did not provide the necessary information.

CS raised the concern about providing a list of problems been determined by Delloittes', as the process was still underway. It was not in the Fund's interest to disclose this information.

It was agreed that the communiqué should state that the Board is initiating action against the former administrator; therefore the provision of any further information would be prejudicial.

GLG undertook to reword the communiqué drafted by Ren Dunster and will forward onto the trustees for final approval.

The fund is a broker driven fund and therefore it was agreed that the brokers needed to be reminded about their duties regarding disclosure of information. Should they not wish to communicate with their clients directly they would need to notify the Trustees so that the trustees could communicate with the participating employers directly. It is the brokers responsibility as a registered broker to comply with the requirements of the FAIS Act.

GLG was concerned that there were currently no formal record keeping regarding various complaints received and the responses thereto. LWG was tasked with putting in place a complaints register for previous and new complaints.

Delloitte's will summarise the inaccuracies discovered and a report will be provided per participating employer on finalisation of the rebuild.

Members have been informed in clear and plain language of what is happening.

A letter responding to TK's request for information was drafted by Ren Dunster. The communiqué was approved by the Trustees. GLG to email the letter to CS.

DL raised a concern that when claiming against Dynam-ique is the fact that they do not have PI cover. GLG stated that we have to claim against Dynam-ique first before claiming from TK.

5.2. Investment Contracts

DL provided contact details for each of the investment managers. LWG will facilitate and ensure that an agreement is in place between the investment manager and Aon being the administrator. In addition it was necessary to ensure that an agreement or policy between the fund and the investment manager be in place.

The fund makes use of the following Investment Managers:-

- Allan Gray
- Investment Solutions
- acsis
- Prime/ Brantam

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5.3. Section 14 transfers

A letter was initially sent by Aon requesting that the Section 14's that had approved been withdrawn and that no further Section 14's should be processed. It was subsequently requested that the request had to be made by the Principal Officer. LWG confirmed that this had been done and that she would continue to follow up.

5.4. Revised Rules

Nothing has been finalised yet with Aon's attorneys regarding the finalisation of the Revised Rules drafted by GLG. Aon has been sent a copy of the rules and need to comment from an-administration perspective.

5.5. TSA Agreement

DL has provided Bonita Oosthuizen with the agreement

6. ALM Project Proposal.

6.1. Project update

CS provided an update as per the Steering Committee meeting on 9 December 2010. Delloites is confident that they will meet the targets set. The April to June 2011 period is required for wrap up. CS agreed that the handling of the project by Delloittes is up to standard.

Some of the errors that have been discovered is that payments have been made into or out of the incorrect bank account, for example payment is made out of the Dynam-ique Pension Fund instead of the Dynam-ique Provident Fund and visa versa.

CS acting on behalf of Aon stated that Aon the Administrator is happy with the approach that has been adopted by Delloittes.

6.2. Feedback regarding complaints from brokers and clients

Paul Argent a broker for various participating employers on the fund contacted LWG telephonically and requested that his dissatisfaction with the 2.5% deduction that it be raised and minuted. GLG requested that a complaints register be kept with LWG and CS. ALM Complaints and Administrative Complaints to be kept separately. LWG to draw up a register with complaints that have been received. The register will then be circulated to the trustees for any additions.

DL advised that he had done calculations for his various clients. He raised a concern that the deductions were made were not consistent across fund members. CS will investigate the discrepancies.

7. Administration Report

The contents of the administration reports were noted. LWG stated that the purpose of the reports was a starting point and that these could then be adjusted to meet the trustees' requirements. It was requested that an exception report be provided to show items such as an age analysis of claims, how many claims were paid in terms of service levels, how many fell out of the service levels. Reasons stating why claims outside the service levels were still outstanding and had not been paid.

LWG to revisit outstanding death claims with Oswald as the list seemed too short. DL also raised a concern that when Death Claims were circulated to the trustees via email, he is unsure

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whether the case has been reviewed by the sub-committee and that the recommendation is that of the sub-committee.

8. Any Other Business

8.1. Process of rule amendments

GLG raised a concern about the current process for rule amendments. Currently the date for the rule amendment resolution states the date is the date for the previous trustee meeting, yet this had not been discussed at the said meeting. GLG would meet with Cassim to put in place the correct procedure.

8.2. Transfers to Preservation Funds

CS stated that a broker had raised a concern that when the top up payment was made, this amount would not be accepted by the preservation fund to which the original amount was transferred. The trustees felt that this would not be the situation as the source of the funds was the same. DL undertook to investigate and revert to the trustees.

8.3. Appointment of an Additional Trustee

A concern was raised that currently the quorum for a meeting is four (4) trustees. There are only four trustees currently in office, this could pose a problem if one of the trustees were unable to attend a meeting. A request was put to RW on behalf of the administrator, to look at appointing an additional trustee.

8.4. Rule Amendment regarding the Appointment of Trustees

The trustees accepted the Rule Amendment and signed the same

8.5. Ongoing Fund Expenses

- Trustee Remuneration Policy

It was agreed that a LWG and GLG would draft a remuneration policy in general, no specific trustee to be dealt with. This would set out for what would be paid and the cost thereof.

DL had been appointed as a representative of Aon. This contract would terminate with effect from 31 January 2011. Currently travel expenses for DL were covered by An. Post-31 January 2011, costs would need to be covered by the Fund.

- Funding the Reserve Account for administration and other expenses

A reserve account needs to be put in place to make provision for the following expenses:

- Trustee Expenses;

- Audit Fees

GLG

- Ad hoc expenses

CS to provide in conjunction with Aon a proposed budget.

The trustees discussed possible ways to deduct these expenses. This could be a percentage of Fund Assets or a Rand amount. Contributions could be the basis for determining the value or a combination of the above.

8.6. PF130 – Gift Policy

The trustees agreed that no gifts could be accepted. A policy would be drafted by LWG and circulated.

8.7. Potential PI Claim – Merle Renee Langeveldt

CS undertook to follow up whether Aon has submitted the claim and Aon to resolve this issue.

8.8. General

DL reiterated that it was imperative that updated information be sent out before the end of the year. The brokers need to be reminded that in terms of FAIS legislation, it is required that the contents of the communication be disclosed to their clients. Should they not wish to forward onto their clients, they need to notify the Trustees and they would ensure that the member communication would be forwarded to the relevant parties.

There being no further issues to discuss, the meeting was closed at 13h50.

Certified that these minutes are a true reflection of the proceedings:

Chairperson

Date

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TO Silas

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Page 1

IN THE TRIBUNAL OF THE PENSION FUNDS ADJUDICATOR:

CASE NUMBER:

In the matter between:-

Affirm Marketing (Pty) Ltd, Beefmaster (Pty) Ltd, Birkenmeyer (Pty) Ltd, Dr Gebka, Hellig & Klug Inc, Dr Ritz Inc, Eternal Flame Investments (Pty) Ltd, Expectra 88 (Pty) Ltd, Hostico (Pty) Ltd, Hettas CC, ConVista Consulting (Pty) Ltd, ID Technology Solutions (Pty) Ltd, Progressive Packaging (Pty) Ltd, World Cargo Services (Pty) Ltd, Condukt Risk and Insurance Holdings (Pty) Ltd, Dell Computer (Pty) Ltd, The Brand Union (Pty) Ltd, Ultra Litho (Pty) Ltd, Newscorp Media Monitoring Pty Ltd, Mixtec CC, Petromark (Pty) Ltd, Dahteq (Pty) Ltd, Wavelengths 32 Pty Ltd t/a Inzalo Communications, Panoramic Components Pty Ltd, Chloken Management Services (Pty) Ltd and Hansen Transmissions Pty Ltd - Employers Participating in the IF Umbrella Provident Fund

H/M
OFFICE OF THE
2011 -05- 03
PENSION FUNDS ADJUDICATOR

and

Enableded (Pty) Ltd, Prineserv Group Limited, The Church of Jesus Christ of Latter-day Saints and Jo'burg Child Welfare - Employers Participating in the IF Umbrella Pension Fund

The Employer Complainants

and

The employees of the abovenamed Participating Employers who are members of the IF Umbrella Provident Fund and the IF Umbrella Pension Fund respectively

The Member Complainants

and

Gall to Grellier, Renier Botha, David Lepar and Clive Stuart - collectively the former Board of Trustees of the IF Umbrella Provident Fund and the IF Umbrella Pension Fund

The First Respondents

and

Any former Trustees of the Boards of the IF Umbrella Provident Fund and the IF Umbrella Pension Fund over the period relevant to complaint, whose identities are unknown

Collectively the Second Respondents

1.14

**COMPLAINT IN TERMS OF
SECTION 30A OF THE PENSION FUNDS ACT, 1956**

THE PARTIES TO AND RELEVANT TO THE COMPLAINT

1. The Employer Complainants are the above-named Employer who participate in the IF Umbrella Pension or the IF Umbrella Provident Fund ("the IF Funds"). The Member Complainants are employees of the Employer Complainants and members of the IF Funds. The Employer and Member Complainants shall be referred to in this complaint collectively as the Complainants. The IF Pension and Provident Funds are pension fund organisations registered in terms of section 4 of the Pension Funds Act, 1956 ("the PF Act") with registration numbers 12/8/37464 and 12/8/37452 respectively, their registered address being 1 Sandton Drive, The Place, Sandton, Johannesburg. The IF Funds are umbrella funds.

2. The First Respondents are collectively the former board of trustees of the IF Funds, composed of Gail le Grallier (independent chairperson), Renier Botha (independent-trustee), Clive Stuart (trustee) and David Lepar (trustee). The Second Respondents are the trustees of any board of the IF Funds prior to the board composed of the First Respondents, who held office over any period relevant to this complaint, and whose identities are not known to the Complainants. The First Respondents resigned as trustees of the IF Funds with effect from 31 January 2011. The Principal Officer of the IF Funds is Lindy Wingrove-Gibson.

THE NATURE OF THE COMPLAINT

3. The complaint is brought in terms of paragraphs (a) and (b) of the definition of "complaint" in the PF Act.

4. The Employer Complainants are complainants because in terms of the definition of "complainant" in the PF Act, they are employers who participate in the IF Funds. The retirement benefits of the Member Complainants are part of their employment promise, as Employers, to their employees, which

L. W. G.

benefits are delivered via the retirement funds in which they participate. The Employer Complainants elected to participate in the IF Funds and any decision(s) taken by the Respondents which compromise the employment promise made to their employees potentially prejudices the Employer Complainants. An employer owes a duty of good faith to its employees to ensure that the retirement benefits promised are delivered by the fund in which the employer participates.

5. The Member Complainants are complainants because they are members of the IF Funds and are directly affected when their retirement benefits are compromised by any decision(s) taken by the Respondents.

6. There are two legs to the complaint. This first leg is that in relation to the administration of the IF Funds, the decision(s) taken by the Respondents (as are fully set out below) was an improper exercise of their powers as referred to in paragraph (a) of the definition of "complaint" in the PF Act. The second leg of the complaint is that the Complainants have sustained or may sustain prejudice in consequence of the maladministration of the IF Funds by the Respondents and/or the agents appointed by them, whether by act or omission, as referred to in paragraph (b) of the definition of "complaint" in the PF Act.

FACTS AND CIRCUMSTANCES

7. Until 31 January 2008, Dynamique SA Consultants and Actuaries (Pty) Ltd ("Dynamique") was the administrator of the IF Funds. A change in the administration of the IF Funds occurred in January 2008 as a result of Aon South Africa (Pty) Ltd ("Aon") concluding an agreement with Dynamique for the purchase of Dynamique's business including its right, title and interests in the administration agreements concluded in respect of the IF Funds.

8. Subsequent to the change in the administration of the IF Funds, the First Respondents appointed an auditing company, Deloitte & Touche ("Deloitte"), to rebuild the data and records of the IF Funds at member level ("the rebuild exercise").

9. The rebuild of the IF Funds records at member level was necessitated as a result of the maladministration of the IF Funds, *inter alia*, by:

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15-APR-2013 07:50 FROM Silas

TO Silas

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Page 4

- 9.1. reinvestments (i.e. interest and dividends) not being credited to members' accounts;
 - 9.2. redemptions being paid from monies owing to other members;
 - 9.3. switches between investments not being correctly recorded in members' accounts;
 - 9.4. inaccurate deposits of monies being deposited in the bank accounts of other funds (whom Dynamique also administered);
 - 9.5. monies being invested in, or disinvested from, incorrect investment portfolios;
 - 9.6. failure to identify and/or rectify the above errors; and
 - 9.7. a lack of monthly and annual audits being performed.
10. The rebuild of the records required to be performed by Deloitte was from the inception of the IF Funds until 31 January 2008.
 11. The decisions taken in respect of the rebuild exercise were decisions of the First Respondents, alternatively the First and Second Respondents.
 12. The complainants were advised by the First Respondents that the cost of the rebuild exercise would be approximately R20 million – this also included the rebuild of member records of the Dynamique SA Pension and Provident Funds – in respect of whom Dynamique was also the administrator.
 13. The cost of the rebuild exercise translated into an individual cost for each member of the IF Funds of 2.5% of their fund credits. Attached marked Annexure "A" is communication dated 1 November 2010 on behalf of the First Respondents in which the cost of the rebuild exercise and the debiting of each member's fund share by 2.5% is set out.
 14. As a result of dissatisfaction with the level of communication by the First Respondents and their failure to adequately answer queries made by or on behalf of members of the IF Funds regarding the cost of the rebuild exercise and the decisions taken by the trustees in relation thereto, 10 of the abovementioned Employer Complainants participating in the IF Funds instructed the Complainants'

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attorney to address correspondence to the First Respondents and Aon, in which they were notified, *inter alia*, of their:

14.1. demand for full reimbursement of the cost of the rebuild exercise as a result of the loss suffered by the members in consequence of the cost being deducted from their fund credits;

14.2. request for confirmation of what action was being taken to recover the loss;

14.3. request for an undertaking that the cost of the rebuild exercise would be restored in full, so that the members would be put back in the same position they would have been in had the rebuild exercise not taken place; and

14.4. request for an assurance that any claim against the IF Funds and/or their current or previous administrators would be met from professional indemnity insurance cover held in respect of the IF Funds.

15. A copy of this letter, dated 8 December 2010, is attached marked Annexure "B".

16. On 24 January 2011, a letter in reply was received from Dunster & Associates Attorneys ("Dunster"), a copy of which is attached marked Annexure "C". Although the letter (8 December 2010) was addressed to the trustees of the IF Funds (the First Respondents), Dunster replied on behalf of the IF Funds, which are separate legal entities and distinct from the board of trustees. In paragraph 6 of Dunster's letter, it is stated that the trustees were taking all action necessary to recover the cost of the rebuild exercise. Paragraph 7 contains a denial that members of or employers participating in the IF Funds had any claim against the IF Funds before members became entitled to payment of benefits in terms of the IF Funds' rules.

17. On 2 February 2011, a letter was sent to Dunster in response, a copy of which is attached marked Annexure "D". In paragraph 2 of the letter, it is stated that the failure of the IF Funds or the trustees to adequately communicate and supply the requested information is prejudicial to the members or may cause them to sustain prejudice. It is also noted in paragraph 4 of the letter that no assurance or undertaking had been given in regard to the professional indemnity insurance cover. In paragraph 5 of the letter, it is recorded that the First Respondents must have been aware of the data problems from

at least January 2008 when the administration of the IF Funds was transferred to Aon and the fact that a Summons had not yet been issued was a concern and thus a reason for potential prejudice being suffered by the members of the IF Funds.

18. A response to the letter (8 December 2010) addressed to the trustees of the IF Funds and Aon was also received from Schwarz-North Inc Attorneys on behalf of Aon, a copy of which is attached marked Annexure "E". This letter purports to deny any liability on the part of Aon for the maladministration of the IF Funds (which denial is not accepted or admitted by the Complainants). In paragraph 4 of this letter, it is stated that the decision regarding the funding of the rebuild exercise was a decision taken "by the trustees of the funds" and not by Aon. Furthermore, that "any loss purportedly suffered by your clients (now the Complainants) is a loss that has been suffered at the hands of the trustees of the funds". In paragraphs 9 and 11, it is stated that any undertakings or assurances sought by (now the Complainants) regarding the cost of the rebuild exercise should be sought directly from the trustees of the IF Funds.

19. Despite denial of liability by Aon in respect of any maladministration of the IF Funds, a Summons was issued against Aon in the High Court of South Africa (South Gauteng High Court) by the IF Funds and the Dynamique SA Pension and Provident Funds under case no. 3904/2011. A copy of the Summons and the Particulars of Claim are attached marked Annexure "F". The averments contained in the Particulars of Claim and in particular paragraphs 15 to 18, are relevant to the maladministration of the IF Funds by the previous administrator Dynamique and by Aon. Paragraphs 15 to 16 of the Particulars of Claim records that Aon entered into a verbal administration agreement with the IF Funds and the terms of such verbal agreement. Paragraph 17 of the Particulars of Claim sets out how Aon breached its duty of care and/or breached the terms of the administration agreement, which includes in paragraphs 17.4.4.1 to 17.4.4.3 the manners in which Aon failed to administer the IF Funds administration portfolios in a responsible manner and failed to ensure that claims which the IF Funds had against Dynamique were adequately secured and/or insured (paragraph 17.5). Paragraph 18 of the Particulars of Claim states that Aon failed to rectify the members' investment accounts after the conclusion of the sale agreement between it and Dynamique, and instead allowed them to become increasingly unreliable and incorrect.

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- 20. The IF Funds (together with the Dynamique SA Pension and Provident Funds) have also instituted action in the High Court of South Africa (South Gauteng High Court) under case no. 4175/2001 against Tony Kamionsky in his capacity as director of Dynamique. A copy of the Summons and Particulars of Claim are attached marked Annexure "G". Paragraphs 20 to 21 of these Particulars of Claim contain the averments regarding the maladministration of the IF Funds by its previous administrator, Dynamique, causing the members investment records to become unreliable and corrupt and requiring the rebuild exercise in consequence thereof.
- 21. The maladministration of the IF Funds was reported in the press and in this regard an article dated 12 March 2011, which appeared in "The Star" newspaper is attached marked Annexure "H".

COMPLAINT SUBMISSIONS

- 22. The manner in which the IF Funds' administrator breached its administration agreements with the IF Funds and in consequence resulted in the maladministration of the IF Funds is set out in paragraph 20 of the Particulars of Claim against Tony Kamionsky in his capacity as director of Dynamique. These are described in the same terms as set out above in sub-paragraph 9.1 to 9.7 of this complaint, namely relating to the errors in the allocation of reinvestments (interest and dividends), errors in redemptions, switches, inaccurate deposits of monies, incorrect investments and disinvestment into and from investment portfolios; and the failure to identify and/or rectify these errors.
- 23. Paragraph 20.3 of these Particulars of Claim states that there was a failure to ensure that the IF Funds investments were made in accordance with the provisions of the PF Act and that the administration business was conducted in accordance with the Financial Advisory and Intermediary Services Act, 2002 ("the FAIS Act"), in particular that: -
 - 23.1. The administrator failed to keep proper records, employ adequately trained staff, or have well-defined compliance procedures as required in section 13B(5)(b) to (e) of the PF Act;
 - 23.2. The required monthly and annual audits in terms of the PF Act and/or in terms of section 19 of the FAIS Act were not performed, preventing identification and/or rectification of errors;

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23.3. No auditor conducted the relevant investigations and reviews set out in section 5 of Board Notice 24 ("BN24");

23.4. Deposits of fund monies were made later than a business day following the date of receipt thereof in contravention of section 8 of BN24;

23.5. Assets and liquidity were not maintained in accordance with section 7 of BN24, in particular after the sale of the administration business to Aon, in order to cover liability for past administrative errors; and

23.6. The sale of Dynamique's fund administration business to Aon, lock, stock and barrel, was not adequately disclosed or otherwise dealt with in terms of section 13B(5)(a) of the PF Act.

24. As a result of the above, the records of the IF Funds members' investments became increasingly unreliable and incorrect and it was necessary to engage Deloitte to rebuild the IF Funds records at member level.

25. Turning now to the functions and duties of a board of trustees, those are set out in section 7C and section 7D of the PF Act and are the following: -

"7C. Object of board

(1) *The object of a board shall be to direct, control and oversee the operations of a fund in accordance with the applicable laws and the rules of the fund.*

(2) *In pursuing its object the board shall—*

(a) *take all reasonable steps to ensure that the interests of members in terms of the rules of the fund and the provisions of this Act are protected at all times, especially in the event of an amalgamation or transfer of any business contemplated in section 14, spilling of a fund, termination or reduction of contributions to a fund by an employer, increase of contributions of members and withdrawal of an employer who participates in a fund;*

(b) *act with due care, diligence and good faith;*

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- (c) *avoid conflicts of interest;*
- (d) *act with impartiality in respect of all members and beneficiaries.*

7D. Duties of board

The duties of a board shall be to—

- (a) *ensure that proper registers, books and records of the operations of the fund are kept, inclusive of proper minutes of all resolutions passed by the board;*
- (b) *ensure that proper control systems are employed by or on behalf of the board;*
- (c) *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 of the fund;*
- (d) *take all reasonable steps to ensure that contributions are paid timeously to the fund in accordance with this Act;*
- (e) *obtain expert advice on matters where board members may lack sufficient expertise;*
- (f) *ensure that the rules and the operation and administration of the fund comply with this Act, the Financial Institutions (Protection of Funds) Act, 2001 (Act No. 28 of 2001), and all other applicable laws."*

26. It is widely accepted and acknowledged that it would be impossible for the board of a retirement fund to perform every act in fulfilment of the duty to direct and control the operations (and management) of a fund. For this reason, most (if not all) boards of funds delegate their powers and duties to third parties, including fund administrators, consultants and asset managers. However, where the management, administration and investment functions of a fund are delegated, board members (in this case the Respondents) remain responsible for the actions of such service providers who are the agents of the fund. This is importantly and specifically reflected in the oversight function contained in section 7C(1) of the PF Act. The delegation of responsibilities can never amount to a transfer of the oversight function of a board of trustees, nor amount to an abdication of the responsibilities entrusted to the

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trustees. This is well documented as a principle which flows from trust law, as reflected in the following statements:

"It is not uncommon for a trustee to delegate the administration of the trust to another. This may be to a co-trustee, to a firm in which the trustee is or is not a partner, to a relative, to a suitably qualified professional person or even to a management committee. Such a course is not improper as long as it amounts only to a delegation (the appointment of another, for which acts one will be responsible, to act on one's behalf) and not to abdication (the appointment of another to act instead of oneself, so as to relieve oneself of responsibility....) It does not relieve the trustee from the duty of supervising and checking the work of any non-trustee to whom the delegation may have been made. Indeed, the trustee retains office as trustee with primary responsibility to the beneficiaries under the trust and is accordingly at liberty at any time to revoke the delegation of the authority".¹

27. The applicability of these principles to retirement funds was confirmed in the judgement of Boruchowitz J of the Witwatersrand Local Division of the High Court in *Johannesburg Municipal Pension Fund & another v NBC Employee Benefits (Pty) Ltd & another*² in which he said:

*"There is no dispute that the committee, or board, has the power to delegate, but not to abdicate its responsibilities to third parties...It is a well established principle that where trustees choose to delegate any part of their functions, they are at liberty at any time to revoke such delegation of authority (see *Soolle v Haje Shah Goolam Mohamed Trust & Another* 1985 (3) SA 322 (N); *Alexander & Others v Opperman* 1952 (1) SA 609 (O); *Barry N.O v Bloemfontein Town Council* 1953 (2) SA 105 (O)...). The underlying reason for this principle is that a delegation does not release a committee, board or trustee from liability for wrongs committed in the administration of the funds and the committee retains its office as controllers with primary responsibility to members of the fund. (See also in this regard Honore's South African Law of Trusts 4ed para 201 p269)...Notwithstanding the purported delegation to the first respondent in terms of the administration agreement the committee, or board, of the funds carries a primary fiduciary*

¹ Cameron et al Honore's South African Law of Trusts
² A 2001 unreported judgment (case number 74/01)

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responsibility to administer the funds, and is entitled, for whatever reason, to revoke the delegation³.

28. In the determination of the Pension Funds Adjudicator ("the Adjudicator") in Tversoff, the Liberty Life Association of SA Limited & Others⁴, paragraph 14 of PF Circular 130 is referred to, which states that:

"The board may, should the rules of the fund permit, delegate some of its functions to board sub-committees, employees of the fund and service providers; but, such delegation does not relieve the board of accountability for the functions so delegated. The board may not abdicate any of its function and responsibilities."

29. Thus in terms of the PF Act, in terms of common law principles and in terms of PF Circular 130, the board of trustees of a fund maintains responsibility for the monitoring and supervision of the conduct by its administrator in the fulfilment of their functions and duties in terms of the delegated authority.

30. It is submitted therefore that the averments against Dynamique and Aon, who were and are agents of the IF Funds, as contained in the respective Particulars of Claim and referred to in paragraphs 19 and 20 above of this complaint, must be imputed to the Respondents in consequence of their failure to perform their oversight function in respect of the administration of the IF Funds and the protection of the interests of the members.

31. It is submitted that the Respondents are accountable for the maladministration of the IF Funds by the agents appointed by them. The First Respondents however, have not been accountable to the members (and the Complainants specifically) in respect of the loss they have suffered in the reduction of their fund credits by 2.5% and the potential prejudice that they may suffer if the costs of the rebuild exercise are not recoverable.

32. Despite the IF Funds instituting legal action against Aon and Tony Kamlonsky in his capacity as director of Dynamique, there remains a possibility that the costs of the rebuild exercise are irrecoverable. This is alleged in the Particulars of Claim against Tony Kamlonsky, namely that, as a

³ At page 10-12 of the judgment
⁴ [2000] 12 BPLR 1437 (PFA) at 1449

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result of his negligent conduct, the claims by the Plaintiffs (including the IF Funds) against Dynamique arising from such rebuild, are rendered irrecoverable. (See paragraph 36 of these Particulars of Claim, which is Annexure "G" hereto).

33. Although the First Respondents may have had the power (which is not conceded) to authorise that the cost of the rebuild exercise be deducted from member share accounts it is submitted that if the board of the IF Funds have such powers, the decision of the First Respondents, alternatively the First and Second Respondents in this regard, was an improper exercise of such powers because it resulted in the members of the IF Funds suffering the consequence of the failure of the board of trustees to perform a proper oversight function.

34. It is submitted further that members of the IF Funds may withdraw, die or retire before the recovery of the cost of the rebuild exercise (if recovery is possible) with the consequential reduction of 2.5% of their fund credits and the loss of fund return that would have been earned had their fund credits been restored by this amount. It is submitted that it is unfair and inappropriate to expect members at that time to institute legal action against the IF Funds and/or the Respondents for their loss.

RELIEF SOUGHT

35. It is submitted that the First Respondents have failed to provide assurances that the cost of the rebuild exercise will be met from professional indemnity insurance cover held in respect of themselves and the IF Funds.

36. It is submitted that the First Respondents have failed to address their accountability or the accountability of prior board of trustees (Second Respondents) for the failure of their oversight function, which caused the loss to the IF Funds and its members in consequence of the cost of the rebuild exercise being incurred. The Respondents must answer for their accountability in respect of the maladministration of the IF Funds.

37. It is submitted that the First Respondents ought to have secured the recovery of the cost of the rebuild exercise from the professional indemnity insurance cover held in respect of the IF Funds and that in terms of the right of subrogation held by the insurer, the insurer should thereafter seek recovery of the

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cost of the rebuild exercise from Aon, Dynamique and/or Tony Kamionsky. To the extent that this is irrecoverable, it will be an insurance loss as opposed to a loss that the IF Funds and its members must suffer.

38. An order is requested that the First Respondents, alternatively the First and Second Respondents be held accountable for the cost of the rebuild exercise and that the loss suffered by the Complainants be made good by the crediting of their member shares in the IF Funds in the amount of 2.5% together with fund return, alternatively, interest at the prescribed rate of 15.5%, from date of the debit of their fund credits until date of crediting of their member shares.

DATED AT Cape Town ON THIS 28th DAY OF April 2011

JONATHAN MORTING

Per: 

Complainants' Attorney
3A Sir George Grey Street
Oranjezicht
CAPE TOWN
(REF: VB/r/CHAR1001.1)

TO: THE PENSION FUNDS ADJUDICATOR
Ground & 1st Floors
Corporation Place
Cnr. Fredman Drive & Sundown Valley Crescent
SANDTON
2196

AND TO: The Respondents
c/o DUNSTER & ASSOCIATES ATTORNEYS
4th Floor,
Suite 405
402 Keerom Street
CAPE TOWN
8001
(Ref: RD/CR/DYN1-001)
(Per email: ren@dunster.co.za)

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In the Tribunal of the Pension Fund Adjudicator

(PFA reference: PFA/WE/6292/2011/GM/vn)

In the matter between:

Affirm Marketing (Pty) Ltd and 26 others

Employer Complainants

Enableded (Pty) Ltd and 3 others

Employer Complainants

The employees of the abovementioned Participating Employers who are members of the Funds

Member Complainants

And

Le Grellier, Botha, Lepar and Stuart
(The former board of trustees of the IF Funds)

The First Respondent

Any former trustee of the boards of the IF Funds over the relevant period, whose identities are unknown

The Second Respondent

COMPLAINT IN TERMS OF SECTION 30A OF THE PENSION FUNDS ACT

Background

1. This statement is filed by the IF Umbrella Pension Fund, the IF Umbrella Provident Fund ("the Funds") and the current boards of trustees thereof who include John

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