

CONDITIONS OF MEMBERSHIP

(This document contains the terms and conditions applying to membership of the Itransact Pension Preservation Fund and sets out the rights and responsibilities of the parties involved.)

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1. DEFINITIONS**Act**

The Pension Funds Act, 24 of 1956 or its replacement, as amended from time to time and any regulations, circulars or directives issued in terms thereof that apply to the Fund.

AOS / Itransact – “the Administrator”

Automated Outsourcing Services (Pty) Limited (with company registration number: 1997/013802/07) trading as Itransact, is the company that is approved by the Financial Services Board to administer retirement fund benefits in terms of the Act. They have been appointed by the Trustees to administer the Fund.

Beneficiary

The person(s) nominated to receive payment of a benefit on death.

Business Day

This is any day apart from a Saturday, Sunday or official South African Public holiday. In this document day and business day have the same meaning, except where the clause specifically states “calendar” days.

Compulsory Annuity

An annuity purchased in the name of the Member with some or all of the benefit received from the Fund on retirement. The annuity must be purchased from a) an insurer registered under the Long-term Insurance Act, or b) such other annuity income provider as may be allowed by law.

Dependant

The person(s) set out in the Act that must be considered for a benefit on the death of the Member.

Flexible Annuitant

The person who -

- a) Is a member of the Fund, and at retirement elected to receive a Flexible Annuity; or
- b) Is a Dependant and/or Beneficiary of a Member, and elected to receive a Flexible Annuity after having been allocated some or all of the death benefit following the death of the Member; or
- c) Is a Beneficiary of a deceased Flexible Annuitant who has elected to receive a Flexible Annuity.

Flexible Annuity

The annuity payable by the Fund from a Flexible Annuity Account to a Flexible Annuitant.

Flexible Annuity Account

This is the account opened by the Administrator for a Flexible Annuitant through which the underlying Investment Product(s) chosen are administered and from which the Flexible Annuity is paid.

Fund

This is the Itransact Pension Preservation Fund (Reg. No: 12/8/38169) which is the legal entity that is registered in terms of the Act to provide benefits on retirement or withdrawal, or to provide Dependants with benefits in case of the death of the Member before retirement. The Fund is approved for tax purposes by the South African Revenue Services (SARS No:).

Financial advisor – “FSP”

This is the person or entity that is appointed to give advice or provide intermediary services and that is duly licensed and/or authorised as a financial services provider in terms of FAIS to render such financial services.

Fund Rules

The Fund is governed by the Fund Rules and relevant legislation. The rules govern your membership of the Fund, and the management and operation of the Fund, and are approved by the regulatory authorities.

Investors Independent Nominee (Pty) Limited – “the Nominee”

Investors Independent Nominee (Pty) Limited (with company registration number 2009/003227/07) is the company that has been approved as a nominee company by the Financial Services Board and that holds the assets of the Fund in trust.

Investment Account

This is the account opened by the Administrator for you through which the underlying Investment Product(s) you choose are administered.

Investment Portfolio

This is the portfolio of assets in which your contributions to the Fund are invested (as listed in Application Form) and any additional portfolio which may be made available as an investment option under the Fund from time to time. This is also the portfolio(s) underlying the Flexible Annuity Account. The assets in the Investment Portfolio(s) consist of shares, cash and other listed financial instruments, and may also include exchange traded products and participatory interests (or units) in unit trust funds. The inclusion of assets in each Investment Portfolio is managed by a professional investment manager whose conduct is regulated by the Financial Services Board.

Member – “the Member, investor or you”

This is the individual that becomes a member of the Fund to preserve retirement benefits. In this document “you” includes reference to persons acting for you such as a parent or guardian in respect of a minor, or a curator.

Sponsor

This is the company that set up the Fund and markets and distributes the Fund to potential members.

Trustees

The persons that direct, control and oversee the operations of the Fund according to the Fund Rules and relevant legislation. They act as caretaker of all the assets of the Fund and hold these for the benefit of all Members and/or Flexible Annuitants. The assets do not belong to you, the Flexible Annuitant or the Administrator, but belong to the Fund.

The Trustees, which include persons that are independent of Sponsor and the Administrator, must protect the interests of Members and Flexible Annuitants, and ensure the proper administration of the Fund. They must act with impartiality, due care, diligence and in good faith.

2 Documents that form the basis of membership of the Fund

Your membership of the Fund is based on:

- Your investment application form, as accepted by the Administrator
- Your supporting documents
- This document
- The Fund Rules
- Any later instructions from you that has been accepted by the Administrator
- Any later amendment to the terms and conditions of membership.

3 Laws that apply to the Fund and Members

The Fund is subject to all the relevant laws of South Africa. Please note that changes to or replacements of any applicable law may change the terms and conditions of membership. The most important laws that apply to you and the Fund are:

- **The Pension Funds Act – “the Act”**
This Act controls the registration and management of retirement funds and also governs the investment of assets held by such funds.

- **Financial Intelligence Centre Act – “FICA”**
This Act requires that the Administrator establish and verify your identity before accepting your investment application to prevent money laundering and terrorist financing.
- **Financial Advisory and Intermediary Services Act – “FAIS”**
This Act controls the activities of anybody who gives advice or provides intermediary services to investors about certain financial products. It requires that such persons be licensed and that professional behaviour be controlled through codes of conduct.
- **Income Tax Act**
This Act deals with taxation of income, which including benefits received from retirement funds, dividends and capital gains.
- **Exchange Control Regulations**
These regulations limit the amount that the Fund may invest outside South Africa on your behalf.
- **Financial Markets Act**
This Act deals with the administration of and participation on registered stock exchanges. Certain provisions apply to investment in the Investment Product.

4 How the Fund and membership works

The Fund offers you the opportunity to preserve until you retire, benefits you become entitled to from another approved retirement fund as a result of your withdrawal from employment, or the winding up of your employer’s retirement fund, or as a result of a divorce order.

You may transfer these benefits to the Fund to be invested into the Investment Portfolios selected by you or the Trustees (in certain instances). Once you reach retirement age, the Fund provides you with a retirement benefit. If you die before retirement, the Fund will provide your Dependants, and/or Beneficiaries with a benefit. Under certain circumstances, the Fund can also pay you a withdrawal benefit before retirement.

The Fund is the owner of all investments held in respect of Members and any Flexible Annuity Account. Members and Flexible Annuitants do not have a right to such investments and are only entitled to benefits in terms of the Fund Rules. The investments are held in the name of the Nominee on behalf of the Fund.

The Administrator keeps an Investment Account for each Member and a Flexible Annuity Account for each Flexible Annuitant. The value of these accounts are directly linked to the value of the underlying Investment Portfolios selected. The value of the accounts are increased by contributions and by positive investment returns, and is reduced by negative investment returns, fees, expenses and charges.

The investments held by the Fund must comply with investment restrictions that apply under the Act. These restrictions apply to the Fund as a whole and to the investments that underlie each Member’s Investment Account or any Flexible Annuity Account.

Your membership of the Fund ends when the total value of your Investment Account (or Flexible Annuity Account, if applicable) less fees, charges and applicable tax has been paid out, on withdrawal, retirement or death or on transfer to another retirement fund, as allowed by law and the Fund Rules.

5 Your rights and responsibilities

5.1 Read the information about the Fund carefully

Please read the application form, the Fund Rules and this document before making your investment. You are responsible for your investment decisions and must carefully consider whether this investment is right for your needs.

Consider the consequences of investing in the Fund from a financial, legal, tax, accounting and regulatory perspective; all the fees and charges payable, and make sure that you understand the risk and returns of the Investment Portfolios you select. Every investment has some degree of risk and it is possible to lose some or all of your money.

5.2 Obtain independent, professional advice

The Fund, the Trustees and the Administrator cannot give you any advice. If you need financial, legal or tax advice or assistance in respect of investing, it is your responsibility to consult with a professional investment, financial, legal and/or tax advisor.

Appoint a FSP

You must appoint a FSP to provide you with financial advice or other financial services regarding your membership of the Fund, or to act on your behalf when dealing with the Administrator, by completing the relevant section on the application form. The Administrator will pay the fee as agreed in the application form to the FSP.

You must check with the FSP that he/she is authorised to give you financial advice on this investment based on his/her FAIS licence(s) read with the conditions or restrictions applicable to his/her FAIS licence(s). As a minimum requirement, the FSP must have a Category 1 license for the products he/she declared to you on the application form. You can confirm this by contacting the Financial Services Board toll free on 0800110443 or on their website www.fsb.co.za.

The FSP you appoint is not an employee or agent of the Administrator or the Fund but acts independently from them. If you elect to deal with the Administrator through the FSP, and his/her details appear on the application form, it will be assumed that all future dealings will also, until the Administrator is advised otherwise, take place through that FSP.

Change your FSP

You may appoint a new FSP that the Administrator has authorised to market its products at any time by informing the Administrator in writing. You must specify the fees that you agree with your new FSP. The Administrator will cancel the existing appointment, record the appointment of the new FSP and confirm the change with you, your current and new FSP. The Administrator will thereafter pay any agreed fees to the newly appointed FSP unless you advise them otherwise.

5.3 Understand the implications of replacing an existing financial product with another

You must understand the consequences of replacing an existing financial product with a new one. Therefore, if this investment is a replacement (in whole or in part) of another existing financial product you own, please ensure you understand the actual and possible implications and costs involved.

5.4 Becoming a Member

You apply for membership by completing the application form and providing the completed form and supporting documents to the Administrator. You will become a Member once the Administrator has accepted your application on behalf of the Fund and your first contribution has been received in the bank account indicated in the application form. The Administrator will inform you of the acceptance of your application.

5.5 Provide complete and accurate information

You must complete and sign the initial application and other forms and ensure that all of the information, including any supporting documentation, is accurate, clear and complete. You must initial any changes to the information you submit.

5.6 Send instructions to the Administrator

The Administrator receives and accepts your instructions on behalf of the Fund. All your instructions to the Administrator must be completed on the latest forms that are available via the website or from your FSP. All instructions must be signed by you, or a person acting on your behalf such as a curator. Your FSP may not sign instructions on your behalf.

You or your duly mandated FSP must send instructions by fax or e-mail to the numbers provided on the instruction form. The sender of the fax or the e-mail must ensure that the completed forms have actually been received by the Administrator. The sender can contact the Administrator telephonically at the telephone numbers specified in Section 12 of this document.

5.7 Adhere to Administrator timelines

All documentation required by the Administrator in respect of your membership of the Fund must be delivered to the Administrator in accordance with the timelines set out in Section 8 of this document. If you and/or your FSP fail to adhere to the timelines, the Administrator will delay processing your investment instruction or deem it as cancelled and repay your contribution less any costs incurred by the Administrator.

5.8 Comply with FICA and keep details and supporting documents updated

You must comply with certain requirements under FICA before the Administrator will process your application form or subsequent instructions. You must provide your FSP, and if specifically so required, the Administrator with certain information of a personal and financial nature required for purposes of identification and verification. Please refer to Section 6 below in this regard.

You warrant that the money which you are investing in the Fund is not the proceeds of unlawful activities or related to terrorist financing activities and understand that the Administrator or FSP may request proof from you regarding the source of these funds at any time.

You must update your personal and banking details should these change and provide the FSP and/or the Administrator with new supporting documentation. All supporting documents must be clear and readable, less than 3 (three) months old and copies must be correctly certified.

5.9 Choose the underlying Investment Portfolio(s)

The Trustees permit you to select the underlying Investment Portfolios forming part of your Investment Account from a range of portfolios made available by them. You are responsible for choosing one or more Investment Portfolios from those made available by the Fund that are right for your investment needs and risk profile. The Fund does not take responsibility for your choice.

5.10 Transfer benefits into the Fund

All contributions to the Fund are made by way of an amount transferred on behalf of a Member from another retirement fund, including an amount due as a result of a divorce. Members cannot contribute to the Fund in any other way. Transfer contributions are subject to a minimum lump sum amount determined by the Fund from time to time.

There is no obligation on the Fund to ensure benefits are transferred on your behalf. You must make sure that your transfer contribution is paid by the transferor fund into the Nominee's bank account in South African Rand, by way of electronic transfer or bank deposit. The Administrator does not accept cash payments.

5.11 Nominate Beneficiaries

You may nominate Beneficiaries to receive the benefit on your death before retirement. Only natural persons may be nominated.

Your nomination does not guarantee that your Beneficiaries will receive any death benefits because legislation requires the Trustees to use their discretion to allocate the benefit between Dependents and your nominated Beneficiaries.

Dependents are defined in legislation. The Trustees must consider the extent of their dependency and address their needs first, when allocating benefits. Dependents always include your spouse(s) and all your children, irrespective of their age and including those adopted, from previous marriages or born out of wedlock. Any other person who is financially dependent on you, such as an elderly parent, a family member, a grandchild, a friend or a divorced spouse to whom you are paying maintenance, also qualifies as your Dependent. If you nominate a trust and you have Dependents, the Fund will only pay benefits to that trust if the trust is only for the benefit of your Dependents.

It is important to keep your nominations up to date and to notify the Fund of any special factors you would like the Trustees to be aware of. To change your nomination you must complete and sign a Beneficiary Nomination form. This form should be received by the Fund while you are still alive, as the Fund will not accept a Beneficiary Nomination form after your death.

5.12 Switch between Investment Portfolios

You may switch between the available Investment Portfolios at any time by submitting the Administrator's applicable form. A switch instruction involves selling out of one Investment Portfolio and buying into another Investment Portfolio. Investment minimums may apply and it may take more than a day to process the transaction.

5.13 Read statements and report errors

The Administrator will send you periodic statements and you or your FSP may request a statement in writing, via fax or telephone at any time. If you find any errors, you have 30 (thirty) days to tell the Administrator. Therefore please read all documents you receive in respect of your membership promptly and carefully.

5.14 Access Fund benefits

Benefits are payable by the Fund on your retirement and death. Under limited circumstances you may make a withdrawal from the Fund before your retirement and receive a benefit.

Withdrawal before retirement

You may request a withdrawal benefit from the Fund prior to retirement. You will be allowed one full or partial withdrawal and only if you did not make a withdrawal at the time of your transfer into the Fund, and subject to the requirements, rulings and restrictions imposed by the relevant legislation. The rules of the fund from which the benefit was transferred will also determine whether this withdrawal is permitted and, if so, to what extent.

Withdrawal benefit:

The benefit on withdrawal is a cash lump sum. After receiving your withdrawal notification, the Administrator will request a disinvestment of your Investment Account to cash, and apply for a tax directive. The entire benefit due to you, after deducting fees, charges and taxes payable, will be paid to you once all processing and regulatory requirements have been met.

Retirement after age 55 or request early retirement

You may request a retirement benefit from the Fund at any time after age 55. You must notify the Fund of your intention to retire by using the Administrator's applicable form.

You may request to retire earlier than age 55 due to an illness or injury that makes you permanently disabled. The Fund Rules require that you provide the Trustees with medical records, obtained at your own cost, which proves that you are permanently disabled. The Trustees may approve early retirement based on this evidence.

Benefit at Retirement:

- a) Your benefit on retirement is a Compulsory Annuity which provides an income on a periodic basis selected by you. You may choose to have the benefit paid to you in one of the following ways:

- A portion of the amount is paid as a cash lump sum (currently a maximum of one third), with the remaining benefit being used to buy a Compulsory Annuity in your name;
- The full amount is paid as a Compulsory Annuity.

After receiving your retirement notification, or the Trustees approving your early retirement, the Administrator will request a disinvestment of your Investment Account to cash, and apply for a tax directive. The entire benefit due to you, after deducting fees, charges and taxes payable, will be paid once all processing and regulatory requirements have been met.

- b) Alternatively, you may elect to receive your retirement benefit in the form of a Flexible Annuity payable by the Fund, provided you comply with the eligibility requirements set by the Trustees from time to time. Please refer to Section 6 below for detail about this option.

Death before retirement

If you die before retirement, a death benefit is payable to your Dependants and/or Beneficiaries in the form of a Compulsory Annuity that provides them with an income on a periodic basis selected by them.

The Administrator must be told of your death in writing. The letter must include:

- your full name
- identity number
- a certified copy of your death certificate
- contact details of the person submitting the information.

On notification of your death the Administrator will sell out of all the Investment Portfolios in your Investment Account, and transfer the money to the Fund's bank account in order to preserve the capital while the death claim is processed. Legislation requires that the Trustees allocate the benefit after a full investigation. The Trustees decide who receives the benefit, the percentage each will receive, and how the benefit is paid.

Your Beneficiary will not automatically receive a benefit as current legislation requires that Dependants are given preference by the Trustees. If you have no Dependants and nominated Beneficiaries who are not Dependants, the Trustees must first use the benefit to pay the debts of your estate if your estate does not have enough money. If there is no debts to be paid, payment will be made to your Beneficiary, or if you did not nominate Beneficiaries, to your estate.

Death Benefit:

- a) Compulsory Annuity
Those who are allocated a part or the full death benefit may elect to receive a Compulsory Annuity and to have it paid in one of the following ways:
- The full amount is used to buy a Compulsory Annuity;
 - The full amount is paid as a cash lump sum; or
 - A combination of a cash lump sum and a Compulsory Annuity is paid.

Please note that the capital value of the annuity so purchased must at all times meet the minimum requirements of the Administrator or any relevant regulatory requirements, failing which your Dependants and/or Beneficiaries may be required to commute the entire benefit to cash. Following the Trustees' allocation of the death benefit, the Administrator will apply for a tax directive. The entire benefit due to those determined by the Trustees, after deducting fees and charges payable, will be paid as selected once all processing and regulatory requirements have been met.

- b) Alternatively, the Beneficiary and/or Dependant in receipt of an allocation may elect to receive a Flexible Annuity payable by the Fund, provided they comply with the eligibility requirements set by the Trustees from time to time. Please refer to Section 6 below for detail about this option.

5.15 Transfer to another fund

You may request a transfer of your benefit in the Fund to another retirement fund at any time. Such a transfer is subject to the Administrator's operational requirements, the Fund Rules, the requirements of regulatory authorities and the law.

The entire benefit due to you, after deducting fees and charges payable, will be transferred to the other fund once all processing and regulatory requirements have been met.

5.16 Access information about the Fund

You can request a copy of the Fund Rules, financial statements and actuarial valuation reports (if applicable) at any time from the Administrator or view the Fund Rules, financial statements and actuarial valuation reports at the Fund's registered office, during office hours. Copies are available at a fee determined by the Trustees.

6 Flexible Annuities

6.1 Conditions in respect of Flexible Annuity

The conditions relating to each Flexible Annuity will be mutually agreed between the Member or the Beneficiary/Dependant and the Trustees, in consultation with the actuary of the Fund, at the date of the Member's retirement or the date that the Beneficiary and/or Dependant becomes eligible for a death benefit.

6.2 The Flexible Annuity Account

Where a Member elects to receive a Flexible Annuity at retirement, the portion of his retirement benefit not taken as a cash lump sum will form the opening balance of his Flexible Annuity Account.

In the case of a Beneficiary/Dependant electing a Flexible Annuity on the death of the Member or the Flexible Annuitant, that portion of the death benefit that has been allocated to the person will form the opening balance of his Flexible Annuity Account.

6.3 Amount of the Flexible Annuity

At the commencement date of the Flexible Annuity, and every year thereafter on the anniversary date thereof, the amount of the Flexible Annuity must be confirmed by the Flexible Annuitant. The Administrator shall contact the Flexible Annuitant via the Flexible Annuitant's email address on record 60 (sixty) days before the anniversary date to facilitate the election. Should the Flexible Annuitant not respond or elect a new amount before the anniversary date, the Administrator will continue paying the same amount. The amount of the Flexible Annuity must always fall within limits set out in legislation. The current limits are a minimum of 2.5% and a maximum of 17.5% per year. If the regulatory authorities and/or legislation changes the annuity percentage limits, the new limits will apply.

6.4 Payment of the Flexible Annuity

The Flexible Annuity will be paid by the Fund from the Flexible Annuity Account. The Flexible Annuity is payable in equal monthly instalments on the twenty fifth (25th) day of each calendar month, unless otherwise agreed to by the Trustees from time to time. The first monthly instalment of a Flexible Annuity is payable on the twenty fifth (25th) day of the calendar month following the election to receive a Flexible Annuity and agreement thereto by the Trustees.

A Flexible Annuity is payable until the twenty fifth (25th) day of the month in which the Flexible Annuitant dies, or the month after the Flexible Annuitant dies if he dies after the seventeenth (17th) day of a calendar month.

The Flexible Annuity payable to a Flexible Annuitant is paid exclusively out of the remaining credit balance of the Flexible Annuity Account at each commencement anniversary date, as determined by the Trustees in consultation with the actuary, taking into account the Flexible Annuity payments already paid to the Flexible Annuitant, interest earned by the Fund on the investment of such credit balance of the Flexible Annuity Account, as well as any other factors deemed to be appropriate.

6.5 Proof of life

Each Flexible Annuitant shall provide such evidence of his survival or continued eligibility as the Trustees may require. If such evidence is not produced, then the Trustees may direct that payment of the Flexible Annuity be suspended until such evidence is produced.

6.6 Death of the Flexible Annuitant

If a Flexible Annuitant who was a Member of the Fund prior to retirement dies, the remaining credit balance of his Flexible Annuity Account will be allocated in terms of Section 37C of the Act and will be used to provide a similar Flexible Annuity for his Beneficiaries and/or Dependants who will be regarded as Flexible Annuitants.

However, at the election of such Beneficiaries and/or Dependants, the remaining credit balance of the deceased Flexible Annuitant's Flexible Annuity Account may be paid to the applicable Beneficiary and/or Dependant as a lump sum, subject to the applicable tax, within 6 (six) months from the date of the death of the Flexible Annuitant.

If a Flexible Annuitant who was a Beneficiary and/or Dependant prior to becoming a Flexible Annuitant dies, the remaining credit balance of the deceased Flexible Annuitant's Flexible Annuity Account will be paid to such Flexible Annuitant's estate.

7 The FSP's role and responsibilities

7.1 Maintain the relevant FAIS license

The FSP appointed by you must be licensed and authorised by the Financial Services Board in terms of FAIS to provide the advice and financial services in respect of retirement benefits in terms of his/her FAIS license, read with the conditions or restrictions applicable to his/her FAIS license. The FSP must maintain this license on an ongoing basis and must immediately inform the Administrator should his/her license be suspended or revoked for any reason.

7.2 Act in accordance with your mandate

The FSP must act with honesty and integrity and in accordance with the mandate in terms of which you appointed him/her in all its dealings on your behalf with the Fund and the Administrator. The FSP must provide the Administrator with a copy of such mandate promptly on request, or together with the initial application form if he/she has entered into a discretionary mandate with you.

7.3 Provide financial advice and information on the Fund

The FSP gives you advice on whether the Fund and selected Investment Portfolio(s) are suitable for your needs and meets your investment objectives. He/she must understand and provide you with sufficient particulars relating to the Fund, the Investment Portfolio(s) and any other related financial services and documents, for you to make an informed investment decision. He/she must specifically fully and adequately explain the information contained in this document, and the fees and charges applicable.

The FSP must also explain the potential or actual consequences of replacing an existing financial product with another one, especially the costs involved.

7.4 Client identification and screening

The FSP must satisfy himself/herself of your identity and of your status as a sanctioned or non-sanctioned person or entity in terms of anti-money laundering legislation and any United Nations sanctions lists before entering into a business relationship with you, or before concluding any transaction with the Administrator or with the Fund for and on your behalf.

The FSP must explain the relevant FICA and other anti-money laundering requirements to you and must also explain what the consequences will be if you do not provide the Administrator with the required documents. Neither the Administrator nor the Fund shall be liable or responsible for any damages or loss as a result of any delay in the processing of the application form as a result of non-compliance with the requirements in terms of FICA, other anti-money laundering legislation and the United Nation's sanctions lists.

7.5 Receive statements and correspondence

Unless otherwise instructed by you, and where relevant, the Administrator will send and/or transmit all statements, reports or other relevant correspondence or documents in respect of the Fund and your membership, including this document, to you and the FSP.

8 The Fund's rights and responsibilities

8.1 Act in the interests of Members

The Fund and the Trustees must act with honesty, fairness, skill, care and diligence in all dealings with you, and in the interests of all Members of the Fund.

8.2 Invest transfer contributions by Members

The Fund receives transfer benefits on behalf of Members and invests these contributions into the Investment Options selected by Members. The investments are owned by the Fund and held for your benefit - you have no right to specific investments held by the Fund.

8.3 Make Investment Portfolios available and amend the range of options

The Trustees will make a range of Investment Portfolios available as investment options for the Investment Account. The Trustees may remove an Investment Portfolio as an investment option and may introduce new Investment Portfolios from time to time. If for any reason an Investment Portfolio you selected is no longer available, or is closed to further investments for a period of time, the Administrator will contact you and ask you to select an alternative Investment Portfolio.

The Trustees will also determine (and may amend or remove) the available Investment Portfolios for each Flexible Annuity Account in consultation with the actuary of the Fund.

8.4 Comply with investment regulations and change your selected Investment Portfolio

The total assets of the Fund, each Member's Investment Account and every Flexible Annuity Account must comply with the investment regulations of the Act and Exchange Control Regulations. The Fund may instruct the Administrator to change any selected Investment Portfolio(s) by switching the investment from the chosen Investment Portfolio to another selected by the Trustees. This is done if the total assets of the Fund, your selected Investment Portfolio(s) or any Flexible Annuity Account breaches the investment limits set out in the Act.

8.5 Provide you with membership information

The Fund must provide you with information about your membership and benefits, at the time that you first become a Member of the Fund, and annually thereafter. The Administrator will send this information to you.

8.6 Pass on any bank interest

The Fund must add bank interest, at the rate earned on deposits you make into the Fund's bank account, to your contribution amount if your deposit stays in the account for more than 48 hours. The Administrator will calculate and allocate any interest to your Investment Account.

8.7 Re-invest income distributions

All income distributions from an Investment Portfolio will be reinvested automatically by the Fund.

8.8 Pay Fund expenses

The Fund pays for expenses directly related to an Investment Portfolio and administration of any benefits. The Fund also pays for other expenses such as audit fees, levies payable to the regulatory authorities, bank charges, etc. The Fund may recover the amounts required from benefits of Members, or any Flexible Annuity Account.

8.9 Provide benefits and effect transfers

The Fund's role is to provide benefits at certain times or on certain events. All cash benefits due to you and any Flexible Annuity payments will be paid in South African Rand by electronic fund transfer only, into a current, transmission or savings account. No payments to third party bank accounts will be made.

In the event of any non-cash benefits, the Fund will transfer your benefit amount to another approved retirement fund or to the provider of a Compulsory Annuity, as selected by you.

8.10 Deduct and pay tax

Any cash benefit due at withdrawal or retirement, or which is paid to your Dependants or Beneficiaries, including Flexible Annuity payments, may be taxable. The Fund is obliged to deduct tax from the cash amount as per a tax directive issued by the South African Revenue Service (SARS) before it is paid and to pay the tax over to SARS. The Administrator will do this on behalf of the Fund.

8.11 Change the Fund Rules or the terms of this document

The Fund may change the Fund Rules at any time. All changes must be approved by the regulatory authorities. The Fund may also make changes to this document. For the most recent version of the Fund Rules, or this document, please contact your FSP or the Administrator.

8.12 Protect your personal information

The Fund will keep your information confidential and protect it. The Fund may however process and/or your personal information to provide financial services, prevent fraud and money laundering. The Fund may send your personal information by electronic or other means for processing to third parties, and specifically the Administrator, but only with the express intention to provide you with a service related to your investment.

8.13 Insurance cover

The Fund maintains professional indemnity and fidelity insurance cover. This means benefits are protected against fraud, negligence, and dishonest conduct by the Trustees.

9 The Administrator's rights and responsibilities

9.1 Administer benefits

The Trustees have entered into an administration agreement with the Administrator to administer benefits due to Members or Flexible Annuity holders (who are not Members) on behalf of the Fund. The Administrator is approved by the regulatory authorities to provide such administration services.

The Administrator must administer benefits in line with the terms of the administration agreement, the requirements of the regulatory authorities and legislation.

9.2 Communicate on behalf of the Fund

The Administrator will communicate on behalf of the Fund. The Administrator will communicate as and when this is required by law, by the Fund Rules, for the purposes of carrying out its duties as Administrator or to provide information that may be relevant to your membership of the Fund or the receipt of a Flexible Annuity payment. You and your FSP may use the online servicing portal provided by the Administrator to access information about your investment in the Fund.

The Administrator will confirm changes to personal details that have been received, in writing.

If the Administrator can prove that it has sent any information or document, using the contact details, the Administrator is not liable if such information or document is not received.

9.3 Accept, reject and process instructions

The Administrator may accept or reject Member applications or any subsequent instructions, on behalf of the Fund. The Administrator may also reverse a transaction on behalf of the Fund, if it decides the circumstances justify it.

The Administrator is not obliged to act on any instruction (including a Beneficiary nomination) that is not on the form that the Administrator has made available for that type of instruction, but may act on it if it deems it appropriate in the circumstances to do so.

The Administrator is responsible for the processing of instructions. The Administrator will usually process instructions according to the timelines below or within a period that is reasonable given the nature of the instruction.

Sometimes the Administrator may not be able to keep to its timing standards because of factors beyond its reasonable control or extraordinary events that cause disruptions. In this case, neither the Fund, nor the Administrator is responsible for any losses due to it not adhering to its timing standards.

New membership applications:

Any fully and correctly completed and signed application form which has all required documentation attached, received and accepted by the Administrator, and where the contributions reflect in the applicable bank account before 11h00 on any Business Day, will be processed on the Administrator's system on the same Business Day or the Business Day thereafter. If this takes place after 11h00 on any Business Day, the application will be treated as if it had been received before 11h00 on the next Business Day. The Member will receive the prices applicable on the day of processing. Internet banking payments may take up to 2 Business Days to reflect in the applicable bank account. Please note that in accordance with banking legislation, cheque deposits will need to undergo a clearing period of 10 calendar days within the Rand Monetary Area and 15 calendar days outside the Rand Monetary Area. The funds will therefore only be available for investment after the clearing period has lapsed.

Additional Contributions:

Any fully and correctly completed and signed additional investment form which has all required documentation attached, received and accepted by the Administrator, and where the funds reflect in the applicable bank account before 11h00 on any Business Day will be processed on the Administrator's system on the same Business Day or the Business Day thereafter. If this takes place after 11h00 on any Business Day, the additional investment application will be treated as if it had been received before 11h00 on the next Business Day. The Member will receive the prices applicable on the day of processing.

Switches between Investment Portfolios:

A switch between Investment Portfolios will involve sales and purchases in the market. Any instruction to switch between Investment Portfolios, fully and correctly completed on the applicable form and signed, received and accepted by the Administrator before 11h00 on any Business Day will be processed on the same Business Day or the Business Day thereafter. If receipt takes place after 11h00 on any Business Day, the instruction will be treated as if it had been received before 11h00 on the next Business Day. The Member will receive the prices applicable on the day of processing.

Benefit processing and payments:

It will take a minimum of 10 Business Days to finalise, provided all requirements are met and all supporting documentation has been received by the Administrator.

Flexible Annuity payments:

Payments are made on the 25th (twenty fifth) day of each calendar month.

9.4 Deduct and pay fees and charges

The Administrator will collect and distribute the investment and/or transaction charges and fees payable in respect of the Investment Account, the Flexible Annuity Account, the Investment Portfolios and or benefits from the Fund.

9.5 Calculate and pay bank interest

Interest at the rate earned on the Fund's bank account will be applied to contributions if it takes longer than 48 hours after receipt of the contribution to start processing the investment of the contribution. Interest earned in the first 48 hours is paid to the Administrator as an administration fee.

9.6 Make payments

The Administrator will make benefit and expense payments on behalf of the Fund.

9.7 Insurance cover

The Administrator maintains professional indemnity and fidelity insurance cover. This provides protection against fraud, negligence, and dishonest conduct by the Administrator.

10 Fees and charges

All the fees and charges payable in respect of your membership of the Fund are set out in the application form. The fees and charges must be explained to you by your FSP. With your signature to the application form, you acknowledge, declare and confirm that you understand what fees and charges are payable.

All fees and charges are subject to change, and the Administrator will give 3 (three) month's written notice of such change.

Value-added tax (VAT) may be levied on administration fees and certain other fees charged to the Fund. Where appropriate, an amount to compensate for VAT will be added to the fees or charges recovered from the Investment Account, the Flexible Annuity Account and / or any Investment Option.

11 Exclusions, Risks and Responsibility

11.1 Advice

The Fund, the Trustees and the Administrator do not give advice as to whether investment in the Fund or any selected Investment Portfolio is suitable for you and can therefore not be held liable for any loss or damage which you may suffer, except as a result of the Administrator's own default or negligence.

No communication of any nature received from the Fund, the Trustees or the Administrator in respect of the Fund or your membership thereof can be regarded as tax, legal, accounting or financial advice. You are responsible for obtaining your own professional advice about the consequences of investment in the Fund.

11.2 Investment guarantees

The return on your Investment Account is not guaranteed in any way and may be positive or negative. You carry all the investment risk which includes the possibility of losing capital.

11.3 Cooling-off period

A cooling-off period is a number of days after investment during which you are still entitled to terminate the investment. No cooling-off period is offered for your membership of the Fund. You may only receive benefits as is allowed by legislation or you may request a transfer of your benefits to another retirement fund.

11.4 Losses suffered during administration

You are responsible for losses suffered as a result of:

- Delays in the processing or the rejection of your investment application for reasons beyond the Administrator's control. Included but not limited are:
 - If your FSP does not have a FAIS license or acts beyond the scope of the FAIS license;
 - If your FSP is not authorised to market the Administrator's products;
 - If you or your FSP on your behalf submits unauthorised instructions;
 - If you or your FSP provides us with incorrect information;
 - If a third party does anything illegal or invalid or does not do something they should have done;
 - If you or your FSP fail to comply with FICA;
 - If the Administrator cannot verify your bank account details;
 - Any legal requirements, investment limits, timing standards, administrative practices and procedures that apply to the Fund and/or Investment Portfolios.
- Your FSP does not provide you with correspondence sent to them, or if any correspondence is lost in the mail.
- A person acting for you acting beyond the scope of their authority.
- Changes in tax or other laws that affect the Fund and your membership.
- The failure or delay of any networks, electronic or mechanical devices, or any other form of communication used to process instructions.
- Your FSP being in possession of or using information that you deem confidential.
- Electronic transacting, whether via telephone, other electronic means or by fax.

11.5 Cession and loans

You cannot obtain a loan from the Fund. Benefits due to you under the Fund may not be transferred or pledged to someone else as payment or as security.

12 Important information, disclosures and complaints

12.1 Fund details

Fund Registration No: 12/8/38169
SARS approval No: 18/20/4/.....

12.2 Complaints Procedure

If you are not satisfied with any aspect of your membership of the Fund which includes benefits under the Fund, the administration of the Fund, the investment of its assets, or the application of the Rules, you can write to the principal officer of the Fund at the postal or email address above. Please include all supporting documents. The Fund must respond in writing within 30 calendar days of receiving the complaint. If you are not satisfied with the response or if no response is received within 30 calendar days after receipt of the complaint, you are entitled to contact the Pension Funds Adjudicator at:

P O Box 580, Menlyn, 0063
Tel: 012 346 1738
Fax: 086 693 7472
Email: enquiries@pfa.org.za

If you have a complaint regarding a service rendered by a financial services provider relating to your investments under the Fund, you are entitled to write to the Ombud for Financial Services Providers at:

P O Box 74571, Lynnwood Ridge, 0040
Toll-free: 0860 324 766
Email: info@faisombud.co.za

DISCLOSURE IN TERMS OF THE FINANCIAL ADVISORY AND INTERMEDIARIES SERVICES ACT 37 OF 2002

COMPANY INFORMATION

Registered Name	Automated Outsourcing Services (Pty) Ltd
Branded As	Itransact
Registration Number	1997/013802/07
FSP License Number	650
Compliance Officer	Moonstone Compliance (Pty) Ltd
Compliance Telephone	011 5616600
Compliance Email	compliance@itransact.co.za
Key Individuals	Mark Baisley, Mark Gill
Professional Indemnity and Fidelity Cover	Hollard Insurance

PRODUCTS APPROVED

Category I (Intermediary Services)

Long-term Insurance Category C; Retail pension benefits; Securities and Instruments: Shares, Money market instruments, Debentures and securitised debt, Bonds; Derivative Instruments; Participatory interests in Collective Investment Schemes; Deposits defined in the Banks Act – exceeding 12 months and 12 months or less.

Category III (Administrative FSP)

Long-term Insurance Category C; Retail pension benefits; Securities and Instruments: Shares, Money market instruments, Debentures and securitised debt, Bonds; Derivative Instruments; Participatory interests in Collective Investment Schemes; Long-term Deposits and Short-term Deposits.

COMPLAINTS RESOLUTION POLICY

The Administrator is committed to comply with FAIS since the purpose of this act is to protect the Investor. A complaints resolution system is in place, details of which you may obtain from the legal section on www.itransact.co.za or by contacting us.

CONFLICT OF INTERESTS MANAGEMENT POLICY

A Conflict of Interest Management Policy has also been adopted. If you have any queries in this regard, please do not hesitate to contact us.

CONTACT DETAILS

Financial Advisor Support Centre

Telephone 086 143 2383 | Fax 086 743 6959 | Email info@itransact.co.za

Investor Support Centre

Telephone 086 146 8383 | Fax 086 743 6959 | Email investor@itransact.co.za

www.itransact.co.za