

REVISED RULES OF THE PRIME RETIREMENT ANNUITY FUND

Resolution passed via a round robin resolution by the Trustees of the Prime Retirement Annuity Fund on 1 July 2017.

Resolved that the set of Rules be substituted in its entirety with effect from 1 July 2017 by the set of Revised Rules attached hereto in which amendments, omissions and/or additions have been made to the rules as a whole.

The reason for the revision of the Rules of the Fund is to ensure compliance and conformity in accordance with the latest legislation and best practice.

The Rules incorporate the following changes:

Rule 2, amended and/or amended the following definitions:

- definitions were added for Default Annuity and Default Annuity Capital Account;
- Amended the definition of Retirement Age.

Rule 3, Updated and amended the following sub rules:

- The number of Board meetings have been amended from four to two meetings in sub rule 3.7.1;
- The appointment period of the Chairman was added in sub rule 3.7.6;
- The word ‘Trustees’ was replaced with “BOARD”;
- Amendment of sub rule 3.13.6 in light of Board Notice 57 of 2015 which deals with the absence of the Principal Officer;
- Rule 3.14.7 was reworded to be in line with and General Note 33 of 2003, Board Notice 61 of 2001 and the Pension Funds Act.

Rule 4, reworded sub rule 4.2.1 to be in line with the Pension Funds Act.

Rule 5, added sub rule 5.1.4 dealing with contributions, amended sub rule 5.2 to provide for transfers and amended rule 5.4.1 to provide for expenses.

Rule 6, reworded sub rules to provide for the purchase of Default Annuities and Living Annuities.

Rule 7, removed and updated outdated sections to be in line with the Pension Funds Act.

Certified that:

- A. The above resolution has been adopted in accordance with the provisions of the rules of the Fund.
- B. These are the Revised Rules of the Prime Retirement Annuity Fund effective from 1 July 2017.



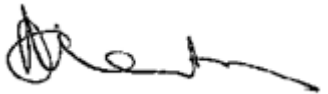
Chairman

Lindy Wingrove-Gibson



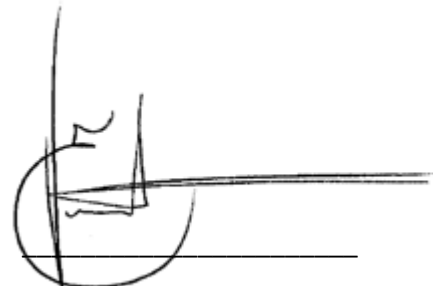
Principal Officer

Vivian Cohen



Trustee

Chantal Menton



Trustee

Eugene Venter

RULES OF THE

PRIME RETIREMENT ANNUITY FUND

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1 INTRODUCTION

1.1 Name

The name of the FUND established in terms of these rules is the Prime Retirement Annuity Fund (hereinafter referred to as “the FUND”).

1.2 Objective

The objective of the FUND is to provide benefits for MEMBERS of the FUND on their retirement or upon the death of such MEMBERS, to provide benefits for their DEPENDANTS and/or NOMINEES.

1.3 Legal status

The FUND is a legal entity capable in law, in its own name, of suing and of being sued. The FUND is capable of doing all things that may be necessary for or incidental to the exercise of its powers or the performance of its functions in terms of the RULES.

1.4 Registered office

The registered office of the FUND is:

Hurlingham Office Park
59 Woodlands Avenue
Hurlingham
Sandown
2010

2 DEFINITIONS AND INTERPRETATION

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

2.1.1 words and expressions defined in the ACT and not in the RULES will bear the meanings set out in the ACT;

- 2.1.2 words and expressions reflecting one gender will include the other gender;
 - 2.1.3 words and expressions denoting the singular number will include the plural and vice versa; and
 - 2.1.4 references to a natural person will include a juristic person and vice versa.
- 2.2 The headings are solely for ease of reference and must not be taken into account in the interpretation of the RULES.
- 2.3 The following words and expressions will bear the meanings set out below and cognate expressions will have corresponding meanings, namely:
- 2.3.1 “ACT” means the Pension Funds Act, 1956 and the regulations and conditions promulgated in terms of the Pension Fund Act, 1956, including any amendments which may be effective from time to time;
 - 2.3.2 “ACTUARY” means the actuary of the FUND appointed in terms of Rule 3.14 from time to time who must be a Fellow of the Institute of Actuaries of London or of the Faculty of Actuaries in Scotland or of the Society of Actuaries of America or any other institute, faculty, society or chapter of actuaries approved by the Minister of Finance. The appointment of the ACTUARY shall at all times be subject to the approval of the REGISTRAR;
 - 2.3.3 “ADJUDICATOR” means the Pension Fund Adjudicator appointed in terms of Section 30C(1) of the ACT;
 - 2.3.4 “ADMINISTRATOR” means the person appointed by the BOARD to attend to the day to day administration of the FUND;

- 2.3.5 “ANNUITY” means a compulsory non-commutable annuity payable for and based on the lifetime of the retiring MEMBER and his spouse (if a spouse’s annuity is elected by the MEMBER) which must not be capable of being transferred, assigned, ceded, pledged, reduced, hypothecated or attached by creditors as contemplated in Sections 37A and 37B of the ACT, provided that this may, subject to the requirements of the REVENUE SERVICE, include a LIVING ANNUITY;
- 2.3.6 “APPROVED PENSION FUND” means a fund registered in terms of the ACT and approved as a pension fund by the REVENUE SERVICE;
- 2.3.7 “APPROVED PRESERVATION PENSION FUND” means a fund registered in terms of the ACT and approved as a PRESERVATION PENSION FUND by the REVENUE SERVICE;
- 2.3.8 “APPROVED PRESERVATION PROVIDENT FUND” means a fund registered in terms of the ACT and approved as a PRESERVATION PROVIDENT FUND by the REVENUE SERVICE;
- 2.3.9 “APPROVED PROVIDENT FUND” means a fund registered in terms of the ACT and approved as a PROVIDENT FUND by the REVENUE SERVICE;
- 2.3.10 “APPROVED RETIREMENT ANNUITY FUND” means a RETIREMENT ANNUITY FUND registered in terms of the ACT and approved as a RETIREMENT ANNUITY FUND by the REVENUE SERVICE;
- 2.3.11 "AUDITOR" means the AUDITOR appointed in terms of these RULES who shall be engaged in public practice registered as an AUDITOR in terms of section 15 of the Public Accountants and Auditors Act, 1991 and approved by the REGISTRAR;
- 2.3.12 “BENEFICIARY” means a person who is entitled to a benefit in terms of the RULES;

- 2.3.13 “BENEFICIARY FUND” means a fund registered in terms of the ACT and approved as a BENEFICIARY FUND by the REVENUE SERVICE;
- 2.3.14 “BOARD” means the BOARD of the FUND constituted in terms of Rule 3.1;
- 2.3.15 “BOARD MEMBER” means a person who has been appointed to serve as a member of the BOARD in terms of Rule 3.2;
- 2.3.16 “COMMENCEMENT DATE” means, in respect of the FUND, 1 February 2009 regardless of when these RULES were signed, registered or approved;
- 2.3.17 “CONTRIBUTIONS” means the regular or ad hoc payments made to the FUND by a MEMBER as set out in the MEMBER APPLICATION, provided that this excludes TRANSFER VALUES;
- 2.3.18 “DEFAULT ANNUITY” shall mean an annuity paid from a DEFAULT ANNUITY CAPITAL ACCOUNT in respect of which:
- 2.3.18.1 the value of the annuity is determined solely by to the value of assets which are specified in the annuity agreement and are held by on behalf of that person for the purposes of providing the annuity;
 - 2.3.18.2 the amount of the annuity is determined in accordance with a method or formula prescribed by the Minister by notice in the Gazette;
 - 2.3.18.3 The full remaining value of the assets contemplated in Rule 2.3.18.1 may be paid as a lump sum when the value of those assets become at any time less than an amount prescribed by the Minister by notice in the Gazette;
 - 2.3.18.4 The amount of the annuity is not guaranteed;
 - 2.3.18.5 On the death of the MEMBER or former MEMBER, the value of the assets referred to in Rule 2.3.18.1 may be paid to a dependant or NOMINEE of the MEMBER or former

MEMBER as an annuity or lump sum, or, in the absence of a dependant or NOMINEE, to the deceased's estate as a lump sum;

2.3.18.6 The Minister may by notice in the Gazette may prescribe further requirements regarding the Annuity.

2.3.19 "DEFAULT ANNUITY CAPITAL ACCOUNT" shall mean a retirement income drawdown account and shall at any particular date for each default annuitant be the portion of the MEMBER SHARE at retirement or the balance at any later date, which is utilised to provide for a DEFAULT ANNUITY to the default annuitant:

2.3.19.1 together with RETURNS on the balance of this amount as invested in the different investment portfolios, as applicable;

2.3.19.2 less such expenses in terms of the RULES as the TRUSTEES may determine from time to time;

2.3.19.3 less DEFAULT ANNUITY payments made.

2.3.20 "DEPENDANT" in relation to a MEMBER means –

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

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

2.3.20.2.1 was, in the opinion of the BOARD, upon the death of the MEMBER in fact dependent on the MEMBER for maintenance;

2.3.20.2.2 is the SPOUSE of the MEMBER, including a party to a union other than a civil marriage;

2.3.20.2.3 is a child of the MEMBER, including a posthumous child, an adopted child and a child born out of wedlock;

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

- 2.3.21 “EXPENSES” means costs related to the management, and administration of the FUND, the cost of audit and of actuarial investigations, BOARD MEMBER fees, professional fees, levies, taxes and any other costs regarded as falling within the definition of EXPENSES from time to time by the BOARD, provided that this will not include any costs related to the investment of the assets of the FUND;
- 2.3.22 “FINANCIAL YEAR” shall mean any period commencing on the COMMENCEMENT DATE, or any subsequent REVISION DATE, and extending to the following REVISION DATE;
- 2.3.24 “FINANCIAL YEAR END” means the last day of January each year;
- 2.3.25 “FUND” means the Prime Retirement Annuity Fund;
- 2.3.26 “INCOME TAX ACT” shall mean the INCOME TAX ACT No. 58 of 1962 as amended from time to time or any legislation enacted to replace such act;
- 2.3.27 “INDEPENDENT BOARD MEMBER” means a BOARD MEMBER who is not employed by nor has a financial interest in the SPONSOR;
- 2.3.28 “LIVING ANNUITY” means a LIVING ANNUITY as defined in the INCOME TAX ACT as amended;
- 2.3.29 “MEMBER” means a person who has been admitted to membership of the FUND in terms of the RULES, excluding a person who has received all the benefits which are due to him from the FUND and whose membership has thereafter been terminated in accordance with the RULES;
- 2.3.30 “MEMBER APPLICATION” means the written application of a MEMBER to participate in the FUND, which shall include details

regarding the MEMBER'S CONTRIBUTIONS and/or TRANSFER VALUE and the RETIREMENT AGE selected by the MEMBER, the portfolio or portfolios selected by the MEMBER in terms of Rule 5.3.2 and any other information which may be required by the BOARD, or the ADMINISTRATOR;

- 2.3.31 "MEMBER'S SHARE" means at any time an amount calculated by multiplying the UNITS, allocated to the MEMBER by the appropriate unit price applicable to the investment portfolio(s) selected by the MEMBER at the time of calculation of the MEMBER'S SHARE plus any interest allocated to the MEMBER'S SHARE in terms of Rule 5.5.3; less any amounts deducted from MEMBER'S SHARE in terms of rule 5.4.2
- 2.3.32 "NOMINEE" means a person, other than a DEPENDANT of a MEMBER duly nominated by the MEMBER to receive benefits on his death and whose nomination has not been retracted by the MEMBER;
- 2.3.33 "PRINCIPAL OFFICER" means the PRINCIPAL OFFICER of the FUND appointed by the TRUSTEES in accordance with the ACT and these RULES to fulfil the functions of a PRINCIPAL OFFICER set out in the ACT and these RULES'
- 2.3.34 "REGISTERED INSURER" means an insurer registered in terms of the Long Term Insurance Act, No. 52 of 1998;
- 2.3.35 "REGISTRAR" means the Registrar or Deputy Registrar of Pension Funds appointed in terms of the Financial Services Board Act, No. 90 of 1991;
- 2.3.36 "RETIREMENT AGE" means the age, at which the MEMBER will become entitled to payment of an ANNUITY, provided that such age may not be earlier than age 55 years;

- 2.3.37 “RETIREMENT DATE” means the last day of the month in which an MEMBER attains his RETIREMENT AGE;
- 2.3.38 “REVENUE SERVICE” means the Commissioner for the South African Revenue Service as defined in the INCOME TAX ACT;
- 2.3.39 “REVISION DATE” means the twelve month period ending after the COMMENCEMENT DATE and every twelve month period thereafter;
- 2.3.40 “RULES” mean these RULES, including any amendments which may at any time be applicable and registered by THE REGISTRAR;
- 2.3.41 “SPONSOR” means Global Independent Administrators (Pty) Limited registration number 2005/005956/07;
- 2.3.42 “TRANSFER VALUES” means the amount transferred to the FUND in terms of Section 14 of the ACT or as a result of the MEMBER withdrawing from any other APPROVED PENSION FUND, APPROVED PROVIDENT FUND, or APPROVED RETIREMENT ANNUITY FUND in respect of a MEMBER in terms of Rule 5.2;
- 2.3.43 “UNITS” means the total units purchased in the investment portfolio(s) selected by the MEMBER which will be calculated as follows:-
- 2.3.43.1 the total number of units purchased with the MEMBER’S CONTRIBUTIONS, excluding amounts deducted from the CONTRIBUTIONS in respect of expenses referred to in Rule 5.4; plus,
- 2.3.43.2 the total number of units purchased with the MEMBER’S TRANSFER VALUES, excluding amounts deducted from the TRANSFER VALUES in respect of EXPENSES referred to in Rule 5.4; plus;

- 2.3.39.3 the total number of units purchased with the investment returns earned on the assets attributable to the MEMBER where the investment returns earned are not reflected in the pricing of the units.

3 MANAGEMENT OF THE FUND

3.1 Constitution of Board

- 3.1.1 The management, control and administration of the FUND shall vest in a BOARD comprising not less than 4 (four) BOARD MEMBERS, at least 2 (two) of whom must have experience in the field of retirement funding and/or asset management and of whom at least 1 (one) must be an INDEPENDENT BOARD MEMBER.
- 3.1.2 The BOARD shall appoint the Chairperson of the BOARD from among the ranks of the BOARD MEMBERS.

3.2 Appointment and removal of Board Members

- 3.2.1 The SPONSOR shall appoint the BOARD MEMBERS in accordance with the constitution of the BOARD set out in Rule 3.1 above.
- 3.2.2 The BOARD must ensure that an exemption from the requirement that MEMBERS have the right to elect at least 50% (fifty percent) of the BOARD MEMBERS as permitted in terms of the provisions of section 7B(1)(b)(ii) of the ACT, is in place.
- 3.2.3 The SPONSOR may remove from office a BOARD MEMBER at any time and may appoint a new BOARD MEMBER to take his place, provided that an INDEPENDENT BOARD MEMBER may only be removed by the SPONSOR in accordance with the provisions of Rule 3.5.1.

- 3.2.4 The SPONSOR may appoint an alternate to any BOARD MEMBER should this be required.

3.3 **Term of office of Board**

- 3.3.1 The BOARD MEMBERS will hold office for such period as is determined by the SPONSOR from time to time, provided that this period may not exceed 5 (five) years, and provided further that a BOARD MEMBER whose term of office has expired may be re-appointed.
- 3.3.2 A BOARD MEMBER will remain a BOARD MEMBER until –
- 3.3.2.1 the expiry of his term of office;
 - 3.3.2.2 he resigns by giving the Chairperson written notice to that effect;
 - 3.3.2.3 in the case of the Chairperson resigning, he gives the rest of the BOARD written notice to that effect;
 - 3.3.2.4 he ceases to hold office in terms of Rules 3.4 or 3.5.1;
 - 3.3.2.5 he is removed from office in terms of Rule 3.2.3.

3.4 **Persons disqualified from being or acting as Board Members**

- 3.4.1 A person will not be permitted to be a BOARD MEMBER or a BOARD MEMBER will cease to be a BOARD MEMBER if:
- 3.4.1.1 he is or becomes mentally or physically incapable of acting as a BOARD MEMBER; or
 - 3.4.1.2 his estate has been or is sequestrated or surrendered or assigned in favour of his creditors or he compromises with his creditors; or
 - 3.4.1.3 he has been or is convicted by a competent court of theft, fraud, forgery or a similar offence; or
 - 3.4.1.4 he has been or is discharged by a competent court from an office of trust on account of misconduct; or

- 3.4.1.5 he has been or is convicted by a competent court on any charge and sentenced to a prison term without the option of a fine.

3.5 **Removal of Board Members and filling of vacancies**

- 3.5.1 A BOARD MEMBER will cease to hold office if –
 - 3.5.1.1 at least 75% (seventy five percent) of the other BOARD MEMBERS resolve that he be removed from office because of a breach of his fiduciary duty towards the FUND or a breach of his duties to its MEMBERS and/or other BENEFICIARIES, after having given him a fair hearing, conducted by the BOARD or a committee of the BOARD; or
 - 3.5.1.2 he has failed to attend 2 (two) consecutive BOARD meetings without showing good cause for such failure.
- 3.5.2 A vacancy which arises as a result of a BOARD MEMBER ceasing to hold office during his term of office will be filled in terms of Rules 3.2.4, as the case may be.
- 3.5.3 A vacancy on the BOARD will not invalidate any proceedings of the BOARD, provided that a quorum is in place.

3.6 **Payments to Board**

- 3.6.1 The BOARD MEMBERS will receive from the FUND a refund of the reasonable expenses incurred by them, if any, on behalf of the FUND in accordance with the policies set by the BOARD from time to time and these expenses shall be approved by the BOARD prior to payment.
- 3.6.2 In addition, the INDEPENDENT BOARD MEMBERS may receive such payments for attending meetings and performing their functions as

may be decided from time to time by the BOARD and the PRINCIPAL OFFICER, in consultation with the SPONSOR.

- 3.6.3 The payments referred to above will be regarded as expenses within the meaning of Rule 5.4.

3.7 **Meetings of the Board**

- 3.7.1 The BOARD will meet from time to time as is necessary to conduct the business of the FUND but no less than 2 (two) times every calendar year.
- 3.7.2 The Chairperson may convene a special meeting of the BOARD if the Chairperson regards this as necessary. The Chairperson must also convene a special meeting within 10 (ten) days of being so requested by at least 3 (three) of the BOARD MEMBERS, provided that such BOARD MEMBERS must provide the Chairperson with written notice of the issues to be discussed at the special meeting and written reasons as to why the BOARD should not wait to discuss these issues at the next meeting of the BOARD.
- 3.7.3 The Chairperson must cause at least 15 (fifteen) days' notice to be given of every BOARD meeting, specifying the place, date and time of the meeting, as well as the general nature of the business to be conducted at the meeting.
- 3.7.4 At least 4 (four) BOARD MEMBERS will be required to constitute a quorum, provided that this must include at least 1 (one) INDEPENDENT BOARD MEMBER.
- 3.7.5 If a quorum is not present at the time determined for the start of the meeting, the meeting may be adjourned by the Chairperson for a period of not less than 7 (seven) working days. At the postponed

meeting the BOARD MEMBERS present, provided that this includes at least 1 (one) INDEPENDENT BOARD MEMBER, will constitute a quorum.

- 3.7.6 The meetings of the BOARD will be chaired by the Chairperson. The Chairman is appointed by the BOARD MEMBERS. The Chairman will hold office for a period of 1 year, where after a new Chairman must be elected by the BOARD MEMBERS, a Chairperson may be reappointed. If the Chairperson is temporarily absent or, for any other reason, is unable to perform his functions as Chairperson, the BOARD shall elect a person from among its number present to act as Chairperson. The Chairperson will be responsible for the orderly conduct of the meetings and may suspend or exclude from a meeting any BOARD MEMBER who deliberately ignores the authority of the Chairperson or who interferes with the orderly functioning of the BOARD.
- 3.7.7 The Chairperson shall cause minutes to be kept of all meetings held by the BOARD and such minutes must be distributed within 10 (ten) working days of a BOARD meeting to the BOARD MEMBERS. Any amendments to the minutes must be lodged with the Chairperson within 10 (ten) working days of distribution. If no amendments are received within 10 (ten) working days of the distribution of the minutes, the minutes of that meeting will be proposed, seconded and signed by the Chairperson at the next BOARD meeting. Once those minutes are signed by the Chairperson, they will constitute prima facie evidence of the business conducted at the meeting.
- 3.7.8 The BOARD shall seek consensus in all matters requiring a decision. Should the BOARD fail to reach consensus on any issue, a decision will be taken by a simple majority of votes of BOARD MEMBERS present at any meeting, each BOARD MEMBER having one vote.
- 3.7.9 In the event of a deadlock, the matter must be carried forward to a special meeting of the BOARD properly constituted in terms of Rule 3.1.1 within fourteen days of the meeting where the deadlock arose.

Should there be no resolution of the matter at the special meeting of the BOARD, the BOARD MEMBERS shall refer the matter to an independent expert who will be appointed by the AUDITOR, and provided that the AUDITOR must ensure that the independent expert has the appropriate experience and expertise, for a recommendation. Such recommendation will constitute a decision of the BOARD MEMBERS.

- 3.7.10 A resolution in writing signed by all the BOARD MEMBERS will be effective as if it had been passed at a meeting of the BOARD duly convened and held. Any resolution passed in terms of this Rule must be noted at the first meeting of the BOARD held after the passing of such resolution.

3.8 BOARD to direct and control FUND

- 3.8.1 The object of the BOARD is to direct, control and oversee the operations of the FUND in accordance with applicable laws and the RULES.
- 3.8.2 In pursuing its object the BOARD shall-
- 3.8.2.1 take all reasonable steps to ensure that the interests of MEMBERS in terms of the RULES and the provisions of the ACT are protected at all times especially in the event of an amalgamation or transfer of any business contemplated in Section 14 of the ACT or splitting of the FUND;
 - 3.8.2.2 act in good faith towards the MEMBERS and all stakeholders of the FUND;
 - 3.8.2.3 act with due care, diligence and good faith;
 - 3.8.2.4 avoid conflicts of interest; and
 - 3.8.2.5 act with impartiality in respect of all MEMBERS.

3.9 Duties of the BOARD

- 3.9.1 The duties of a BOARD shall, inter alia, include to –
- 3.9.1.1 ensure that proper registers, books and records of the operations of the FUND are kept, including proper minutes of all resolutions passed by the BOARD;
 - 3.9.1.2 cause true and full accounts of the FUND to be kept in accordance with general accounting practice and any guidelines issued by the AUDITOR from time to time, such accounts to be made up to the FINANCIAL YEAR END and fairly to present the state of affairs of the FUND and its business and financial position and to be audited by the AUDITOR;
 - 3.9.1.3 ensure that proper controls are used to protect the assets of the FUND, taking into account the advice of the AUDITOR;
 - 3.9.1.4 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;
 - 3.9.1.5 take all reasonable steps to ensure that the relevant contributions are paid to the FUND in accordance with the ACT;
 - 3.9.1.6 obtain expert advice on matters in respect of which the BOARD may lack sufficient expertise;
 - 3.9.1.7 ensure that the RULES, operation and administration of the FUND comply with the ACT, the Financial Institutions (Protection of Funds) Act, 2001, INCOME TAX ACT and all other applicable laws and any other duties imposed by the RULES;
 - 3.9.1.8 operate a banking account opened in the name of the FUND with a bank registered in terms of the Banks Act, 1990;

- 3.9.1.9 ensure that any contributions or other money received by the FUND are, pending the investment or application thereof in accordance with the RULES, deposited into the banking account not later than the first business day following the day on which the FUND received the contribution or other money;
- 3.9.1.10 in consultation with the AUDITOR, take such measures as will ensure the efficient and secure operation of the banking account;
- 3.9.1.11 cause every document of title to an investment to be registered in the name of the FUND, or in the name of a NOMINEE company approved by the REGISTRAR;
- 3.9.1.12 ensure that every title deed and other document of title belonging to the FUND is kept in the safes or strong-rooms at the registered office or other office of the FUND or in a banking institution, as decided by the BOARD;
- 3.9.1.13 ensure that every cheque, contract or other document pertaining to the FUND is signed by such persons as the BOARD by resolution appoints and if applicable, in the manner set out in the ACT.

- 3.9.2 The references to the specific duties of the BOARD above will not, in any way, derogate from the other common law and statutory duties of the BOARD.

3.10 **Powers of the BOARD**

- 3.10.1 The BOARD will, subject to the RULES, have all such powers as may be exercised by the FUND in terms of the RULES, provided that any specific powers set out below will not be construed as derogating from the general powers of the BOARD.
- 3.10.2 The BOARD will have the power, subject to the provisions of the ACT and of this Rule to invest in immovable property, and in like manner to

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

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

3.10.3.1 a subcommittee of such of their number as they nominate;
or

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

3.10.3.3 a person approved in terms of the Financial Advisory and Intermediary Services Act or in terms of any other act replacing this act.

3.10.4 The BOARD will not be liable for the negligence, dishonesty or fraud of an institution referred to in Rule 3.10.3.2 or a person referred to in Rule 3.10.3.3.

3.10.5 Notwithstanding the provisions of Rule 3.10.2 above, the power of investment of the BOARD in respect of the assets of the FUND will be limited to the selection of investment portfolios managed by the institutions referred to in Rule 3.10.3.2 or the person referred to in Rule 3.10.3.3. The investment of the assets of the FUND in a particular portfolio will be made in accordance with the election of the MEMBERS

of the FUND, provided that such election will be limited to such portfolios selected by the BOARD. In the event that an MEMBER fails to select a portfolio or portfolios, the assets attributable to the applicable MEMBER or MEMBERS of the FUND will be allocated to a default portfolio selected by the BOARD.

- 3.10.6 The BOARD may obtain an overdraft from a bank, or borrow from any other party, on such terms as it thinks fit, such sum as it approves for the purpose of completing any investment, or meeting any temporary unforeseen cash shortage, and for this purpose may give such security as it decides, provided that the aggregate amount of such loans does not at any time exceed one-half of the FUND'S gross income from all sources during the immediately preceding FINANCIAL YEAR unless otherwise authorised by the REGISTRAR.
- 3.10.7 To contract on behalf of the FUND and to sign such contract or other document on behalf of the FUND, to institute legal action or process for the FUND and to conduct, settle or abandon such action or process, to defend or settle legal action or process instituted against the FUND.
- 3.10.8 To make, amend and rescind policies and procedures in respect of a matter concerning the FUND, provided that such policies and procedures do not conflict with the RULES, the ACT, or the INCOME TAX ACT.
- 3.10.9 To amend the RULES of the FUND, subject to the provisions of Rule 6.4.
- 3.10.10 The BOARD will be entitled, in its absolute discretion, to make any arrangements for the administration of the FUND and in this regard shall appoint the ADMINISTRATOR. The BOARD must ensure that the ADMINISTRATOR is registered in terms of section 13B of the ACT and must enter into an administration agreement which complies with any BOARD Notices or directives issued in terms of the ACT.

3.10.11 The BOARD will be entitled, in its absolute discretion, to appoint consultants, investment advisers, investment managers, legal advisers and other professionals to assist the BOARD in performing its duties and functions where it considers this necessary or prudent.

3.10.12 The BOARD may, in accordance with the provisions of Section 14 of the ACT, amalgamate any business carried on by the FUND with any business carried on by any other person, or transfer any business carried on by the FUND to any other person, or accept transfer of any business from any other person to the FUND, provided that the BOARD must procure that a written notice, setting out full details of the proposed scheme, be sent to every MEMBER who will be affected by the scheme, at least 30 (thirty) days prior to submitting the scheme to the REGISTRAR.

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

3.11 Delegation of powers by the Board

3.11.1 The BOARD may delegate any of its powers to another person or a committee of the BOARD, with the power to sub-delegate such power, unless the empowering instrument, on a proper construction thereof, does not permit such power to be delegated.

3.11.2 For the purpose of interpretation of the RULES, it will be deemed that when a Rule empowers the BOARD to perform a function or duty, that the BOARD may delegate the power concerned in terms of Rule 3.11.1 above, unless the context clearly indicates otherwise.

3.12 Confidentiality of information

The BOARD and all BOARD MEMBERS will only be entitled to such information from a MEMBER as the BOARD may require for the exercise of its duties in terms

of the RULES. Such information will only be used for the purpose of the BOARD performing its duties in terms of the RULES and will not be disclosed to any person or body other than an office-bearer or employee of the FUND, a REGISTERED INSURER or the ADMINISTRATOR who requires such information for the performance of its functions.

3.13 PRINCIPAL OFFICER

- 3.13.1 The BOARD shall appoint a PRINCIPAL OFFICER. Any such appointment may be changed by the BOARD in its sole discretion.
- 3.13.2 The BOARD shall notify the REGISTRAR, in writing, of the name of the PRINCIPAL OFFICER within 30 (thirty) days of the appointment of the PRINCIPAL OFFICER.
- 3.13.3 The REGISTRAR may, without assigning any reason therefore, refuse to approve the appointment of the PRINCIPAL OFFICER or withdraw his prior approval whereupon the PRINCIPAL OFFICER will vacate his office.
- 3.13.4 The PRINCIPAL OFFICER will at all times be required to meet any legislative requirements or regulatory requirements issued by the REGISTRAR.
- 3.13.5 When the REGISTRAR has refused to approve or has withdrawn his approval of the appointment of the PRINCIPAL OFFICER, the BOARD shall appoint some other person as the PRINCIPAL OFFICER, subject to the approval of the REGISTRAR.
- 3.13.6 If the PRINCIPAL OFFICER is absent from the Republic of South Africa for a period exceeding 30 (thirty) days or is otherwise unable to perform his duties, the BOARD shall appoint another person as PRINCIPAL OFFICER and must advise the REGISTRAR accordingly.

- 3.13.7 The PRINCIPAL OFFICER shall perform all the functions required to fulfil his duties in terms of the ACT, the RULES and the directions of the BOARD.

3.14 **ACTUARY and actuarial valuations**

- 3.14.1 The BOARD shall, within 30 (thirty) days from the date of registration of the FUND, appoint an ACTUARY and shall, within 30 (thirty) days from the date of such appointment, apply to the REGISTRAR for approval of such appointment.
- 3.14.2 Should the REGISTRAR refuse to approve the appointment of the ACTUARY or withdraw his prior approval of the appointment, the BOARD shall appoint another ACTUARY, subject to the approval of the REGISTRAR.
- 3.14.3 The BOARD may rescind the appointment of the ACTUARY at any time and appoint another ACTUARY at its discretion.
- 3.14.4 The ACTUARY will be the valuator of the FUND in terms of the ACT, unless the FUND has been exempted from compliance with the provisions of sections 9A and 16 of the ACT. The ACTUARY shall in addition to the function of valuator, perform such other functions as may be specified in the RULES.
- 3.14.5 Unless the FUND has been exempted from compliance with the provisions of Sections 9A and 16 of the ACT, the FUND will be valued by the ACTUARY at intervals not exceeding 3 (three) years. Within 12 (twelve) months of the valuation date the ACTUARY shall submit a valuation report to the BOARD, who shall submit a copy thereof to the REGISTRAR. A copy of the valuation report or a summary thereof in the prescribed format will be open for inspection by the MEMBERS at the

registered office of the FUND, within normal office hours and on prior notice.

3.14.6 The BOARD will maintain such records as may be required by the ACTUARY to perform the valuation function referred to above.

3.14.7 Should the FUND require exemption from the provisions of sections 9A and 16 of the ACT, the BOARD must ensure that the ACTUARY submits the certificate in the format as prescribed by any Legislation and/or Board Notices as issued from time to time to the REGISTRAR at the time of application for registration of the FUND.

3.15 **AUDITOR and financial statements**

3.15.1 The BOARD shall appoint an AUDITOR, for such periods as it determines, and may withdraw any such appointment and make another appointment in its place.

3.15.2 The BOARD shall, within 30 (thirty) days of the appointment of the AUDITOR, apply to the REGISTRAR for approval of the appointment.

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

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

3.15.5 When the AUDITOR is a partnership, the appointment of the AUDITOR will not lapse by reason of a change in the composition of the partnership, as long as not less than half of the partners in the reconstituted partnership are persons who were partners as at the

date when the appointment of the partnership was last approved by the REGISTRAR.

3.15.6 The AUDITOR has for the purpose of performing his functions and duties –

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

3.15.6.2 the right to require from the BOARD such information and explanations as he considers necessary;

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

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

3.15.7 The BOARD shall, within a period of 6 (six) months after the FINANCIAL YEAR END in question, prepare and submit such statements and reports as required by the ACT to the REGISTRAR, provided that where prescribed in the ACT, such statements and reports must be duly audited and reported on by the AUDITOR.

3.16 Records and safe custody of securities

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

3.16.2 All title deeds and securities must be registered in the name of the FUND or in the name of such NOMINEE company acceptable to the REGISTRAR as the BOARD may appoint. The documents of title

registered in the name of the FUND in connection with any investment or asset of the FUND must be kept in safe custody at the registered office of the FUND or in a banking institution, as decided by the BOARD. Any documents of title registered in the name of a NOMINEE company in connection with any investment or asset of the FUND must be kept in safe custody at the registered office of that company or in a banking institution, as decided by that company.

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

3.17 **Disputes**

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

- 3.17.2 The complaint must set out the basis for the dispute in writing and the PRINCIPAL OFFICER shall, subject to the provisions of Rule 3.17.5, deliver the complaint to the Chairperson.

- 3.17.3 The Chairperson shall in his sole discretion refer the dispute to –

3.17.3.1 the BOARD or an appropriate committee of the BOARD for consideration and decision; or

3.17.3.2 an appropriate officer or employee of the FUND.

- 3.17.4 If a dispute is referred to the BOARD, the BOARD shall deal with the dispute as it would with any other decision in terms of Rules 3.7.8 and 3.7.9.

- 3.17.5 If a dispute is referred to an employee or officer of the FUND, such employee or officer must attempt to resolve the dispute and if

unsuccessful, must advise the Chairperson or his delegate. The PRINCIPAL OFFICER shall, unless the matter is resolved and subject to the provisions of the ACT, inform the MEMBER or BENEFICIARY in writing of the decision taken on behalf of the FUND in terms of this Rule.

- 3.17.6 If the MEMBER or BENEFICIARY is not satisfied with the decision referred to above or if the PRINCIPAL OFFICER fails to reply to the matter the MEMBER or BENEFICIARY may lodge the complaint with the ADJUDICATOR in terms of the ACT.

3.18 Claims against the FUND

- 3.18.1 A MEMBER will not have any claim against the FUND in respect of the bona fide investment of the assets of the FUND.
- 3.18.2 No person will have any claim concerning the FUND either upon the FUND or against the BOARD except in accordance with the RULES.

3.19 Indemnity and Fidelity Insurance

- 3.19.1 The BOARD, officers of the FUND and persons to whom they have delegated their functions will not be personally liable for decisions taken or actions authorised except if such decisions or actions constitute gross negligence, dishonesty, fraud or a breach of trust.
- 3.19.2 The BOARD shall safeguard the FUND against loss by insuring the FUND (and the officers of the FUND) against loss due to the gross negligence, dishonesty or fraud of any of the officials of the FUND (including a BOARD MEMBER).

3.20 Documents

The BOARD may authorise BOARD MEMBERS or such person as they deem fit to approve and sign documents on behalf of the FUND, provided that documents to be deposited with the REGISTRAR will be signed as prescribed in the ACT.

3.21 Registration and approval of FUND

3.21.1 The BOARD shall apply for registration of the FUND in accordance with the provisions of the ACT and shall apply to the REVENUE SERVICE for the approval of the FUND as a RETIREMENT ANNUITY FUND in terms of the INCOME TAX ACT;

3.21.2 The BOARD shall take such steps as the REVENUE SERVICE may require for the continued approval of the FUND in terms of the INCOME TAX ACT.

4 MEMBERSHIP

4.1 Eligibility and admission

4.1.1. Any person may apply to become a MEMBER of the FUND. Such application must be made to the BOARD or the ADMINISTRATOR by means of a MEMBER APPLICATION.

4.1.2 The BOARD or the ADMINISTRATOR (in the event that the BOARD has delegated this function to the ADMINISTRATOR), in their sole discretion, may approve such application and admit such person to participate in the FUND.

4.13. On such person being admitted to participate in the FUND such person will become a MEMBER of the FUND with effect from the date on which the FUND receives the first CONTRIBUTION or TRANSFER VALUE from or in respect of the MEMBER.

4.2 Termination of membership

- 4.2.1 A MEMBER'S membership of the FUND will terminate, once the FUND has paid benefits due to the MEMBER, or when the benefits accruing to the MEMBER have been transferred to another fund, or on death of the MEMBER.
- 4.2.2 When required by the BOARD, a MEMBER and/or a BENEFICIARY must produce a birth certificate or other satisfactory evidence of age in respect of himself and of his DEPENDANTS and/or NOMINEES and shall give the BOARD such other information as the BOARD may require for the purposes of the FUND.
- 4.2.3 If a MEMBER or a BENEFICIARY fails to comply with Rule 4.2.2 the BOARD may withhold payment of the benefit due to or in respect of him until the provisions are complied with.
- 4.2.4 The FUND will not be liable for any loss sustained by a BENEFICIARY arising from any misstatements or errors or omissions in any information supplied in terms of the RULES.

5 CONTRIBUTIONS AND FINANCIAL PROVISIONS

5.1 Members Contributions

- 5.1.1 The BOARD may set a minimum CONTRIBUTION level (in respect of regular CONTRIBUTIONS) from time to time and such minimum CONTRIBUTION level will be reflected in the MEMBER APPLICATION.
- 5.1.2 Subject to the provisions of rule 5.1.1 a MEMBER may make CONTRIBUTIONS to the FUND.

5.1.3 Subject to the consent of the BOARD and the provisions of Rule 5.1.1 the MEMBER may amend the rate of CONTRIBUTIONS from time to time by giving the FUND written notice to that effect.

5.1.4 Subject to the provisions of rule 5.1.1 a MEMBER shall have the right at any time to make a CONTRIBUTION to the FUND in the form of a lump sum payment or CONTRIBUTION.

5.1.5 A MEMBER'S contributions to the FUND shall cease on cessation of MEMBERSHIP or on a MEMBERS earlier election to cease contributions.

5.2 **Transfers from another fund**

Subject to the provisions of the Rules, ACT or INCOME TAX ACT a MEMBER may transfer an amount to the FUND from an APPROVED PENSION FUND, an APPROVED PROVIDENT FUND, an APPROVED PENSION PRESERVATION FUND, an APPROVED PROVIDENT PRESERVATION FUND and an APPROVED RETIREMENT ANNUITY FUND.

5.3 **Investment of the assets of the Fund**

5.3.1 The BOARD will make arrangements for the investment of the CONTRIBUTIONS and TRANSFER VALUES (less EXPENSES referred to in Rule 5.4.1) in accordance with the MEMBER'S investment selection reflected in the MEMBER APPLICATION or advised to the FUND from time to time.

5.3.2 Each MEMBER of the FUND shall select an investment portfolio or portfolios, limited to the portfolios selected by the BOARD, to which the CONTRIBUTIONS and/or TRANSFER VALUES (less expenses referred to in rule 5.4.1) attributable to such MEMBER and any investment earnings on those amounts will be allocated by the FUND or reallocated, as the case may be. The BOARD shall set out the guidelines for when selection or reselection of the investment portfolios may take

place and shall communicate this to the MEMBERS. These guidelines shall include requirements as well as information regarding EXPENSES related to the relocation of assets attributable to such MEMBER from one investment portfolio to another.

5.3.3 In the event that a MEMBER is unable or unwilling to make a selection in terms of Rule 5.3.2, the BOARD shall allocate the assets attributable to such MEMBER to a default portfolio elected by the BOARD.

5.3.4 The BOARD must ensure that the ADMINISTRATOR sets a unit price from time to time in respect of each of the investment portfolios which are unitised. The unit price must take into account the investment returns on the assets underlying the investment policy and expenses such as any taxes, levies, fees and other costs related to the investment of the assets of the FUND.

5.3.5 The BOARD must ensure that the investment returns allocated to each of the investment portfolios that are not unitised, take into account the investment return on the assets in the investment portfolio and expenses such as any taxes, levies, fees and other costs related to the investment of the assets of the FUND.

5.4 **Expenses**

5.4.1 Any amounts as disclosed in the MEMBER APPLICATION, minimum disclosure documents, information documents or any other documents related to such EXPENSES as may be decided by the BOARD from time to time, will be deducted from all CONTRIBUTIONS and TRANSFER VALUES and the net amount of the CONTRIBUTIONS and TRANSFER VALUES will be invested in the investment portfolio(s) selected by the MEMBER.

5.4.2 An ongoing amount based on the value of the assets held on behalf of the MEMBER, as disclosed on the MEMBER APPLICATION and related to such EXPENSES as may be decided by the BOARD from time to time, will

be allocated to each MEMBER from time to time and the MEMBER'S SHARE will be adjusted accordingly.

5.4.3 Tracing fees may be deducted from benefits payable to a MEMBER or BENEFICIARY.

5.5 **Disinvestment of monies pending transfer or payment**

5.5.1 Notwithstanding anything to the contrary contained elsewhere in these RULES, in any of the circumstances set out in Rules 6.1, 6.2, 6.4, 6.5, or 7.6, the BOARD shall, within a reasonable period from the date on which the BOARD is notified of a retirement, death, withdrawal, transfer or liquidation, or within a reasonable time of the happening of the actual event, whichever is the later, arrange for the transfer of the MEMBER'S SHARE to a bank account in the name of the FUND or REGISTERED INSURER.

5.5.2 Any reference to MEMBER'S SHARE, shall refer to that amount as at the date of transfer to the bank account referred to in Rule 5.5.1.

5.5.3 Interest earned on the amount referred to in Rule 5.5.1 will form part of the MEMBER'S SHARE.

6 **BENEFITS**

6.1 **Retirement**

6.1.1 Subject to Rules 6.1 and 6.3 a MEMBER shall retire as at his RETIREMENT DATE, or if he is not capable of being employed owing to ill-health will become entitled to an ANNUITY, LIVING ANNUITY or DEFAULT ANNUITY.

6.1.2 Subject to the Provisions of Rule 5.5 MEMBER may commute a part, but not exceeding one-third, of his retirement benefit into a lump sum

payment, and the remainder must be taken in the form of an ANNUITY. If the value of the MEMBERS INVESTMENT that becomes available in respect of a MEMBER is less than or equal to the maximum amount that may be commuted in full, as prescribed by legislation and regulation, the full amount may be commuted.

6.1.3 The ANNUITY or LIVING ANNUITY will be purchased from a REGISTERED INSURER selected by the MEMBER.

6.1.4 A MEMBER may elect to purchase a DEFAULT ANNUITY.

6.1.5 Once the ANNUITY or LIVING ANNUITY has been purchased and any lump sum benefit, less any applicable tax, has been paid to the former MEMBER, the FUND will have no further liability to or in respect of the former MEMBER and his BENEFICIARIES.

6.2 Ill-health early retirement

6.2.1 Notwithstanding anything to the contrary contained elsewhere in these RULES if the BOARD is satisfied that a MEMBER has become permanently disabled through infirmity of mind or body, such MEMBER will become entitled to a retirement benefit from the FUND, whether or not such MEMBER has attained the age of 55 years.

6.2.2 The MEMBER will become entitled to an ANNUITY, LIVING ANNUITY or DEFAULT ANNUITY.

6.2.3 Subject to the Provisions of Rule 5.5 MEMBER may commute a part, but not exceeding one-third, of his retirement benefit into a lump sum payment, and the remainder must be taken in the form of an ANNUITY. If the value of the MEMBERS INVESTMENT that becomes available in respect of a MEMBER is less than or equal to the maximum amount that may be commuted in full, as prescribed by legislation and regulation, the full amount may be commuted.

6.2.4 The ANNUITY or LIVING ANNUITY will be purchased from a REGISTERED INSURER selected by the MEMBER.

6.2.5 A MEMBER may elect to purchase a DEFAULT ANNUITY.

6.2.6 Once such ANNUITY or LIVING ANNUITY has been purchased and any lump sum benefit, less any applicable tax, has been paid to the former MEMBER, the FUND will have no further liability to or in respect of the former MEMBER and his BENEFICIARIES.

6.3 Notification of retirement age and retirement

6.3.1 A MEMBER must provide the FUND his RETIREMENT AGE, provided that the MEMBER may, subject to the consent of the BOARD, amend the RETIREMENT AGE from time to time by giving the FUND or the ADMINISTRATOR written notice to that effect. The FUND will be entitled to deem the most recently notified RETIREMENT AGE to be his RETIREMENT AGE.

6.3.2 A MEMBER must provide the FUND or the ADMINISTRATOR with written notice of his intention to retire. The written notice must include the options elected by the MEMBER, in particular regarding payment of a lump sum benefit of up to one-third of the MEMBER'S SHARE, and the ANNUITY selected and any other information which may be required by the BOARD from time to time.

6.4 Death benefits

6.4.1 Upon the death of a MEMBER, there will be payable a lump sum death benefit equal to the MEMBER'S SHARE, less any applicable tax. The aforementioned lump sum death benefit will be allocated to a BENEFICIARY in terms of section 37C of the ACT. The allocation of the

aforementioned benefit will be dealt with in terms of the provisions of Rule 6.8. The provisions of Rule 5.5 will apply to the MEMBER'S SHARE.

6.4.2 The BENEFICIARY may purchase an ANNUITY OR LIVING ANNUITY from a REGISTERED INSURER.

6.4.3 BENEFICIARY may purchase a Default Annuity.

6.4.4 Once the ANNUITY or LIVING ANNUITY has been purchased and any lump sum benefit, less any applicable tax, has been paid to the BENEFICIARY, the FUND will have no further liability to or in respect of the MEMBER'S BENEFICIARY.

6.5 Transfers to another fund

Subject to the written request of a MEMBER and subject to the provisions of Rules and the provisions of the ACT and INCOME TAX ACT, the BOARD may, within a reasonable period of receiving the MEMBER'S written request, transfer the MEMBER'S SHARE to another APPROVED RETIREMENT ANNUITY FUND.

6.6 Payment of benefits

6.6.1 The BOARD will be entitled to request any documentation prescribed by it as satisfactory proof as to the identity and right of a MEMBER or BENEFICIARY to a benefit before payment of a benefit is made to such MEMBER or BENEFICIARY.

6.6.2 Whenever a benefit is payable to a MEMBER or BENEFICIARY, the MEMBER or BENEFICIARY will be deemed to have requested payment thereof by means of an electronic bank transfer to his bank account, the details of which the MEMBER or BENEFICIARY must inform the BOARD in writing. However, at the request of the MEMBER or BENEFICIARY, the BOARD may agree to payment of the benefit in some other manner, provided that this will not include payment in cash.

6.6.3 Notwithstanding a contrary provision contained in the RULES, if the BOARD, in its absolute discretion, for some good and sufficient reason considers it not advisable to make payment of a benefit in the manner elsewhere provided for in these RULES, the BOARD may pay the benefit to a BENEFICIARY in one of the following ways:

6.6.3.1 where a MEMBER or BENEFICIARY is a minor, to the guardian of the MEMBER or BENEFICIARY, for the benefit of the MEMBER or BENEFICIARY, in the case of benefits other than benefits payable in terms of Rule 6.4 and/or

6.6.3.2 where a MEMBER or BENEFICIARY is contractually incapacitated, to the curator of the MEMBER or BENEFICIARY, for the benefit of the MEMBER or BENEFICIARY, in the case of benefits other than benefits payable in terms of Rule 6.4.

6.6.4 A decision of the BOARD in terms of this Rule may be varied by the BOARD from time to time in the BOARD'S sole discretion.

6.6.5 A payment made in terms of this Rule will not be made in a manner which conflicts with the provisions of the ACT or the requirements of the REVENUE SERVICE.

6.7 **Payment of death benefits**

6.7.1 If the FUND within twelve months of the death of the MEMBER becomes aware of or traces a DEPENDANT or DEPENDANTS of the deceased MEMBER, the benefit will be paid to such DEPENDANT or DEPENDANTS as may be deemed equitable by the BOARD, to one of such DEPENDANTS or in such proportions to some or all of such DEPENDANTS.

6.7.2 If the FUND does not become aware of or cannot trace any DEPENDANT of the MEMBER within 12 (twelve months) of the death of

the MEMBER and the MEMBER has designated in writing to the FUND a NOMINEE who is not a DEPENDANT of the deceased MEMBER, to receive the benefit or such portion of the benefit as is specified by the MEMBER in writing to the FUND, the benefit or such portion of the benefit will be paid to such NOMINEE Provided that where the aggregate amount of the debts in his estate exceeds the aggregate amount of the assets in his estate, so much of the benefit as is equal to the difference between such aggregate amount of debts and such aggregate amount of assets will be paid into the estate and the balance of such benefit or the balance of such portion of the benefit as specified by the MEMBER in writing to the FUND will be paid to the NOMINEE.

6.7.3 If the deceased MEMBER has a DEPENDANT and the deceased MEMBER has also designated in writing to the FUND a NOMINEE to receive the benefit or such portion of the benefit as was specified by the deceased MEMBER prior to death in writing to the FUND, the FUND shall within twelve months of the death of such deceased MEMBER pay the benefit or such portion thereof to such DEPENDANT or NOMINEE in such proportions as the BOARD may deem equitable: Provided that this Rule will not prohibit the FUND from paying the benefit, either to a DEPENDANT or NOMINEE contemplated in this Rule or, if there is more than one such DEPENDANT or NOMINEE, in proportions to any or all of those DEPENDANTS and NOMINEES.

6.7.4 If the FUND does not become aware of or cannot trace any DEPENDANT of the deceased MEMBER within 12 (twelve months) of the death of the deceased MEMBER and if the deceased MEMBER has not designated a NOMINEE or if the deceased MEMBER has designated a NOMINEE to receive a portion of the benefit in writing to the FUND, the benefit or the remaining portion of the benefit after payment to the designated NOMINEE, will be paid into the estate of the deceased MEMBER or, if no inventory in respect of the MEMBER has been received by the Master of the Supreme Court in terms of section 9 of

the Estates Act, 1965, into the Guardian's Fund or an Unclaimed Benefit Fund.

6.7.5 For the purposes of this Rule, the BOARD may make payment to an already -

6.7.5.1 established trust or establish a trust contemplated in the Trust Property Control Act, 1988 for the benefit of a DEPENDANT or NOMINEE contemplated in this section and a payment by the FUND to a trustee of such a trust for the benefit of a DEPENDANT or NOMINEE contemplated in this section will be deemed to be a payment to such DEPENDANT or NOMINEE.

6.7.5.2 where a DEPENDANT or NOMINEE is a minor to the guardian of the DEPENDANT or NOMINEE for the benefit of the DEPENDANT or NOMINEE and/or where a DEPENDANT or NOMINEE is contractually incapacitated to the curator of the DEPENDANT or NOMINEE for the benefit of the DEPENDANT or NOMINEE or

6.7.5.3 or a Beneficiary Fund.

6.7.6 Any benefit dealt with in terms of this Rule, payable to a minor DEPENDANT or minor NOMINEE, may be paid in more than one payment in such amounts as the BOARD may from time to time consider appropriate and in the best interests of such DEPENDANT or NOMINEE, provided that the BOARD shall determine the investment portfolio in which the outstanding balance of the benefit is invested and shall ensure that the appropriate returns are added to the outstanding balance at such times as the BOARD may determine, provided further that any balance owing to such a DEPENDANT or NOMINEE at the date on which he attains majority or dies, whichever occurs first, will be paid in full.

6.7.7 Any benefit dealt with in terms of this Rule, payable to a major DEPENDANT or major NOMINEE, may be paid in more than one payment if the DEPENDANT or NOMINEE has consented thereto in writing, provided that:

6.7.7.1 the amount of the payments, intervals of payment, interest to be added and other terms and conditions are disclosed in a written agreement; and

6.7.7.2 the agreement may be cancelled by either party on written notice not exceeding 90 (ninety days).

6.7.8 If the agreement contemplated in Rule 6.7.7 is cancelled, the full balance will be paid to the DEPENDANT or NOMINEE.

6.8 **Reduction of benefits and insolvency**

6.8.1 Save to the extent permitted by the ACT, the INCOME TAX ACT, the Maintenance Act, 1998 and the Divorce Act, 1979 any amendments thereto or any other applicable legislation, no benefit or right thereto provided for in the RULES, or right in respect of contributions made by or on behalf of an MEMBER will be capable of being reduced, transferred, ceded, pledged or hypothecated or be liable to attachment or subject to any form of execution under a judgment or order of court, or to the extent of not more than R3 000 per annum, be capable of being taken into account in the determination of a debtor's financial position in terms of the Magistrates' Courts Act, 1944.

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

- 6.8.3 If the estate of a BENEFICIARY entitled to a benefit in terms of the RULES is sequestrated or surrendered, the benefit will, subject to the provisions of the ACT, not be deemed to form part of the assets of the insolvent estate of such person and may not in any way be attached or appropriated by the curator of such person's insolvent estate or by his creditors, notwithstanding anything to the contrary in any law relating to insolvency.
- 6.8.4 If a BENEFICIARY does not claim monies payable to him within 12 (twelve) months of the date of such monies becoming payable, other than in the case of death benefits payable in terms of Rule 6.4 or benefits payable in terms of Rule 7.6 the monies will be paid into such other unclaimed benefits fund as may be established.
- 6.8.5 The BOARD will be entitled, in its sole discretion, to invest the unclaimed monies referred to in this Rule in a portfolio or portfolios selected by it.

7 GENERAL PROVISIONS

7.1 Currency

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

7.2 Monetary advantage

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

7.3 Right to obtain copies of or to inspect certain documents

7.3.1 The FUND shall deliver to any MEMBER or ACTIVE MEMBER on request by such MEMBER and on payment of an amount to cover any photocopying, printing and related costs, a copy of the RULES.

7.3.2 Every MEMBER will be entitled to inspect without charge at the registered office of the FUND, a copy of the documents referred to in Rule 7.3.1.

7.4 Amendments to the Rules

7.4.1 The BOARD may at any time amend the RULES by a majority of votes; provided that:

7.4.1.1 the value of a MEMBER'S SHARE prior to such amendment may not be reduced;

7.4.1.2 the amendment is not inconsistent with the provisions of the ACT and of the INCOME TAX ACT.

7.4.2 No amendment that affects the SPONSOR will be of any force or effect without the written approval of the SPONSOR obtained prior to submission of the amendment to the REGISTRAR.

7.4.3 The BOARD shall submit any amendment to the RULES to the REGISTRAR and the REVENUE SERVICES in terms of the ACT and the INCOME TAX ACT.

7.5 Disposition of benefits upon divorce

7.5.1 The FUND shall comply with all legislation relating to the payment of a MEMBER'S pension interest, as defined in the Divorce Act (as amended) to a non-member SPOUSE.

7.5.2 In the event of the FUND been furnished with a valid court order the FUND shall on date the order is received reduce the MEMBER'S

investment value by the amount assigned in terms of these Rules and the ACT.

- 7.5.3 The FUND shall pay the assigned amount in accordance with the election of the non-member SPOUSE or other person designated in the court order, either directly to the designated person, or to another APPROVED PROVIDENT PRESERVATION FUND, APPROVED PENSION PRESERVATION FUND, APPROVED PROVIDENT FUND, APPROVED RETIREMENT ANNUITY FUND on their behalf as specified in section 37D(4) of the Pension Funds Act 1956 as amended from time to time or as replaced.

7.6 Unclaimed Benefits

- 7.6.1 Where a benefit remains unclaimed within 2 (two) years of the date of such benefit becoming payable, the unclaimed benefit may be paid into any other fund set up in terms of legislation which governs unclaimed monies.
- 7.6.2 Any costs incurred by the BOARD as a consequence of tracing of MEMBER or BENEFICIARIES may be recovered from the MEMBER'S SHARE.
- 7.6.3 The BOARD will be entitled, in its sole discretion, to invest the unclaimed monies referred to in this Rule in a portfolio or portfolios selected by it.

7.7 Withdrawals prior to Retirement

- 7.7.1 In the event of the MEMBER emigrating and subject to the requirements of the ACT and the INCOME TAX ACT, the BOARD on sufficient proof been provided, allow the MEMBER to withdraw his MEMBER'S SHARE.

7.7.2 If the MEMBER'S benefit is less than the amount as determined from time to time by the Minister of Finance, the MEMBER shall be entitled to withdraw MEMBER'S SHARE prior to retirement. The MEMBER'S SHARE less EXPENSES as provided for in terms of the provisions of clause 5.4 and any further deductions as required in terms of the INCOME TAX ACT shall be paid to the MEMBER.

7.8 **Binding power of Rules**

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

7.9 **Termination of the Fund**

7.9.1 The FUND may be wound up if –

- 7.9.1.1 the BOARD resolves that it should be wound up; or
- 7.9.1.2 a court of competent jurisdiction determines that it be wound up.

7.9.2 If the FUND is wound up in any of the circumstances referred to above, the BOARD shall appoint a liquidator, whose appointment will be subject to the approval of the REGISTRAR.

7.9.3 The liquidator shall dissolve the FUND by dividing the assets of the FUND among the ACTIVE MEMBERS on such basis as the liquidator deems equitable, provided that –

- 7.9.3.1 the amount allocated by the liquidator to each ACTIVE MEMBER will be transferred to an APPROVED PRESERVATION PROVIDENT FUND selected, in writing, by the ACTIVE MEMBER or, at the request of the ACTIVE MEMBER, be paid to the ACTIVE MEMBER as a lump sum less any applicable tax;
- 7.9.3.2 every former ACTIVE MEMBER who received a benefit from the FUND may, for the purpose of this Rule, be

- regarded as being an ACTIVE MEMBER on the date of termination of the FUND. The benefit already paid to such former ACTIVE MEMBER will be taken into consideration in determining the amount payable, if any; and
- 7.9.3.3 if the FUND is dissolved in terms of section 28 of the ACT, all monies remaining unclaimed for a period of 6 (six) months after the date on which the payment of benefits by the liquidator commenced will be paid into the Unclaimed Benefit Fund and thereafter there will be no claim against the FUND in respect of such benefits. The liquidator shall include in his final liquidation and distribution account a record of the amount paid to the Unclaimed benefit Fund and the benefits in respect of which the amount was so paid. The liquidator shall furnish to the REGISTRAR a certificate stating that he took all reasonable steps to trace the persons entitled to the benefits.
- 7.9.4 An auditor approved by the REGISTRAR shall certify that the liquidator's final liquidation and distribution account is correct.
- 7.9.5 If the FUND is dissolved in terms of section 29 of the ACT and the order for the winding up of the FUND does not make section of the Companies Act, 2008 applicable or make any other directions regarding unclaimed monies, the provisions of Rule 7.9.3.3 shall apply.
- 7.9.6 On the liquidation of the FUND the BENEFICIARIES in terms of the RULES are deferred creditors of the FUND and their claim in their capacity as BENEFICIARIES will not be met until the claims of ordinary creditors have been paid.

PRIME RETIREMENT ANNUITY FUND

Registration No. 12/8/37925

("the Fund")

Amendment Number 1

(after the revised rules approved by the Registrar of Pension Funds on 16 November 2017)

The Board Members of the Fund hereby resolve on a round robin basis, that with effect from 1 March 2019 the Rules of the Fund shall be amended as follows:

- 1) **Delete the word REGISTRAR wherever it appears in the RULES and substitute same with AUTHORITY and add 2.3.12 to the definitions and renumber the balance of Rule 2.3 accordingly:**

2.3.12 "AUTHORITY" means the Financial Sector Conduct Authority established in terms of section 56 of the Financial Sector Regulation Act;

- 2) **Add 2.3.37 to the definitions and renumber the balance of Rule 2.3 accordingly:**

2.3.37 "RETIREMENT BENEFITS COUNSELLING" means the disclosure and explanation, in a clear and understandable language, including risks, costs and charges, of:
the terms of the fund's annuity strategy; and
any other options made available to members;

- 3) **Add Rule 5.2.1 and renumber the balance of Rule 5.2 accordingly:**

5.2.1 Subject to the provisions of the Rules, Act or INCOME TAX ACT, a MEMBER may transfer an amount payable on retirement to the FUND from an APPROVED PENSION FUND or an APPROVED PROVIDENT FUND.

4) Add Rule 7.10 as follows:

7.10 Retirement Counselling

The FUND provides RETIREMENT BENEFITS COUNSELLING to a MEMBER contemplating retiring from the FUND, in the format or on the platform determined by the BOARD from time to time, but not less than three months before a MEMBER reach his/her normal RETIREMENT AGE.

The reasons for the amendment are:

To align the rules of the Fund with the latest legislation and best practice.

Certified on this 24th day of June 2019 that the above resolution has been adopted in accordance with the provisions of the Rules of the Fund.



Chairman: Anesh Soonder



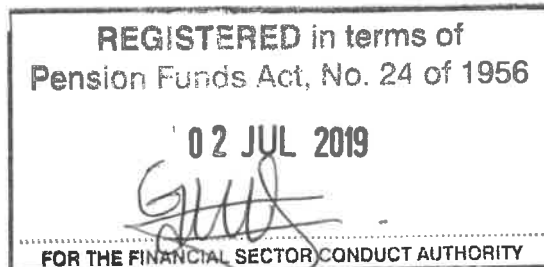
Trustee: Chantal Menton



Principal Officer: Vivian Cohen



Trustee: Shawn Smith



**REVISED RULES OF THE
PRIME RETIREMENT ANNUITY FUND**

Registration No 12/8/37925
("The Fund")

Amendment Number 2

(after the revised rules approved by the Authority on 16 November 2017 and Amendment 1
approved on 2 July 2019)

The BOARD the FUND hereby resolves on a round robin basis, that with effect from 1 March 2021 the RULES of the FUND shall be substituted in its entirety by the set of Revised RULES attached hereto in which amendments, omissions and/or additions have been made to the rules as a whole.

The reason for the revision of the RULES of the FUND is to ensure compliance and conformity in accordance with the latest legislation and best practice.

The Rules incorporate the following changes:

Rule 1, amended and/or added as follow:

- Sub rule 1.4 registered address change

Rule 2, amended and/or added the following definitions:

- Amended the definition of Actuary.
- Amended the definition of Administrator
- Amended the definition of annuity Strategy
- Added definition of Assets
- Amended the definition of auditor
- Inserted the definition for Authority
- Amended the definition of Beneficiary
- Amended the definition of Board
- Amended the definition of Default Annuity
- Amended the definition of Financial year and Year end
- Amended the definition of Independent Trustee
- Amended the definition of Member
- Amended the definition of Member's Benefit
- Amended the definition of Nominee
- Inserted the definition of Nominee Company
- Amended the definition of Retirement Benefits counselling
- Amended the definition of Retirement Date
- Amended the definition of Sponsor
- Amended the definition of spouse

- Amended the definition of Unclaimed benefit
- Inserted the definitions of Vested and Unvested rights
- Replaced the word “Chairperson” with “Chairman” throughout the rules
- Replaced the word “Board Member” with “Trustee” throughout the rules

Rule 3, Updated and amended the following sub rules:

- Rule 3.7.9 was reworded to make provision for the qualification of the independent expert
- Rule 3.10.12 was reworded to be less specific as the process can be amended from time to time by the Authority
- Rule 3.11 was amended to provide more detail around the power to delegate
- Rule 3.12 was amended to broaden the scope of confidentiality

Rule 5, Updated and amended the following sub rules:

- Rule 5.1 was amended to be in line with the Pension Funds Act and the Income Tax Act.
- Rule 5.4 was reworded to be in line with the Pension Funds Act and the Income Tax Act
- Rule 5.5 was reworded to be in line with the Pension Funds

Rule 6 reworded and changed the sub rules’ order to be in line with the Pension Funds Act and the Income Tax Act.

Rule 7 removed and updated outdated sections to be in line with the Pension Funds Act.

Certified that:

- A. The above resolution has been adopted in accordance with the provisions of the rules of the Fund.
- B. These are the Revised Rules of the Prime Retirement Annuity Fund effective from 1 March 2021.



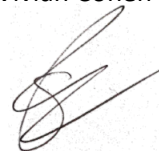
Chairman and Sponsor Trustee
Monique Oosthuizen



Principal Officer
Vivian Cohen



Sponsor Trustee
Shawn Smith



Independent Trustee
Stephan Hartzenberg

A handwritten signature in black ink, appearing to be 'Doug Stott', is positioned above a horizontal line.

Sponsor Trustee
Doug Stott

**RULES OF THE
PRIME RETIREMENT ANNUITY FUND**

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1. INTRODUCTION

1.1 Name

The name of the FUND established in terms of these rules is the Prime Retirement Annuity Fund (hereinafter referred to as “the FUND”).

1.2 Objective

The objective of the FUND is to provide BENEFITS for MEMBERS of the FUND on their retirement or upon the death of such MEMBERS or to provide BENEFITS for their BENEFICIARIES.

1.3 Legal status

The FUND is a legal entity capable in law, in its own name, of suing and of being sued. The FUND is capable of doing all things that may be necessary for or incidental to the exercise of its powers or the performance of its functions in terms of the RULES.

1.4 Registered office

The registered office of the FUND is:
28 Peter Place
Lyme Park
Sandton
2060

2. DEFINITIONS AND INTERPRETATION

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

2.1.1 words and expressions defined in the ACT and not in the RULES will bear the meanings set out in the ACT;

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

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

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

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

2.3 The following words and expressions will bear the meanings set out below and cognate expressions will have corresponding meanings, namely:

2.3.1 “ACT” means the Pension Funds Act, 1956 and the regulations and conditions promulgated in terms of the Pension Fund Act, 1956, including any amendments and any Act replacing it with all amendments and regulations promulgated thereunder;

2.3.2 “ACTUARY” means the actuary of the FUND appointed in terms of Rule 3.14 from time to time who is a natural person admitted as a fellow member of the Actuarial society of South Africa or any other institution approved by the AUTHORITY by notice in the Gazette. The appointment of the ACTUARY shall at all times be subject to the approval of the AUTHORITY;

2.3.3 “ADJUDICATOR” means the Pension Fund Adjudicator appointed in terms of Section 30C (1) of the ACT;

2.3.4 “ADMINISTRATOR” Global Fund Administrators (Pty) Ltd, or any other ADMINISTRATOR appointed from time to time by the BOARD and recorded by the AUTHORITY to attend to the day-to-day administration of the FUND;

2.3.5 “ANNUITY” means a compulsory non-commutable annuity payable for and based on the lifetime of the retiring MEMBER and his SPOUSE (if a spouse’s annuity is elected by the MEMBER) which must not be capable of being transferred, assigned, ceded, pledged, reduced, hypothecated, or attached by creditors as contemplated in Sections 37A and 37B of the ACT, provided that this may, subject to the requirements of the REVENUE SERVICE, include a LIVING ANNUITY;

2.3.6 “ANNUITY STRATEGY” means a strategy, as determined by the BOARD , setting out the manner in which the MEMBER’S retirement savings may be applied, with the MEMBER’S consent, to provide a PENSION(S) by the FUND or to purchase a PENSION on behalf of the MEMBER from an external provider, which PENSION(S) may either be in the name if the MEMBER or in the name of the

FUND and which complies with the requirements of regulation 39 of the ACT and any conditions that may be prescribed from time to time;

2.3.7 “APPROVED PENSION FUND” means a fund registered in terms of the ACT and approved as a pension fund by the REVENUE SERVICE;

2.3.8 “APPROVED PRESERVATION PENSION FUND” means a fund registered in terms of the ACT and approved as a PRESERVATION PENSION FUND by the REVENUE SERVICE;

2.3.9 “APPROVED PRESERVATION PROVIDENT FUND” means a fund registered in terms of the ACT and approved as a PRESERVATION PROVIDENT FUND by the REVENUE SERVICE;

2.3.10 “APPROVED PROVIDENT FUND” means a fund registered in terms of the ACT and approved as a PROVIDENT FUND by the REVENUE SERVICE;

2.3.11 “APPROVED RETIREMENT ANNUITY FUND” means a RETIREMENT ANNUITY FUND registered in terms of the ACT and approved as a RETIREMENT ANNUITY FUND by the REVENUE SERVICE;

2.3.12 “ASSETS” means, but is not limited to, UNITS in investment portfolios, shares, cash holdings and financial instruments as per the Investment Policy statement from time to time;

2.3.13 "AUDITOR" means the AUDITOR appointed in terms of these RULES, registered in terms of the Auditing Profession Act, No. 26 of 2005 and any amendments thereto and approved by the AUTHORITY;

2.3.14 “AUTHORITY” means the Financial Sector Conduct Authority established in terms of section 56 of the financial Sector Regulation Act (Act no. 9 of 2017) as amended from time to time

- 2.3.15 “BENEFICIARY” means a NOMINEE of a MEMBER or a DEPENDENT who is entitled to a benefit in terms of the RULES;
- 2.3.16 “BENEFICIARY FUND” means a fund registered in terms of the ACT and approved as a BENEFICIARY FUND by the REVENUE SERVICE;
- 2.3.17 “BOARD” means the BOARD of TRUSTEES which controls and manages the FUND in terms of these RULES;
- 2.3.18 “COMMENCEMENT DATE” means, in respect of the FUND, 1 February 2009 regardless of when these RULES were signed, registered or approved;
- 2.3.19 “CONTRIBUTIONS” means the regular or ad hoc payments made to the FUND by a MEMBER as set out in the MEMBER APPLICATION, provided that this excludes TRANSFER VALUES, same which, less advice or other fees, if applicable, are used to accumulate ASSETS to provide MEMBER BENEFITS, as per the FUND’s investment philosophy set out in the Investment Policy Statement;
- 2.3.20 “DEFAULT ANNUITY and DEFAULT INVESTMENT PORTFOLIO” shall mean, in terms of Regulation 39 of the ACT as amended from time to time (which will be communicated to MEMBERS), the BOARD’S strategy from time to time, setting out the manner in which a MEMBER’S BENEFIT may be applied, with the MEMBER’S consent, to provide a default annuity option or a default investment portfolio, should the MEMBER not be comfortable making their own election at retirement.
- 2.3.21 DEPENDANT” in relation to a MEMBER means –
- 2.3.21.1 a person in respect of whom the MEMBER is legally liable for maintenance;
 - 2.3.21.2 a person in respect of whom the MEMBER is not legally liable for maintenance,
 - 2.3.21.3 if such person –
 - 2.3.21.3.1 was, in the opinion of the BOARD, upon the

death of the MEMBER in fact dependent on the MEMBER for maintenance;

2.3.21.3.2 is the SPOUSE of the MEMBER, including a party to a union other than a civil marriage;

2.3.21.3.3 is a child of the MEMBER, including a child born after the death of the MEMBER, an adopted child and a child born out of wedlock;

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

1.1.1.1

2.3.22 "EXPENSES" means costs related to the management, and administration of the FUND, the cost of audit and of actuarial investigations, TRUSTEE fees, professional fees, levies, taxes, advice fees and any other costs regarded as falling within the definition of EXPENSES from time to time by the BOARD, provided that this will not include any costs related to the investment of the ASSETS of the FUND (the ADMINISITRATOR levies investment or administration charges from the investment portfolio selected by the MEMBER);

2.3.23 "FINANCIAL YEAR" shall mean the period from 1 January in one year to 31 December of that year.;

2.3.24 "FINANCIAL YEAR END" means 31 March of each year;

2.3.25 "FUND" means the Prime Retirement Annuity Fund;

2.3.26 "INCOME TAX ACT" shall mean the INCOME TAX ACT No. 58 of 1962 as amended from time to time or any legislation enacted to replace such act;

2.3.27 "INDEPENDENT TRUSTEE" means a TRUSTEE who is not:

2.3.27.1 an employee of the FUND or the ADMINISTRATOR;

2.3.27.2 controlled by the FUND or the ADMINISTRATOR;

2.3.27.3 does not control the FUND together with the ADMINISTRATOR;
and

- 2.3.27.4 does not render any other services to the FUND or the ADMINISTRATOR.
- 2.3.28 “LIVING ANNUITY” means a LIVING ANNUITY as defined in the INCOME TAX ACT as amended;
- 2.3.29 “MEMBER/ACTIVE MEMBER/MEMBERSHIP” means a person who has been admitted to membership of the FUND and has not ceased to be a member in terms of the RULES,
- 2.3.30 “MEMBER APPLICATION” means the written application of a MEMBER to participate in the FUND, which shall include details regarding the MEMBER’S CONTRIBUTIONS and/or TRANSFER VALUE and the RETIREMENT DATE and AGE selected by the MEMBER, the portfolio or portfolios selected by the MEMBER in terms of Rule 5.3.2 and any other information which may be required by the BOARD, or the ADMINISTRATOR;
- 2.3.31 “MEMBER’S BENEFIT” means the CONTRIBUTIONS and TRANSFER VALUE which the FUND use to accumulate the ASSETS it requires to provide benefits to the MEMBERS, by amongst others, securing investment portfolio(s) in respect of each MEMBER, plus any interest allocated to the MEMBER’S BENEFIT in terms of Rule 5.5.3; less any amounts deducted from MEMBER’S BENEFIT in terms of rule 5.4;
- 2.3.32 “NOMINEE” means a person or organisation, other than a DEPENDANT of a MEMBER duly nominated by the MEMBER to receive benefits on his death and whose nomination has not been retracted by the MEMBER;
- 2.3.33 “NOMINEE COMPANY” means a nominee company, approved by the AUTHORITY, and which has its principal object to act as holder and custodian of the FUND’S ASSETS. The BOARD appointed Global Nominees (Pty) Ltd, registration number 2012/187969/07 as the NOMINEE COMPANY;

- 2.3.34 “PRINCIPAL OFFICER” means the PRINCIPAL OFFICER of the FUND appointed by the TRUSTEES in accordance with the ACT and these RULES to fulfil the functions of a PRINCIPAL OFFICER set out in the ACT and these RULES;
- 2.3.35 “REGISTERED INSURER” means an insurer registered in terms of the Long Term Insurance Act, No. 52 of 1998 or any Act replacing said Act from time to time;
- 2.3.36 “RETIREMENT AGE” means the age, at which the MEMBER will become entitled to payment of an ANNUITY, provided that such age may not be earlier than age 55 years;
- 2.3.37 “RETIREMENT BENEFITS COUNSELLING” means the disclosure and explanation, in a clear and understandable language, including risks, costs and charges, of:
- 2.3.37.1 The terms of the FUND’S DEFAULT ANNUITY STRATEGY; and
 - 2.3.37.2 Any other options made available to members;
- 2.3.38 “RETIREMENT DATE” means the date elected by the MEMBER and provided to the FUND in the prescribed format, subject to the condition that if the date elected by the MEMBER is not possible because all the requirements of the FUND, the INSURER and the REVENUE SERVICE have not been complied with to the satisfaction of the FUND, then the closest possible date to the date elected by the MEMBER, provided that no MEMBER becomes entitled to payment of any annuity before reaching the age of 55 years except in the case of a MEMBER who becomes permanently incapable through infirmity of mind or body of carrying on his occupation.
- 2.3.39 “REVENUE SERVICE” means the Commissioner for the South African Revenue Service as defined in the INCOME TAX ACT;
- 2.3.40 “REVISION DATE” means the twelve-month period ending after the COMMENCEMENT DATE and every twelve-month period thereafter;
- 2.3.41 “RULES” mean these RULES, including any amendments which may at any time be applicable and registered by THE AUTHORITY;

- 2.3.42 “SPONSOR” means the entity who established the FUND being Global Independent Administrators (Pty) Limited, registration number 2005/005956/07 established the FUND;
- 2.3.43 “SPOUSE” means a person who is the permanent life partner or SPOUSE or civil union partner of a MEMBER in accordance with the Marriage Act, no. 25 of 1961, the Recognition of Customary Marriages Act, No.120 of 1998 or the Civil Union Act, No. 17 of 2006 or the law /rites of a religion;
- 2.3.44 “TRANSFER VALUES” means the amount withdrawn from another fund and transferred to the FUND in terms of Section 14 of the ACT or as a result of the MEMBER withdrawing from any other APPROVED PENSION FUND, APPROVED PROVIDENT FUND, APPROVED PENSION PRESERVATION FUND, APPROVED PROVIDENT PRESERVATION FUND or APPROVED RETIREMENT ANNUITY FUND in respect of a MEMBER in terms of Rule 5.2;
- 2.3.45 “TRUSTEE” means a member of the BOARD;
- 2.3.46 “UNCLAIMED BENEFIT” means
- 2.3.46.1 any unclaimed benefit, other than a BENEFIT, not paid by the FUND to a MEMBER, former MEMBER or BENEFICIARY within 24 months of the date on which it in terms of the RULES of the FUND, became legally due and payable;
 - 2.3.46.2 a death benefit not paid within 24 months from the date on which the FUND became aware of the death of a MEMBER, or such longer period as may be reasonably justified by the BOARD in writing;
 - 2.3.46.3 in relation to a benefit payable as a pension or annuity, any benefit which has not been paid by the FUND within 24 months of the date on which any pension payment of annuity legally due and payable in terms of the RULES of the FUND became payable;
 - 2.3.46.4 any benefit that remained unclaimed or unpaid to a MEMBER,

former MEMBER or BENEFICIARY if the FUND applies for cancellation of registration in terms of section 27 of the ACT or where the liquidator is satisfied that benefits remain unclaimed and unpaid;

2.3.46.5 any amount that remained unclaimed or unpaid to a non-member SPOUSE within 24 months from the date that the non-member SPOUSE becomes entitled to the payment of a pension interest in terms of a decree of divorce or decree for the dissolution of a customary marriage.

2.3.47 “UNITS” means the total units purchased in the investment portfolio(s) selected by the MEMBER which will be calculated as follows: -

2.3.47.1 the total number of units purchased with the MEMBER’S CONTRIBUTIONS, excluding amounts deducted from the CONTRIBUTIONS in respect of expenses referred to in Rule 5.4; plus,

2.3.47.2 the total number of units purchased with the MEMBER’S TRANSFER VALUES, excluding amounts deducted from the TRANSFER VALUES in respect of EXPENSES referred to in Rule 5.4; and

2.3.47.3 the total number of units purchased with the investment returns earned on the assets attributable to the MEMBER where the investment returns earned are not reflected in the pricing of the units;

2.3.48 “VESTED RIGHTS” means all CONTRIBUTIONS made to an APPROVED PROVIDENT FUND, prior to 1 March 2021 and the investment growth thereon;

2.3.49 “UNVESTED RIGHTS” means all CONTRIBUTIONS made to an APPROVED PROVIDENT FUND post 1 March 2021 and the investment growth thereon.

3. MANAGEMENT OF THE FUND

3.1 Constitution of Board

3.1.1 The management, control and administration of the FUND shall vest in a BOARD

comprising not less than 4 (four) TRUSTEES, at least 2 (two) of whom must have experience in the field of retirement funding and/or asset management and of whom at least 1 (one) must be an INDEPENDENT TRUSTEE.

- 3.1.2 The BOARD shall appoint the Chairman of the BOARD from among the ranks of the TRUSTEES.

3.2 **Appointment and removal of Board Members**

- 3.2.1 The SPONSOR shall appoint the TRUSTEES in accordance with the constitution of the BOARD set out in Rule 3.1 above.

- 3.2.2 The BOARD must ensure that an exemption from the requirement that MEMBERS have the right to elect at least 50% (fifty percent) of the TRUSTEES as permitted in terms of the provisions of section 7B(1)(b)(ii) of the ACT, is in place.

- 3.2.3 The SPONSOR may remove from office a TRUSTEE at any time and may appoint a new TRUSTEE to take his place, provided that an INDEPENDENT TRUSTEE may only be removed by the SPONSOR in accordance with the provisions of Rule 3.5.1.

- 3.2.4 The SPONSOR may appoint an alternate to any TRUSTEE should this be required.

3.3 **Term of office of Board**

- 3.3.1 The TRUSTEES will hold office for such period as is determined by the SPONSOR from time to time, provided that this period may not exceed 5 (five) years and provided further that a TRUSTEE whose term of office has expired may be re-appointed.

- 3.3.2 A TRUSTEE will remain a TRUSTEE until –

- 3.3.2.1 the expiry of his term of office;
- 3.3.2.2 he resigns by giving the Chairman written notice to that effect;
- 3.3.2.3 in the case of the Chairman resigning, he gives the rest of the BOARD written notice to that effect;
- 3.3.2.4 he ceases to hold office in terms of Rules 3.4 or 3.5.1;
- 3.3.2.5 he is removed from office in terms of Rule 3.2.3.

3.4 **Persons disqualified from being or acting as Board Members**

A person will not be permitted to be a TRUSTEE, or a TRUSTEE will cease to be a TRUSTEE if:

- 3.4.1 he is or becomes mentally or physically incapable of acting as a TRUSTEE; or
- 3.4.2 his estate has been or is sequestrated or surrendered or assigned in favour of his

creditors or he compromises with his creditors; or

3.4.3 he has been or is convicted by a competent court of theft, fraud, forgery or a similar offence; or

3.4.4 he has been or is discharged by a competent court from an office of trust on account of misconduct; or

3.4.5 he has been or is convicted by a competent court on any charge and sentenced to a prison term without the option of a fine.

3.5 **Removal of Board Members and filling of vacancies**

3.5.1 A TRUSTEE will cease to hold office if –

3.5.5.1 at least 75% (seventy five percent) of the other TRUSTEES resolve that he be removed from office because of a breach of his fiduciary duty towards the FUND or a breach of his duties to its MEMBERS and/or other BENEFICIARIES, after having given him a fair hearing, conducted by the BOARD or a committee of the BOARD; or

3.5.5.2 he has failed to attend 2 (two) consecutive BOARD meetings without showing good cause for such failure.

3.5.5.3 A vacancy which arises as a result of a TRUSTEE ceasing to hold office during his term of office will be filled in terms of Rules 3.2.4, as the case may be.

3.5.5.4 A vacancy on the BOARD will not invalidate any proceedings of the BOARD, provided that a quorum is in place.

3.6 **Payments to Board**

3.6.1 The TRUSTEES will receive from the FUND a refund of the reasonable expenses incurred by them, if any, on behalf of the FUND in accordance with the policies set by the BOARD from time to time and these expenses shall be approved by the BOARD prior to payment.

3.6.2 In addition, the INDEPENDENT TRUSTEES may receive such payments for attending meetings and performing their functions as may be decided from time to time by the BOARD and the PRINCIPAL OFFICER, in consultation with the SPONSOR.

3.6.3 Should the FUND not have the means to remunerate all or any the reasonable expenses, the ADMINISTRATOR shall bear the total or shortfall of the expenses.

3.6.4 The payments referred to above will be regarded as expenses within the meaning of Rule 5.4.

3.7 **Meetings of the Board**

- 3.7.1 The BOARD will meet from time to time as is necessary to conduct the business of the FUND but no less than 2 (two) times every calendar year.
- 3.7.2 The Chairman may convene a special meeting of the BOARD if the Chairman regards this as necessary. The Chairman must also convene a special meeting within 10 (ten) days of being so requested by at least 3 (three) of the TRUSTEES, provided that such TRUSTEES must provide the Chairman with written notice of the issues to be discussed at the special meeting and written reasons as to why the BOARD should not wait to discuss these issues at the next meeting of the BOARD.
- 3.7.3 The Chairman must cause at least 15 (fifteen) days' notice to be given of every BOARD meeting, specifying the place, date and time of the meeting, as well as the general nature of the business to be conducted at the meeting.
- 3.7.4 At least 4 (four) TRUSTEES will be required to constitute a quorum, provided that this must include at least 1 (one) INDEPENDENT TRUSTEE.
- 3.7.5 If a quorum is not present at the time determined for the start of the meeting, the meeting may be adjourned by the Chairman for a period of not less than 7 (seven) working days. At the postponed meeting the TRUSTEES present, provided that this includes at least 1 (one) INDEPENDENT TRUSTEE, will constitute a quorum.
- 3.7.6 The meetings of the BOARD will be chaired by the Chairman. The Chairman is appointed by the TRUSTEES. The Chairman will hold office for a period of 1 year, where after a new Chairman must be elected by the TRUSTEES, a Chairman may be reappointed. If the Chairman is temporarily absent or, for any other reason, is unable to perform his functions as Chairman, the BOARD shall elect a person from among its number present to act as Chairman. The Chairman will be responsible for the orderly conduct of the meetings and may suspend or exclude from a meeting any TRUSTEE who deliberately ignores the authority of the Chairman or who interferes with the orderly functioning of the BOARD.
- 3.7.7 The Chairman shall cause minutes to be kept of all meetings held by the BOARD and such minutes must be distributed within 10 (ten) working days of a BOARD meeting to the TRUSTEES. Any amendments to the minutes must be lodged with the Chairman within 10 (ten) working days of distribution. If no amendments are received within 10 (ten) working days of the distribution of the minutes, the minutes of that meeting will be proposed, seconded and signed by the Chairman at the next BOARD meeting. Once those minutes are signed by the Chairman, they will constitute prima facie evidence of the business conducted at the meeting.

- 3.7.8 The BOARD shall seek consensus in all matters requiring a decision. Should the BOARD fail to reach consensus on any issue, a decision will be taken by a simple majority of votes of TRUSTEES present at any meeting, each TRUSTEE having one vote.
- 3.7.9 In the event of a deadlock, the matter must be carried forward to a special meeting of the BOARD properly constituted in terms of Rule 3.1.1 within fourteen days of the meeting where the deadlock arose. Should there be no resolution of the matter at the special meeting of the BOARD, the TRUSTEES shall, upon agreement, refer the matter to an independent expert, qualified in the matter under dispute, for example if it is an audit dispute, matter to be referred to an auditor or if it is a legislative dispute, matter to be referred to an attorney specialising in pension fund law, for a recommendation. Such recommendation will constitute a decision of the TRUSTEES.
- 3.7.10 A resolution in writing signed by all the TRUSTEES will be effective as if it had been passed at a meeting of the BOARD duly convened and held. Any resolution passed in terms of this Rule must be noted at the first meeting of the BOARD held after the passing of such resolution.

3.8 Board to direct and control the Fund

- 3.8.1 The object of the BOARD is to direct, control and oversee the operations of the FUND in accordance with applicable laws and the RULES.
- 3.8.2 In pursuing its object, the BOARD shall-
- 3.8.2.1 take all reasonable steps to ensure that the interests of MEMBERS in terms of the RULES and the provisions of the ACT are protected at all times especially in the event of an amalgamation or transfer of any business contemplated in Section 14 of the ACT or splitting of the FUND;
 - 3.8.2.2 act in good faith towards the MEMBERS and all stakeholders of the FUND; act with due care, diligence, and good faith; avoid conflicts of interest; and act with impartiality in respect of all MEMBERS.

3.9 Duties of the BOARD

- 3.9.1 The duties of a BOARD shall, inter alia, include to –
- 3.9.1.1 ensure that proper registers, books and records of the operations of the FUND are kept, including proper minutes of all resolutions passed by the BOARD;
 - 3.9.1.2 cause true and full accounts of the FUND to be kept in accordance with general accounting practice and any guidelines issued by the AUDITOR

from time to time, such accounts to be made up to the FINANCIAL YEAR END and fairly to present the state of affairs of the FUND and its business and financial position and to be audited by the AUDITOR;

- 3.9.1.3 ensure that proper controls are used to protect the ASSETS of the FUND, taking into account the advice of the AUDITOR;
- 3.9.1.4 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;
- 3.9.1.5 take all reasonable steps to ensure that the relevant contributions are paid to the FUND in accordance with the ACT;
- 3.9.1.6 obtain expert advice on matters in respect of which the BOARD may lack sufficient expertise;
- 3.9.1.7 ensure that the RULES, operation and administration of the FUND comply with the ACT, the Financial Institutions (Protection of Funds) Act, 2001, INCOME TAX ACT and all other applicable laws and any other duties imposed by the RULES;
- 3.9.1.8 operate a banking account opened in the name of the FUND with a bank registered in terms of the Banks Act, 1990;
- 3.9.1.9 ensure that any CONTRIBUTIONS or other money received by the FUND are, pending the investment or application thereof in accordance with the RULES, deposited into the banking account not later than the first business day following the day on which the FUND received the CONTRIBUTION or other money;
- 3.9.1.10 in consultation with the AUDITOR, take such measures as will ensure the efficient and secure operation of the banking account;
- 3.9.1.11 cause every document of title to an investment to be registered in the name of the FUND, or in the name of a NOMINEE COMPANY approved by the AUTHORITY;
- 3.9.1.12 ensure that every title deed and other document of title belonging to the FUND is kept in the safes or strong rooms at the registered office or other office of the FUND or in a banking institution, as decided by the BOARD;
- 3.9.1.13 ensure that every cheque, contract, or other document pertaining to the FUND is signed by such persons as the BOARD by resolution appoints and if applicable, in the manner set out in the ACT.

- 3.9.2 The references to the specific duties of the BOARD above will not, in any way, derogate from the other common law and statutory duties of the BOARD.

3.10 Powers of the BOARD

- 3.10.1 The BOARD will, subject to the RULES, have all such powers as may be exercised by the FUND in terms of the RULES, provided that any specific powers set out below will not be construed as derogating from the general powers of the BOARD.
- 3.10.2 The BOARD will have the power, subject to the provisions of the ACT and of this Rule to invest in immovable property, and in like manner to invest, lend, put out at interest, place on deposit, make advances of, or otherwise deal with all the monies of the FUND upon such securities and in such manner as it from time to time may determine and to dispose of immovable property, realise, vary, reinvest, or otherwise deal with such securities and other investments as it from time to time may determine, provided that any amount advanced on mortgage of immovable property will not, together with any other amount that has been or can be advanced on security of a prior or *pari passu* mortgage of that property, exceed eighty percent of the value of the property on the date of the advance.
- 3.10.3 The power of the BOARD to make investments and to realise, vary, reinvest or otherwise deal with the securities concerned, may be delegated by the BOARD, on such terms and conditions as they may specify; to: -
- 3.10.3.1 a subcommittee of such of their number as they nominate; or
 - 3.10.3.2 a financial institution as defined in the Financial Institutions (Protection of Funds) Act, 2001; or
 - 3.10.3.3 a person approved in terms of the Financial Advisory and Intermediary Services Act or in terms of any other act replacing this act.

- 3.10.4 The BOARD will not be liable for the negligence, dishonesty or fraud of an institution referred to in Rule 3.10.3.2 or a person referred to in Rule 3.10.3.3.
- 3.10.5 Notwithstanding the provisions of Rule 3.10.2 above, the power of investment of the BOARD in respect of the ASSETS of the FUND will be limited to the selection of investment portfolios managed by the institutions referred in Rule 3.10.3.2 or the person referred to in Rule 3.10.3.3. The investment of the assets of the FUND in a particular portfolio will be made in accordance with the election of the MEMBERS of the FUND, provided that such election will be limited to such portfolios selected by the BOARD. In the event that a MEMBER fails to select a portfolio or portfolios, the assets attributable to the applicable MEMBER or MEMBERS of the FUND will be allocated to a default portfolio selected by the BOARD.
- 3.10.6 The BOARD may obtain an overdraft from a bank, or borrow from any other party, on such terms as it thinks fit, such sum as it approves for the purpose of completing any investment, or meeting any temporary unforeseen cash shortage, and for this purpose may give such security as it decides, provided that the aggregate amount of such loans does not at any time exceed one-half of the FUND'S gross income from all sources during the immediately preceding FINANCIAL YEAR unless otherwise authorised by the AUTHORITY.
- 3.10.7 To contract on behalf of the FUND and to sign such contract or other document on behalf of the FUND, to institute legal action or process for the FUND and to conduct, settle or abandon such action or process, to defend or settle legal action or process instituted against the FUND.
- 3.10.8 To make, amend and rescind policies and procedures in respect of a matter concerning the FUND, provided that such policies and procedures do not conflict with the RULES, the ACT, or the INCOME TAX ACT.

- 3.10.9 To amend the RULES of the FUND, subject to the provisions of Rule 7.4.
- 3.10.10 The BOARD will be entitled, in its absolute discretion, to make any arrangements for the administration of the FUND and in this regard shall appoint the ADMINISTRATOR. The BOARD must ensure that the ADMINISTRATOR is registered in terms of section 13B of the ACT and must enter into an administration agreement which complies with any Board Notices or directives issued in terms of the ACT.
- 3.10.11 The BOARD will be entitled, in its absolute discretion, to appoint consultants, investment advisers, investment managers, legal advisers and other professionals to assist the BOARD in performing its duties and functions where it considers this necessary or prudent.
- 3.10.12 The BOARD may, in accordance with the provisions of Section 14 of the ACT, amalgamate any business carried on by the FUND with any business carried on by any other person, or transfer any business carried on by the FUND to any other person, or accept transfer of any business from any other person to the FUND, provided that the BOARD follow the process prescribed by the AUTHORITY from time to time.
- 3.10.13 The BOARD will have the power to take, generally, such steps as are, in its discretion, conducive to the attainment of the objects of the FUND.

3.11 Delegation of powers by the Board

- 3.11.1 The BOARD may delegate any of its powers on any matter to another person or a committee nominated by the BOARD.
- 3.11.2 The BOARD may appoint persons who are not TRUSTEES to any committee and may terminate such an appointment at any time.
- 3.11.3 A decision of a committee to which a power is so delegated must be referred to the BOARD for ratification and the minutes of the committee

meetings must be circulated to the BOARD and will form part of the minutes of the next BOARD meeting.

3.12 Confidentiality of information

The BOARD, all service providers appointed by the FUND, and any regulatory and other bodies required to access data in terms of legislation, will only be entitled to such information from a MEMBER as it may require for the exercise of its duties in terms of the RULES. Such information will only be used for the purpose of performing its duties in terms of the RULES and any relevant legislation from time to time and will not be disclosed to any person or body other than an office-bearer or employee of the FUND, a REGISTERED INSURER, the ADMINISTRATOR, service provider or regulatory or other body who requires such information for the performance of its functions and as prescribed by legislation.

3.13 Principal Officer

- 3.13.1 The BOARD shall appoint a PRINCIPAL OFFICER. Any such appointment may be changed by the BOARD in its sole discretion.
- 3.13.2 The BOARD shall notify the AUTHORITY, in writing, of the name of the PRINCIPAL OFFICER within 30 (thirty) days of the appointment of the PRINCIPAL OFFICER.
- 3.13.3 The AUTHORITY may, without assigning any reason therefore, refuse to approve the appointment of the PRINCIPAL OFFICER or withdraw his prior approval whereupon the PRINCIPAL OFFICER will vacate his office.
- 3.13.4 The PRINCIPAL OFFICER will at all times be required to meet any legislative requirements or regulatory requirements issued by the AUTHORITY.
- 3.13.5 When the AUTHORITY has refused to approve or has withdrawn his approval of the appointment of the PRINCIPAL OFFICER, the BOARD shall appoint some other person as the PRINCIPAL OFFICER, subject to the approval of the AUTHORITY.

3.13.6 If the PRINCIPAL OFFICER is absent from the Republic of South Africa for a period exceeding 30 (thirty) days or is otherwise unable to perform his duties, the BOARD shall appoint another person as PRINCIPAL OFFICER and must advise the AUTHORITY accordingly.

3.13.7 The PRINCIPAL OFFICER shall perform all the functions required to fulfil his duties in terms of the ACT, the RULES, and the directions of the BOARD.

3.14 **Actuary and actuarial valuations**

3.14.1 The BOARD shall, within 30 (thirty) days from the date of registration of the FUND, appoint an ACTUARY and shall, within 30 (thirty) days from the date of such appointment, apply to the AUTHORITY for approval of such appointment.

3.14.2 Should the AUTHORITY refuse to approve the appointment of the ACTUARY or withdraw his prior approval of the appointment, the BOARD shall appoint another ACTUARY, subject to the approval of the AUTHORITY.

3.14.3 The BOARD may rescind the appointment of the ACTUARY at any time and appoint another ACTUARY at its discretion.

3.14.5 The ACTUARY will be the valuator of the FUND in terms of the ACT, unless the FUND has been exempted from compliance with the provisions of sections 9A and 16 of the ACT. The ACTUARY shall in addition to the function of valuator, perform such other functions as may be specified in the RULES.

3.14.6 Unless the FUND has been exempted from compliance with the provisions of Sections 9A and 16 of the ACT, the FUND will be valued by the ACTUARY at intervals not exceeding 3 (three) years. Within 12 (twelve) months of the valuation date the ACTUARY shall submit a valuation report to the BOARD, who shall submit a copy thereof to the

AUTHORITY. A copy of the valuation report or a summary thereof in the prescribed format will be open for inspection by the MEMBERS at the registered office of the FUND, within normal office hours and on prior notice.

3.14.7 The BOARD will maintain such records as may be required by the ACTUARY to perform the valuation function referred to above.

3.14.8 Should the FUND require exemption from the provisions of sections 9A and 16 of the ACT, the BOARD must ensure that the ACTUARY submits the certificate in the format as prescribed by any Legislation and/or Board Notices as issued from time to time to the AUTHORITY.

3.15 Auditor and financial statements

3.15.1 The BOARD shall appoint an AUDITOR, for such periods as it determines, and may withdraw any such appointment and make another appointment in its place.

3.15.2 The BOARD shall, within 30 (thirty) days of the appointment of the AUDITOR, apply to the AUTHORITY for approval of the appointment.

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

3.15.4 When the AUTHORITY has refused to approve or has withdrawn his approval of the appointment of the AUDITOR, the BOARD shall appoint some other person as auditor, subject to the approval of the AUTHORITY.

3.15.5 When the AUDITOR is a partnership, the appointment of the AUDITOR will not lapse by reason of a change in the composition of the partnership, as long as not less than half of the partners in the reconstituted partnership are persons who were partners as at the date

when the appointment of the partnership was last approved by the AUTHORITY.

3.15.6 The AUDITOR has for the purpose of performing his functions and duties:

- 3.15.6.1 the right of access at all reasonable times to the accounting records and all books, vouchers, documents and other property of the FUND;
- 3.15.6.2 the right to require from the BOARD such information and explanations as he considers necessary;
- 3.15.6.3 the right to investigate whether there are adequate measures and procedures for the proper application of sound economical, efficient and effective management of the FUND and for the utilisation of all the resources under the control of the BOARD; and
- 3.15.6.4 the right to investigate any matter, including the efficiency and effectiveness of the internal control of the FUND, relating to expenditure by and the revenue of the FUND.

3.15.7 The BOARD shall, within a period of 6 (six) months after the FINANCIAL YEAR END in question, prepare and submit such statements and reports as required by the ACT to the AUTHORITY, provided that where prescribed in the ACT, such statements and reports must be duly audited and reported on by the AUDITOR.

3.16 Records and safe custody of securities

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

3.16.2 All title deeds and securities must be registered in the name of the FUND or in the name of such NOMINEE COMPANY acceptable to the AUTHORITY as the BOARD may appoint. The documents of title registered in the name of the FUND in connection with any investment

or asset of the FUND must be kept in safe custody at the registered office of the FUND or in a banking institution, as decided by the BOARD. Any documents of title registered in the name of a NOMINEE COMPANY in connection with any investment or asset of the FUND must be kept in safe custody at the registered office of that COMPANY or in a banking institution, as decided by that COMPANY.

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

3.17 Disputes

- 3.17.1 If a dispute arises between the FUND and a MEMBER or a BENEFICIARY in respect of the interpretation of the RULES, the administration of the FUND, the payment of any benefit, a decision of the BOARD or any other related matter, the MEMBER or BENEFICIARY may lodge a written complaint with the PRINCIPAL OFFICER.
- 3.17.2 The complaint must set out the basis for the dispute in writing and the PRINCIPAL OFFICER shall, subject to the provisions of Rule 3.17.5, deliver the complaint to the Chairman.
- 3.17.3 The Chairman shall in his sole discretion refer the dispute to –
- 3.17.3.1 the BOARD or an appropriate committee of the BOARD for consideration and decision; or
 - 3.17.3.2 an appropriate officer or employee of the FUND.
- 3.17.4 If a dispute is referred to the BOARD, the BOARD shall deal with the dispute as it would with any other decision in terms of Rules 3.7.8 and 3.7.9.
- 3.17.5 If a dispute is referred to an employee or officer of the FUND, such employee or officer must attempt to resolve the dispute and if

unsuccessful, must advise the Chairman or his delegate. The PRINCIPAL OFFICER shall, unless the matter is resolved and subject to the provisions of the ACT, inform the MEMBER or BENEFICIARY in writing of the decision taken on behalf of the FUND in terms of this Rule.

3.17.6 If the MEMBER or BENEFICIARY is not satisfied with the decision referred to above or if the PRINCIPAL OFFICER fails to reply to the matter the MEMBER or BENEFICIARY may lodge the complaint with the ADJUDICATOR in terms of the ACT.

3.18 Claims against the FUND

3.18.1 A MEMBER will not have any claim against the FUND in respect of the bona fide investment of the ASSETS of the FUND.

3.18.2 No person will have any claim concerning the FUND either upon the FUND or against the BOARD except in accordance with the RULES.

3.19 Indemnity and Fidelity Insurance

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

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

3.20 Documents

The BOARD may authorise TRUSTEES or such person as they deem fit to approve and sign documents on behalf of the FUND, provided that documents to be deposited with the AUTHORITY will be signed as prescribed in the ACT.

3.21 Registration and approval of FUND

- 3.21.1 The BOARD shall apply for registration of the FUND in accordance with the provisions of the ACT and shall apply to the REVENUE SERVICE for the approval of the FUND as a RETIREMENT ANNUITY FUND in terms of the INCOME TAX ACT;
- 3.21.2 The BOARD shall take such steps as the REVENUE SERVICE may require for the continued approval of the FUND in terms of the INCOME TAX ACT.

4. MEMBERSHIP

4.1 Eligibility and admission

- 4.1.1. Any person may apply to become a MEMBER of the FUND. Such application must be made to the BOARD or the ADMINSTRATOR by means of a MEMBER APPLICATION.
- 4.1.2 The BOARD or the ADMINSTRATOR (in the event that the BOARD has delegated this function to the ADMINSTRATOR), in their sole discretion, may approve such application and admit such person to participate in the FUND.
- 4.1.3. On such person being admitted to participate in the FUND such person will become a MEMBER of the FUND with effect from the date on which the FUND receives the first CONTRIBUTION or TRANSFER VALUE from or in respect of the MEMBER.

4.2 Termination /cessation of membership

A MEMBER'S membership of the FUND will terminate, once the FUND has paid benefits due to the MEMBER, or when the benefits accruing to the MEMBER have been transferred to another fund, or on death of the MEMBER.

4.3 Conditions of membership

- 4.3.1 When required by the BOARD, a MEMBER and/or a BENEFICIARY must produce a birth certificate or other satisfactory evidence of age in respect of himself and of his DEPENDANTS and/or NOMINEES and shall give the BOARD such other information as the BOARD may require for the purposes of the FUND.
- 4.3.2 If a MEMBER or a BENEFICIARY fails to comply with Rule 4.3.1 the BOARD may withhold payment of the benefit due to or in respect of him until the provisions are complied with.
- 4.3.3 The FUND will not be liable for any loss sustained by a BENEFICIARY arising from any misstatements or errors or omissions in any information supplied in terms of the RULES.

5. CONTRIBUTIONS AND FINANCIAL PROVISIONS

5.1 Members Contributions

- 5.1.1 The BOARD may set a minimum CONTRIBUTION level (in respect of regular CONTRIBUTIONS) from time to time and such minimum CONTRIBUTION level will be reflected in the MEMBER APPLICATION.
- 5.1.2 Subject to the provisions of rule 5.1.1 a MEMBER may make CONTRIBUTIONS to the FUND.
- 5.1.3 Subject to the consent of the BOARD and the provisions of Rule 5.1.1 the MEMBER may amend the rate of CONTRIBUTIONS from time to time by giving the FUND written notice to that effect.
- 5.1.4 Subject to the provisions of rule 5.1.1 a MEMBER shall have the right at any time to make a CONTRIBUTION to the FUND in the form of a lump sum and/or recurring payment or CONTRIBUTION arising from a TRANSFER VLAUE from an

APPROVED PENSION FUND, an APPROVED PROVIDENT FUND, an APPROVED PENSION PRESERVATION FUND, an APPROVED PROVIDENT PRESERVATION FUND or an APPROVED RETIREMENT ANNUITY FUND or from his own funds.

5.1.5 A MEMBER'S contributions to the FUND shall cease on cessation of MEMBERSHIP or on a MEMBER'S earlier election to cease contributions.

5.1.6 Upon the cessation of MEMBERSHIP, the member will become a paid-up member (and therefor no longer be an ACTIVE MEMBER) resulting in the FUND to meet its regulatory obligations in this regard.

5.1.7 A MEMBER who discontinues his recurring contributions prematurely shall be entitled to:

5.1.7.1 An annuity (payable from the date on which he would have become entitled to the payment of an annuity if he had continued his CONTRIBUTIONS) determined in relation to his actual CONTRIBUTIONS;

5.1.7.2 Be reinstated as an ACTIVE MEMBER under conditions prescribed by the FUND; or

5.1.7.3 The payment of one or more lump sum BENEFITS, where that MEMBER'S interest in the FUND is less than an amount determined by notice in the Gazette from time to time;

5.1.7.4 The payment of a lump sum benefit contemplated in paragraph 2(1)(b)(ii) of the Second Schedule to the INCOME TAX ACT where the MEMBER-

5.7.7.4.1 Is or was a resident who emigrated from the Republic of South Africa and that emigration is recognised by the South African Reserve Bank for purposes of exchange control in respect of applications for that recognition received on or before 28 February 2021 and approved by the South African Reserve Bank or an authorised dealer in foreign exchange for the delivery of currency on or before 28 February 2022; or

5.7.7.4.2 departed from the Republic at the expiry of a

work visa or visitor's visa as contemplated in the Immigration Act of 2002; or

- 5.7.7.4.3 Is not a resident for an uninterrupted period of three years or longer on or after 1 March 2021.

5.2 Transfers from another fund

Subject to the provisions of the RULES, ACT or INCOME TAX ACT a MEMBER may transfer an amount to the FUND from an APPROVED PENSION FUND, an APPROVED PROVIDENT FUND, an APPROVED PENSION PRESERVATION FUND, an APPROVED PROVIDENT PRESERVATION FUND and an APPROVED RETIREMENT ANNUITY FUND.

5.3 Investment of the assets of the Fund

- 5.3.1 The FUND will make arrangements for the investment of the CONTRIBUTIONS and TRANSFER VALUES (less EXPENSES referred to in Rule 5.4) in accordance with the MEMBER'S investment selection reflected in the MEMBER APPLICATION or advised to the FUND from time to time.
- 5.3.2 Each MEMBER of the FUND shall select and accept the investment risk accompanying his choice in an investment portfolio or portfolios from the range selected by the BOARD, to which the CONTRIBUTIONS and/or TRANSFER VALUES (less expenses referred to in rule 5.4) attributable to such MEMBER and any investment earnings on those amounts will be allocated by the FUND or reallocated, as the case may be. The BOARD shall set out the guidelines for when selection or reselection of the investment portfolios may take place and shall communicate this to the MEMBERS. These guidelines shall include requirements as well as information regarding EXPENSES related to the relocation of ASSETS attributable to such MEMBER from one investment portfolio to another.
- 5.3.3 In the event that a MEMBER is unable or unwilling to make a selection in terms of Rule 5.3.2, the BOARD shall allocate the ASSETS attributable to such MEMBER to a DEFAULT PORTFOLIO elected by the BOARD.
- 5.3.4 The BOARD must ensure that the ADMINISTRATOR sets a unit price from time to time in respect of each of the investment portfolios which are unitised. The unit price must take into account the investment returns on the assets underlying the investment policy and expenses such as any

taxes, levies, fees and other costs related to the investment of the assets of the FUND.

- 5.3.5 The BOARD must ensure that the investment returns allocated to each of the investment portfolios that are not unitised, take into account the investment return on the assets in the investment portfolio and expenses such as any taxes, levies, fees and other costs related to the investment of the assets of the FUND.
- 5.3.6 The ADMINISTRATOR will maintain a record in respect of each individual MEMBER (Benefit/investor statement) which will reflect all items of income and expenditure relative to the MEMBER'S ASSETS. The ADMINISTRATOR distributes this Benefit/investor statement quarterly and copy of such record will be available to MEMBERS on request.
- 5.3.7 The FUND is the owner of the ASSETS purchased with the MEMBER'S CONTRIBUTIONS.
- 5.3.8 The ADMINISTRATOR levies investment or administration charges from the investment portfolio(s) in respect of each MEMBER at a rate approved by the BOARD.

5.4 **Expenses**

- 5.4.1 The monetary value of the MEMBER'S BENEFIT is equal to the value of the ASSETS from time to time held by the FUND for the benefit of the MEMBER, as disclosed on the MEMBER APPLICATION, after the deduction of EXPENSES.
- 5.4.2 EXPENSES to be deducted from all CONTRIBUTIONS and TRANSFER VALUES will be any amounts as disclosed in the MEMBER APPLICATION, minimum disclosure documents, information documents, ANNUITY STRATEGY documents or any other documents related to such EXPENSES as may be decided by the BOARD from time to time, and the net amount of the CONTRIBUTIONS and TRANSFER VALUES will be invested in the investment portfolio(s) selected by the MEMBER.
- 5.4.3 EXPENSE deductions will be done through the sale of ASSETS.
- 5.4.4 Early termination and/or exit charges, if applicable, will be allocated to each MEMBER from time to time and the MEMBER'S BENEFIT will be adjusted accordingly.

- 5.4.5 Tracing fees may be deducted from BENEFITS payable to a MEMBER or BENEFICIARY.

5.5 Disinvestment of monies pending transfer or payment

- 5.5.1 Subject to clause 6 in these RULES, the ADMINISTRATOR shall, within a reasonable period from the date on which the ADMINISTRATOR is notified of a retirement, death, withdrawal, transfer or liquidation, or within a reasonable time of the happening of the actual event, whichever is the later, arrange for the transfer of the MEMBER'S BENEFIT to a bank account in the name of the FUND or REGISTERED INSURER.
- 5.5.2 Any reference to MEMBER'S BENEFIT, shall refer to that amount as at the date of transfer to the bank account referred to in Rule 5.5.1.
- 5.5.3 Interest earned on the amount referred to in Rule 5.5.1 will form part of the MEMBER'S BENEFIT.

6. BENEFITS

6.1 Retirement Benefits

- 6.1.1 A MEMBER shall retire as at his RETIREMENT DATE, or before reaching the RETIREMENT DATE, if he satisfies the BOARD, based on medical evidence, that he has become permanently disabled, through infirmity of mind or body, of being employed.
- 6.1.2 Subject to clause 6.11 above, the following options are available to the MEMBER at the RETIREMENT DATE:
- 6.1.2.1 The VESTED RIGHTS can be commuted in full as a lump sum. A maximum of one third of UNVESTED RIGHTS can be commuted as a lump sum. The remaining two thirds of the UNVESTED RIGHTS must be used to purchase an ANNUITY; or
- 6.1.2.2 The Full value of the VESTED RIGHTS plus UNVESTED RIGHTS can be used to purchase an ANNUITY; or
- 6.1.2.3 The VESTED RIGHTS can be fully commuted in a lump sum. The full value of the UNVESTED RIGHTS can be taken in a lump sum, provided it

is less than de minimis amount prescribed in the INCOME TAX ACT.

- 6.1.3 Should a MEMBER transfer from an APPROVED PRESERVATION PROVIDENT FUND to the FUND prior to RETIREMENT AGE, the VESTED RIGHTS will be transferred as well, and the MEMBER will still have the option to commute the full VESTED RIGHTS as a lump sum at retirement.
- 6.1.4 The ANNUITY or LIVING ANNUITY will be purchased from a REGISTERED INSURER selected by the MEMBER.
- 6.1.5 A MEMBER may elect to purchase a DEFAULT ANNUITY.
- 6.1.6 Once the ANNUITY or LIVING ANNUITY has been purchased and any lump sum benefit, less any applicable tax, has been paid to the former MEMBER, the FUND will have no further liability to or in respect of the former MEMBER and his BENEFICIARIES.

6.2 **Disability Benefits**

- 6.2.1 Notwithstanding anything to the contrary contained elsewhere in these RULES if the BOARD is satisfied that a MEMBER has become permanently disabled through infirmity of mind or body, such MEMBER will become entitled to a retirement benefit from the FUND, whether or not such MEMBER has attained the age of 55 years.
- 6.2.2 The MEMBER will become entitled to an ANNUITY, LIVING ANNUITY or DEFAULT ANNUITY.
- 6.2.3 The MEMBER may commute a part, but not exceeding one-third, of his retirement benefit into a lump sum payment, and the remainder must be taken in the form of an ANNUITY. If the value of the MEMBERS INVESTMENT that becomes available in respect of a MEMBER is less than or equal to the maximum amount that may be commuted in full, as prescribed by legislation and regulation, the full amount may be commuted.
- 6.2.4 The ANNUITY or LIVING ANNUITY will be purchased from a REGISTERED INSURER selected by the MEMBER.
- 6.2.5 A MEMBER may elect to purchase a DEFAULT ANNUITY.

- 6.2.6 Once such ANNUITY or LIVING ANNUITY has been purchased and any lump sum benefit, less any applicable tax, has been paid to the former MEMBER, the FUND will have no further liability to or in respect of the former MEMBER and his BENEFICIARIES.

6.3 **Death benefits**

- 6.3.1 Upon the death of a MEMBER, there will be payable a lump sum death benefit equal to the MEMBER'S BENEFIT, less any applicable tax.
- 6.3.2 The aforementioned lump sum death benefit will be allocated to a BENEFICIARY in terms of section 37C of the ACT.
- 6.3.3 The benefits payable to the DEPENDANTS and/or NOMINEES of a deceased MEMBER in terms of provisions contained elsewhere in the RULES, shall, notwithstanding these provisions, be paid by the FUND as follows:
- 6.3.3.1 If within twelve months of the death of the MEMBER the FUND becomes aware of or traces a DEPENDANT or DEPENDANTS of the MEMBER, then subject to Rule 6.3.3.3 the BENEFIT shall be paid to such DEPENDANT or, in such proportions as may be deemed equitable by the TRUSTEES, to such DEPENDANTS.
- 6.3.3.2 If within twelve months of the death of the MEMBER the FUND does not become aware of or cannot trace any DEPENDANT of the MEMBER and the MEMBER has designated in writing to the FUND a NOMINEE to receive the BENEFIT or such portion of the BENEFIT as is specified by the MEMBER in writing to the FUND, the BENEFIT or such portion of the BENEFIT shall be paid to such NOMINEE, provided that where the aggregate amount of the debts in the estate of the MEMBER exceeds the aggregate amount of the assets in the estate, so much of the BENEFIT as is equal to such excess shall be paid into the estate and the balance of such BENEFIT or the balance of such portion of the BENEFIT shall be paid to the NOMINEE.
- 6.3.3.3 If a MEMBER has a DEPENDANT and the MEMBER has also designated in writing to the FUND a NOMINEE to receive the BENEFIT or such portion of the BENEFIT as is specified by the MEMBER in writing to the FUND, the FUND shall within twelve months of the death of such MEMBER pay the BENEFIT or such portion thereof to such DEPENDANT or NOMINEE in such proportions as the TRUSTEES may deem equitable.
- 6.3.3.4 If within twelve months of the death of the MEMBER the FUND does not become aware of or cannot trace any DEPENDANT of the MEMBER and if the MEMBER has not designated a

NOMINEE or if the MEMBER has designated a NOMINEE to receive a portion of the BENEFIT specified by the MEMBER in writing to the FUND, the BENEFIT or the remaining portion of the BENEFIT after payment to the designated NOMINEE, shall be paid into the estate of the MEMBER or, if no inventory in respect of the MEMBER has been received by the Master of the High Court in terms of section 9 of the Administration of Estates Act, 1965, into the Guardian's Fund or an UNCLAIMED BENEFIT FUND.

- 6.3.4 The BENEFICIARY may commute the retirement BENEFIT into a lump sum payment.
- 6.3.5 The BENEFICIARY may purchase an ANNUITY OR LIVING ANNUITY from a REGISTERED INSURER,
- 6.3.6 The BENEFICIARY may purchase a DEFAULT ANNUITY.
- 6.3.7 Once the ANNUITY or LIVING ANNUITY has been purchased and any lump sum BENEFIT, less any applicable tax, has been paid to the BENEFICIARY, the FUND will have no further liability to or in respect of the MEMBER'S BENEFICIARY.

6.4 Notification of retirement age and retirement

- 6.4.1 A MEMBER must provide the FUND his RETIREMENT AGE and DATE, provided that the MEMBER may, subject to the consent of the BOARD, amend the RETIREMENT AGE and DATE from time to time by giving the FUND or the ADMINISTRATOR one month's written notice to that effect. The FUND will be entitled to deem the most recently notified RETIREMENT AGE and DATE to be his RETIREMENT AGE and DATE.
- 6.4.2 The written notice must include the options elected by the MEMBER, in particular regarding payment of a lump sum benefit of up to one-third of the MEMBER'S BENEFIT, and the ANNUITY selected and any other information which may be required by the BOARD from time to time.
- 6.4.3 The payment of the MEMBER'S BENEFITS could be deferred due to the RETIREMENT AGE and/or the RETIREMENT DATE being amended. During this this period the MEMBER'S ASSETS will continue to be be invested by

the FUND in the investment portfolio(s) indicated on the MEMBER's APPLICATION.

6.5 Transfers to another fund

Subject to the written request of a MEMBER and subject to the provisions of RULES and the provisions of the ACT and INCOME TAX ACT, the BOARD may, within a reasonable period of receiving the MEMBER'S written request, transfer the MEMBER'S BENEFIT to another APPROVED RETIREMENT ANNUITY FUND.

6.6 Payment of benefits

6.6.1 The BOARD will be entitled to request any documentation prescribed by it as satisfactory proof as to the identity and right of a MEMBER or BENEFICIARY to a BENEFIT before payment of a BENEFIT is made to such MEMBER or BENEFICIARY.

6.6.2 Whenever a BENEFIT is payable to a MEMBER or BENEFICIARY, the MEMBER or BENEFICIARY will be deemed to have requested payment thereof by means of an electronic bank transfer to his bank account, the details of which the MEMBER or BENEFICIARY must inform the BOARD in writing. However, at the request of the MEMBER or BENEFICIARY, the BOARD may agree to payment of the BENEFIT in some other manner, provided that this will not include payment in cash.

6.6.3 Notwithstanding a contrary provision contained in the RULES, if the BOARD, in its absolute discretion, for some good and sufficient reason considers it not advisable to make payment of a BENEFIT in the manner elsewhere provided for in these RULES, the BOARD may pay the BENEFIT to a BENEFICIARY in one of the following ways:

6.6.3.1 where a BENEFICIARY is a minor, to the guardian of the BENEFICIARY, for the benefit of the BENEFICIARY, in the case of BENEFITS; or

6.6.3.2 where a MEMBER or BENEFICIARY is contractually incapacitated, to the curator of the MEMBER or BENEFICIARY, for the benefit of the MEMBER or BENEFICIARY.

6.6.4 A decision of the BOARD in terms of this Rule may be varied by

the BOARD from time to time in the BOARD'S sole discretion.

- 6.6.5 A payment made in terms of this Rule will not be made in a manner which conflicts with the provisions of the ACT or the requirements of the REVENUE SERVICE.

6.7 Death benefits payable prior to retirement

- 6.7.1 Subject to the requirements laid down by the FUND, a MEMBER may, in writing, nominate his BENEFICIARY (and amend such nomination, in writing) to receive the BENEFITS at his death.
- 6.7.2 The BENEFITS payable to the BENEFICIARIES of a deceased MEMBER shall be paid as set out in Rule 6.3.3.
- 6.7.3 For the purposes of this RULE, the BOARD may make payment to an already -
- 6.7.3.1 established trust or establish a trust
contemplated in the Trust Property Control Act, 1988 for the benefit of a BENEFICIARY contemplated in this section and a payment by the FUND to a trustee of such a trust for the benefit of a BENEFICIARY contemplated in this section will be deemed to be a payment to such BENEFICIARY.
- 6.7.3.2 where a BENEFICIARY is a minor to the guardian
of the BENEFICIARY for the benefit of the BENEFICIARY and/or where a BENEFICIARY is contractually incapacitated to the curator of the BENEFICIARY for the benefit of the BENEFICIARY or
- 6.7.3.3 a BENEFICIARY FUND.
- 6.7.4 Any BENEFIT dealt with in terms of this RULE, payable to a minor BENEFICIARY, may be paid in more than one payment in such amounts as the BOARD may from time to time consider appropriate and in the best interests of such BENEFICIARY, provided that the BOARD shall determine the investment portfolio in which the outstanding balance of the BENEFIT is invested and shall ensure that the appropriate returns are added to the outstanding balance at such times as the BOARD may determine, provided further that any balance owing to such a BENEFICIARY at the date on which he attains majority or dies, whichever occurs first, will be paid in full.

6.7.5 Any BENEFIT dealt with in terms of this RULE, payable to a major BENEFICIARY, may be paid in more than one payment if the BENEFICIARY has consented thereto in writing, provided that:

6.7.5.1 the amount of the payments, intervals of payment, interest to be added and other terms and conditions are disclosed in a written agreement; and

6.7.5.2 the agreement may be cancelled by either party on written notice not exceeding 90 (ninety days).

6.7.6 If the agreement contemplated in Rule 6.7.5 is cancelled, the full balance will be paid to the BENEFICIARY.

6.8 Reduction of benefits and insolvency

6.8.1 Save to the extent permitted by the ACT, the RULES, the INCOME TAX ACT, the Maintenance Act, 1998 and the Divorce Act, 1979 and any amendments thereto or any other applicable legislation, no MEMBER'S BENEFIT or right thereto provided for in the RULES, or right in respect of CONTRIBUTIONS made by or on behalf of an MEMBER will be capable of being reduced, transferred, ceded, pledged or hypothecated or be liable to attachment or subject to any form of execution under a judgment or order of court, or to the extent of not more than R3 000 per annum, be capable of being taken into account in the determination of a debtor's financial position in terms of the Magistrates' Courts Act, 1944, and in the event of the MEMBER or BENEFICIARY concerned attempting to transfer or otherwise cede or to pledge or hypothecate such benefit or right, the FUND may withhold or suspend payment of it.

6.8.2 If a MEMBER or BENEFICIARY attempts to transfer, cede, pledge or hypothecate a BENEFIT or right to such BENEFIT, the BENEFIT will, as the BOARD may direct, be withheld or suspended, provided that the BOARD may direct that the BENEFIT or part thereof be paid to one or more of the BENEFICIARIES or to a guardian or trustee for the benefit of such DEPENDANT(s) during such period as the BOARD may determine.

6.8.3 If the estate of a MEMBER or BENEFICIARY entitled to a BENEFIT in terms of the RULES is sequestrated or surrendered, the benefit will, subject to the provisions of the ACT, not be deemed to form part of the assets of the insolvent estate of such person and may not in any way be

attached or appropriated by the curator of such person's insolvent estate or by his creditors, notwithstanding anything to the contrary in any law relating to insolvency.

- 6.8.4 Any BENEFIT payable with regards to a deceased MEMBER by the FUND, shall not form part of the assets in the estate of such MEMBER.

6.9 Unclaimed Benefits

- 6.9.1 Where a BENEFIT remains unclaimed within 2 (two) years of the date of such BENEFIT becoming payable in terms of any of the FUND'S RULES, the UNCLAIMED BENEFIT may be paid into any other fund set up in terms of legislation which governs unclaimed monies.
- 6.9.2 The BOARD will be entitled, in its sole discretion, to invest the UNCLAIMED BENEFITS referred to in this RULE in a portfolio(s) selected by it.
- 6.9.3 UNCLAIMED BENEFITS are dealt with as directed by the specific RULE. Any other UNCLAIMED BENEFITS may at the discretion of the BOARD be transferred to an UNCLAIMED BENEFIT FUND. If any costs are incurred as a consequence of the BOARD tracing any potential BENEFICIARIES or a non-member SPOUSE who is entitled to a portion of the MEMBER'S BENEFIT in terms of the decree of a divorce or decree for the dissolution of a customary marriage, such reasonable costs can be recovered from the BENEFITS payable to such BENEFICIARIES and non-member SPOUSE.

7. GENERAL PROVISIONS

7.1 Currency

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

7.2 Monetary advantage

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

7.3 Right to obtain copies of or to inspect certain documents

- 7.3.1 The FUND shall deliver to any MEMBER or ACTIVE MEMBER on request by such MEMBER and on payment of an amount to cover any photocopying, printing and related costs, a copy of the RULES.
- 7.3.2 Every MEMBER will be entitled to inspect without charge at the registered office of the FUND, a copy of the RULES referred to in Rule 7.3.1.

7.4 Amendments to the Rules

- 7.4.1 The BOARD, in consultation with the ADMINISTRATOR, may at any time amend the RULES by a majority of votes; provided that:
 - 7.4.1.1 the value of a MEMBER'S BENEFIT prior to such amendment may not be reduced;
 - 7.4.1.2 the amendment is not inconsistent with the provisions of the ACT and of the INCOME TAX ACT.
- 7.4.2 No amendment that affects the SPONSOR will be of any force or effect without the written approval of the SPONSOR obtained prior to submission of the amendment to the AUTHORITY.
- 7.4.3 The BOARD shall submit any amendment to the RULES to the AUTHORITY and the REVENUE SERVICES in terms of the ACT and the INCOME TAX ACT.

7.5 Disposition of benefits upon divorce

- 7.5.1 The FUND shall comply with all legislation relating to the payment of a MEMBER'S pension interest, as defined in the Divorce Act (as amended) to a non-member SPOUSE.
- 7.5.2 In the event of the FUND been furnished with a valid court order the FUND shall on date the order is received reduce the MEMBER'S investment value by the amount assigned in terms of these Rules and the ACT.
- 7.5.3 The FUND shall pay the assigned amount in accordance with the election of the non-member SPOUSE or other person designated in the court order, either directly to the designated person, or to another APPROVED PROVIDENT PRESERVATION FUND, APPROVED PENSION PRESERVATION FUND, APPROVED PROVIDENT FUND, APPROVED RETIREMENT ANNUITY FUND on their behalf as specified in section 37D

(4) of the Pension Funds Act 1956 as amended from time to time or as replaced.

7.6 Withdrawals prior to Retirement

- 7.6.1 In the event of the MEMBER emigrating and subject to the requirements of the ACT and the INCOME TAX ACT, the BOARD on sufficient proof having been provided, will allow the MEMBER to withdraw his MEMBER'S BENEFIT.
- 7.6.2 If the MEMBER'S benefit is less than the amount as determined from time to time by the Minister of Finance, the MEMBER shall be entitled to withdraw MEMBER'S BENEFIT prior to retirement. The MEMBER'S BENEFIT less EXPENSES as provided for in terms of the provisions of Rule 5.4 and any further deductions as required in terms of the INCOME TAX ACT shall be paid to the MEMBER.

7.7 Binding power of Rules

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

7.8 Termination of the Fund

- 7.8.1 The FUND may be wound up if –
 - 7.8.1.1 the BOARD in consultation with the ADMINISTRATOR resolves that it should be wound up; or
 - 7.8.1.2 a court of competent jurisdiction determines that it be wound up.
- 7.8.2 The BOARD shall give notice to the MEMBERS of their intention to have the FUND wound up.
- 7.8.3 If the FUND is wound up in any of the circumstances referred to above, the BOARD shall appoint a liquidator, whose appointment will be subject to the approval of the AUTHORITY, and the period of liquidation shall be deemed to commence as from the date of such approval.
- 7.8.4 During such liquidation the provisions of the ACT shall continue to apply to the FUND as if the liquidator were the BOARD.

- 7.8.5 The liquidator shall as soon as possible deposit with the AUTHORITY the preliminary accounts prescribed by regulation, signed, and certified by him as correct, showing the assets and liabilities of the FUND at the commencement of the liquidation and the manner in which it is proposed to realize the assets and to discharge the liabilities, including any liabilities and contingent liabilities to or in respect of the MEMBERS.
- 7.8.6 The liquidation process as prescribed by the ACT and the AUTHORITY will be followed as prescribed from time to time.

7.9 Counselling

The FUND makes available retirement benefit counselling, in the format or on the platform determined by the BOARD from time to time, upon a MEMBER contemplating retiring from the FUND.

7.10 Default Annuity strategy

- 7.10.1 The BOARD in consultation with the ADMINISTRATOR, will determine a proposed default investment portfolio and default annuity option for MEMBERS on retirement or at permanent disability, should they not be comfortable making their own election.
- 7.10.2 These default options will be contained in the ANNUITY STRATEGY of the FUND.
- 7.10.3 Although this is the default option, the MEMBER should still opt for it in writing as per legislative requirements by completing the applicable MEMBER APPLICATION.