

**REVISED RULES OF THE  
PRIME PRESERVATION PENSION FUND**

Resolution passed via a round robin resolution by the Trustees of the Prime Preservation Pension Fund on 11 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**, definitions were added for Default Annuity and Default Annuity Capital Account.

**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.

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

**Rule 5**, amended sub rule 5.2 to provide for Fund transfers.

**Rule 6**, reworded sub rules 6.10 to provide for transfer of Unclaimed Benefits as well as tracing costs.

**Rule 7**, added provisions relating to the Matrimonial Property Act. Updated and removed outdated sections to be in line with the Pension Funds Act.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 Preservation Pension Fund effective from 1 July 2017.



Chairman

Lindy Wingrove-Gibson



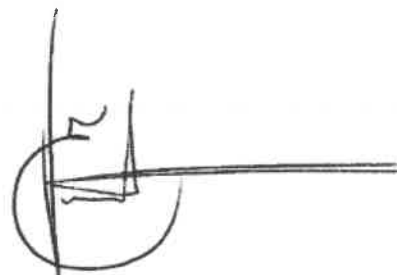
Principal Officer

Vivian Cohen



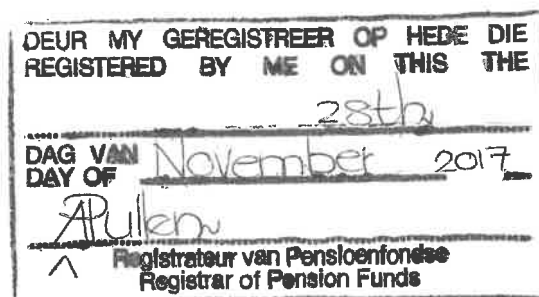
Trustee

Chantal Menton



Trustee

Eugene Venter



**RULES OF THE**

**PRIME PRESERVATION PENSION FUND**

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## **1 INTRODUCTION**

### **1.1 Name**

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

### **1.2 Objective**

The object 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 Fund 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 “ACTIVE MEMBER” means a MEMBER of the FUND who has transferred a TRANSLOCATION BENEFIT to the FUND in terms of Rule 5.2;
  - 2.3.3 “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;
  - 2.3.4 “ADJUDICATOR” means the Pension Fund Adjudicator appointed in terms of the ACT;

- 2.3.5 “ADMINISTRATOR” means the person appointed by the BOARD to attend to the day to day administration of the FUND;
- 2.3.6 “ANNUITY” means a compulsory non-commutable annuity payable for and based on the lifetime of the retiring ACTIVE MEMBER and his spouse (if a spouse’s annuity is elected by the ACTIVE MEMBER) which must not be capable of being transferred, assigned, reduced, hypothecated or attached by creditors as contemplated in Sections 37A and 37B of the ACT, provided that this may, subject to the requirements of the REVENUE SERVICE, include a LIVING ANNUITY;
- 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 pension fund organisation which is registered under the Pension Funds Act, 1956 and which is approved by the Commissioner in respect of the year of assessment in question: provided that the Commissioner may approve a fund subject to such limitations and conditions as the Commissioner may determine, and shall not approve a fund in respect of any year of assessment unless the Commissioner is satisfied in respect of that year of assessment that the rules of the fund provide that –
- 2.3.8.1 membership of the fund consists of-
    - 2.3.8.1.1 former MEMBERS of a pension fund whose membership of that fund terminated as a result of -
      - 2.3.8.1.1.1 resignation, retrenchment or dismissal from employment and who elected to have any lump sum benefit that is payable as a result of the termination transferred to that fund;
      - 2.3.8.1.1.2 the winding up of that fund, if the MEMBERS elected or are required in terms of the rules to transfer to this FUND; or



- 2.3.8.1.1.3 a transfer of business from one employer to another in terms of section 197 of the Labour Relations Act, 1995(Act No 66 1995), and the employment of the employee with the transferor employer is transferred to the transferee employer, if the MEMBERS elected or are required in terms of the rules to transfer to this FUND;
- 2.3.8.2 former MEMBERS of any other pension preservation fund-
  - 2.3.8.2.1 if that fund was wind up; or
  - 2.3.8.2.2 if the MEMBER elected to have any benefit contemplated in 2(b)(ii) of the Second Schedule transferred to that fund and who made this election while they were MEMBERS of that other fund;
- 2.3.8.3 former MEMBERS of a pension fund or nominees or dependants of that former MEMBER in respect of whom a benefit became due but has not been paid within 24 months of the due date; or
- 2.3.8.4 a person who, has elected to transfer an amount awarded to that person in terms of a court order contemplated in Section 7(8) of the Divorce Act, 1979(Act No 70 of 1979), from a pension fund or a pension preservation fund for the benefit of that person;
- 2.3.8.5 contributions to the fund are limited to amounts contemplated in paragraph 2(b)(ii) of the Second Schedule or any unclaimed benefit as defined in the Pension Funds Act, 1956, paid by a pension fund or any other pension preservation fund of which the MEMBER or the MEMBER'S former spouse was previously a MEMBER;
- 2.3.8.6 not more than one amount contemplated in paragraph 2(b)(ii) of the Second Schedule(excluding any other pension preservation fund) is allowed during the period of membership of the fund and any other pension preservation fund; and

2.3.8.7 a MEMBER, other than a MEMBER contemplated in Rule 2.3.8.3 will become entitled to a benefit on his or her RETIREMENT DATE.

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 PRESERVATION PROVIDENT FUND" means a Preservation Pension fund as defined in terms of Section 1 of the Income Tax Act of 1962 as amended

2.3.11 "APPROVED RETIREMENT ANNUITY FUND" means a fund registered in terms of the ACT and approved as a retirement annuity fund by the REVENUE SERVICE;

2.3.12 "AUDITOR" means the AUDITOR registered in terms of the Public Accountants and Auditors Act, 1991 appointed in terms of Rule 3.15 from time to time;

2.3.13 "BENEFICIARY" means a person who is entitled to a benefit in terms of the RULES;

2.3.14 "BENEFICIARY FUND" means a fund registered in terms of the ACT and approved as a BENEFICIARY FUND by the REVENUE SERVICE;

2.3.15 "BOARD" means the BOARD of the FUND constituted in terms of Rule 3.1;

2.3.16 "BOARD MEMBER" means a person who has been appointed to serve as a member of the BOARD in terms of Rule 3.2;

2.3.17 "COMMENCEMENT DATE" means, in respect of the FUND, 1 February 2009;

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 NOMINEES of the MEMBER or former MEMBER as an annuity or lump sum, or, in the absence of a dependant or NOMINEES, 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 an ACTIVE MEMBER means –
  - 2.3.20.1 a person in respect of whom the ACTIVE MEMBER is legally liable for maintenance;
  - 2.3.20.2 a person in respect of whom the ACTIVE 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 ACTIVE MEMBER in fact dependent on the ACTIVE MEMBER for maintenance;
    - 2.3.20.2.2 is the SPOUSE of the ACTIVE MEMBER, including a party to a union other than a civil marriage;
    - 2.3.20.2.3 is a child of the ACTIVE 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 ACTIVE MEMBER would have become legally liable for maintenance, had the ACTIVE MEMBER not died;
- 2.3.21 "EMPLOYER" shall mean the place at which the MEMBER was employed at and at which he was a member of the EMPLOYER FUND;
- 2.3.22 "EMPLOYER FUND" shall mean the fund of which the MEMBER participated in, and from which the TRANSCOLATION BENEFIT arose;
- 2.3.23 "FINANCIAL YEAR" means the period commencing on 1 February each year and ending on the last day of January of the following year;

- 2.3.24 “FINANCIAL YEAR END” means the last day of January of each year;
- 2.3.25 “FUND” means the Prime Preservation Pension Fund;
- 2.3.26 “INCOME TAX ACT” means the Income Tax Act, 1962 including any amendments effective from time to time;
- 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 right of a MEMBER or former MEMBER of a pension fund, pension preservation fund, provident fund, provident preservation fund, or retirement annuity fund, or his or her dependant or NOMINEES, or any subsequent NOMINEES, to an annuity purchased from a person on or after the retirement date of that MEMBER or former MEMBER in respect of which-
  - 2.3.28.1 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;
  - 2.3.28.2 the amount of the annuity is determined in accordance with a method or formula prescribed by the Minister by notice in the Gazette;
  - 2.3.28.3 The full remaining value of the assets contemplated in Rule 2.3.28.1 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;
  - 2.3.28.4 The amount of the annuity is not guaranteed by that person;
  - 2.3.28.5 On the death of the MEMBER or former MEMBER , the value of the assets referred to in Rule 2.3.28.1 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; and

2.3.28.6 The Minister may by notice in the Gazette prescribe further requirements regarding the annuity;

2.3.29 "MEMBER" means a person who has been admitted to membership of the FUND in terms of the RULES, including an ACTIVE MEMBER but 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 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, as defined in Rule 2.3.42, allocated to an ACTIVE MEMBER by the appropriate unit price applicable to the investment portfolio(s) selected by the ACTIVE 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.]

2.3.32 "NOMINEE" means a person, other than a DEPENDANT, who has been nominated in writing by an ACTIVE MEMBER as being entitled to receive all or part of the death benefits provided by the FUND in terms of Rule 6.4 and whose nomination has not been retracted by the ACTIVE MEMBER;

2.3.33 "PRINCIPAL OFFICER" means the person appointed in terms of Rule 3.13 from time to time in accordance with Section 8 of the ACT;

- 2.3.34 “REGISTERED INSURER” means an insurer registered in terms of the Long Term Insurance Act, 1998;
- 2.3.35 “REGISTRAR” means the Registrar or Deputy Registrar of Pension Funds appointed in terms of the Financial Services Board Act, 1990;
- 2.3.36 “RETIREMENT AGE” means the age at which the ACTIVE MEMBER will retire from the service of the employer in whose service he is at the time of such retirement, provided that such age must be in terms of any applicable legislation or amendments thereto;
- 2.3.37 “RETIREMENT DATE” means the last day of the month in which an ACTIVE 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 “RULES” means these RULES, including any amendments which may become effective from time to time;
- 2.3.40 “SPONSOR” means Global Independent Administrators (Pty) Limited registration number 2005/005956/07;
- 2.3.41 “TRANSLOCATION BENEFIT” means the amount transferred to the FUND in respect of a MEMBER in terms of Rule 5.2;
- 2.3.42 “UNITS” means the total units purchased in the investment portfolio(s) selected by the ACTIVE MEMBER which will be calculated as follows:
- 2.3.42.1 the total number of units purchased with the TRANSLOCATION BENEFIT transferred to the FUND by the ACTIVE MEMBER in terms of Rule 5.2 excluding costs in respect of expenses referred to in Rule 5.4; less

2.3.42.2 the total number of units sold from time to time in order to meet the cost of ongoing expenses referred to in Rule 5.4; plus

2.3.42.3 the total number of units purchased with the investment returns earned on the assets attributable to the ACTIVE MEMBER from time to time;

2.3.43 “WITHDRAWAL DATE” means, in respect of an ACTIVE MEMBER, a date selected by the ACTIVE MEMBER prior to the transfer of a TRANSLOCATION BENEFIT to the FUND, provided that such date will be automatically renewed, at the discretion of the BOARD, for six-monthly intervals.

### **3 MANAGEMENT OF THE FUND**

#### **3.1 Constitution of Board**

3.1.1 The management, control and administration of the FUND 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 MEMBERS.

3.1.2 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)(iv) of the ACT, is in place.

3.1.3 The SPONSOR 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 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 if that removal is supported by a majority of the other BOARD MEMBERS.
- 3.2.3 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 3.2.2.

### 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 offered to compromise his estate;
- 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.
- 3.5.1.3 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 Rule 3.2.3, as the case may be.

- 3.5.2 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 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.
- 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 TRUSTEES 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 TRUSTEES, the TRUSTEES 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 TRUSTEES.

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.

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### 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 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 sub committee 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 ACTIVE MEMBERS of the FUND, provided that such election will be limited to such portfolios selected by the BOARD. In the event that an ACTIVE MEMBER fails to select a portfolio or portfolios, the assets attributable to the applicable ACTIVE MEMBER or ACTIVE 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, as amended the ACT, as amended; the INCOME TAX ACT, as amended , and any circulars and directives pf circulars issued in terms of the ACT ,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 BOARD Notice 101 of 1995 issued in terms of section 13B 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. Any decision taken by another person or a committee of the BOARD must be ratified by the BOARD.

- 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 ACTIVE 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 for such periods as it determines, and may withdraw any such appointment and make another appointment in its place.
  - 3.13.2 The BOARD shall, within 30 (thirty) days of the appointment of the PRINCIPAL OFFICER, apply to the REGISTRAR for approval of the appointment.
  - 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 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.
  - 3.13.5 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.
  - 3.13.6 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.
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### **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. Be open for inspection at offices of fund.
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- 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.
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- 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 authorized 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 preservation pension fund in terms of the INCOME TAX ACT, or any amendment thereto.

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, or any amendment thereto.

## **4 MEMBERSHIP**

### **4.1 Member eligibility and admission**

4.1.1 The membership of any MEMBER may be subject to such restrictions, as laid down in the MEMBER APPLICATION, in respect of the benefits payable in terms of the RULES as the BOARD may determine as well as such restriction as may be imposed by the INCOME TAX ACT and any other legislation, subordinate legislation or the rules of any retirement fund established in terms of legislation.

### **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 will 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 an ACTIVE MEMBER fails to comply with Rule 4.2.2 the BOARD may withhold payment of the MEMBER'S SHARE or any part thereof due to, or in respect of, such ACTIVE MEMBER until the provisions are complied with.

4.2.4 The FUND will not be liable for any loss sustained by a BENEFICIARY or a MEMBER or ACTIVE MEMBER arising from any misstatements or errors or omissions in any information supplied in terms of the RULES.

## 5 CONTRIBUTIONS AND FINANCIAL PROVISIONS

### 5.1 Member contributions

Subject to the provisions of Rule 5.2, a MEMBER may not contribute to the FUND.

### 5.2 Translocation benefits

5.2.1 In the event that a MEMBER of the FUND leaves the SERVICE of his or her EMPLOYER due to resignation or dismissal for operational reasons, misconduct or incapacity the MEMBER may direct that part of or the whole of any benefit payable to him from the EMPLOYER FUND be transferred directly to the FUND. Such amount will be referred to as the ACTIVE MEMBER'S TRANSLOCATION BENEFIT.

5.2.2 In the event that a MEMBER of the FUND becomes entitled to a benefit from the EMPLOYER FUND as a consequence of the winding up of the EMPLOYER FUND in terms of sections 28 or 29 of the ACT, such MEMBER may direct that part of or the whole of any benefit payable from the EMPLOYER FUND be transferred directly to the

FUND. Such amount will be referred to as the ACTIVE MEMBER'S TRANSLOCATION BENEFIT.

5.2.3 A MEMBER of the FUND may transfer to the FUND an amount that he or she becomes entitled to from an APPROVED PENSION FUND, APPROVED PENSION PRESERVATION FUND, APPROVED PROVIDENT FUND, APPROVED PROVIDENT PRESERVATION FUND or a RETIREMENT ANNUITY FUND as may be specified in the INCOME TAX ACT, as a result of his or her divorce from a member of the APPROVED PENSION FUND, APPROVED PENSION PRESERVATION FUND, APPROVED PROVIDENT FUND, APPROVED PROVIDENT PRESERVATION FUND or a RETIREMENT ANNUITY FUND.

5.2.4 A MEMBER of the FUND may subject to provisions of Rule 7.6 transfer a benefit from another APPROVED PROVIDENT PRESERVATION FUND to the FUND. Once such transfer has been completed such amount will be referred to as the MEMBER'S TRANSLOCATION BENEFIT.

5.2.5 If the MEMBER has already been granted a lump sum benefit from the other APPROVED PROVIDENT PRESERVATION FUND the BOARD shall ensure that the records of the FUND reflect this and that such MEMBER is prohibited from receiving or becoming entitled to any benefit prior to retirement or early ill health retirement in respect of such TRANSLOCATION BENEFIT, provided that a warranty signed by the board of management or administrator of the other APPROVED PROVIDENT PRESERVATION FUND will be sufficient evidence of such earlier payment or otherwise.

5.2.6 Once a TRANSLOCATION BENEFIT has been transferred to the FUND in respect of a MEMBER, he will become an ACTIVE MEMBER.

### 5.3 Investment of the assets of the Fund

5.3.1 The BOARD will make arrangements for the investment of each TRANSLOCATION BENEFIT and any other assets of the FUND, provided that the TRANSLOCATION BENEFIT will initially be deposited into the banking account of the FUND. The FUND is entitled to delay the implementation of any investment instruction given by the ACTIVE MEMBER until such time as the FUND'S bank has confirmed that it has received payment of the TRANSLOCATION BENEFIT and the FUND is able to identify the ACTIVE MEMBER in respect of whom the deposit has been made, provided that all administrative requirements have been met. The BOARD shall ensure that the investment of the TRANSLOCATION BENEFIT in accordance with the MEMBER'S instructions takes place within a reasonable period after the deposit of the TRANSLOCATION BENEFIT into the banking account of the FUND.

5.3.2 Each ACTIVE MEMBER of the FUND shall select an investment portfolio or portfolios, limited to the portfolios selected by the BOARD, to which the assets of the FUND attributable to such ACTIVE MEMBER (including the TRANSLOCATION BENEFIT attributable to such ACTIVE MEMBER and any investment earnings on that amount) will be allocated by the FUND or reallocated, as the case may be. The BOARD shall set out guidelines for when selection or re-selection of the investment portfolios may take place and shall communicate this to the ACTIVE MEMBERS. These guidelines will include requirements for the transfer of assets attributable to such ACTIVE MEMBER from one investment portfolio to another. It is specifically recorded that each ACTIVE MEMBER accepts the entire responsibility for the selection of the investment portfolio or portfolios applicable to him and for the periodic review of such portfolio or portfolios. The BOARD carries no responsibility in respect of the selection made by an ACTIVE MEMBER.

5.3.3 In the event that an ACTIVE 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 ACTIVE MEMBER to a default portfolio selected 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. The unit price must take into account the investment returns 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 A proportionate amount of the expenses related to the management and administration of the FUND, the cost of audit and of actuarial investigations, will be deducted from the TRANSLOCATION BENEFIT at the time of transfer to the FUND and will be paid to the appropriate parties by the FUND.

5.4.2 Ongoing expenses related to the management and administration of the FUND, the cost of audit and actuarial investigations will be allocated to ACTIVE MEMBERS from time to time and the UNITS allocated to ACTIVE MEMBERS will be adjusted accordingly.

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

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#### 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, 6.6 or 7.9, 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 or the assets or appropriate portion of the assets of the FUND, whichever is applicable to a bank account in the name of the FUND.

5.5.2 Any reference to MEMBER'S SHARE, assets, appropriate share of the assets, transfer amount or similar terminology in Rules 6.1, 6.2, 6.4, 6.5, 6.6 or 7.9 refers 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 6.2 and 6.3 an ACTIVE 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 a 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 ACTIVE MEMBER. Once the ANNUITY has been purchased and any lump sum benefit, less any

applicable tax, has been paid to the former ACTIVE MEMBER, the FUND will have no further liability to or in respect of the former ACTIVE MEMBER and his BENEFICIARIES.

6.1.4 A MEMBER may elect to purchase a DEFAULT ANNUITY.

## 6.2 Ill-health early retirement

6.2.1 Notwithstanding anything to the contrary contained elsewhere in these RULES if an ACTIVE MEMBER is retired from his employment as a result of disability prior to attaining RETIREMENT AGE such ACTIVE MEMBER will become entitled to a retirement benefit from the FUND, whether or not such ACTIVE MEMBER has attained the age of 55 years.

6.2.2 If the BOARD is satisfied that an ACTIVE MEMBER who is not in employment has become permanently disabled through infirmity of mind or body, such ACTIVE MEMBER may become entitled to a retirement benefit from the FUND, whether or not he has attained the age of 55(fifty) years.

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 ACTIVE MEMBER will become entitled to an ANNUITY LIVING ANNUITY or DEFAULT ANNUITY.

6.2.5 A MEMBER may elect to purchase a DEFAULT ANNUITY.



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

### **6.3 Notification of retirement age and retirement**

- 6.3.1 An ACTIVE MEMBER must inform the FUND of his RETIREMENT AGE and of any changes to the RETIREMENT AGE. Should the ACTIVE MEMBER not provide the FUND with written notification of a change in his RETIREMENT AGE, the FUND will be entitled to deem the most recently notified RETIREMENT AGE to be his RETIREMENT AGE.
- 6.3.2 An ACTIVE MEMBER who is not employed must provide the FUND with written notification of his selected RETIREMENT AGE. The FUND will be entitled to deem the most recently notified RETIREMENT AGE to be his RETIREMENT AGE.
- 6.3.3 An ACTIVE MEMBER must provide the FUND with written notice of his intention to retire. The written notice must include the options elected by the ACTIVE MEMBER, in particular regarding payment of a lump sum benefit of the MEMBER'S SHARE, the ANNUITY selected and any other information which may be required by the BOARD from time to time.

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### **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(S) 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 A BENEFICIARY may elect to 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 Withdrawal benefits**

6.5.1 Should an ACTIVE MEMBER so elect, subject to the provisions of Rule 6.5.5, an ACTIVE MEMBER will become entitled to a lump sum benefit prior to his RETIREMENT DATE.

6.5.2 The amount of the lump sum will be an amount elected by the ACTIVE MEMBER up to the total of his MEMBER'S SHARE, subject to the provisions of Rule 5.5. Should the ACTIVE MEMBER not elect to receive his entire MEMBER'S SHARE as a lump sum benefit, the balance not paid to the ACTIVE MEMBER shall be retained in the FUND and will be subject to the RULES of the FUND, provided that no further withdrawal benefit may be taken by such ACTIVE MEMBER.

6.5.3 Subject to the FUND receiving notification of the ACTIVE MEMBER'S election, payment of the benefit referred to in Rule 6.5.2, less any applicable tax will take place within a reasonable period of the ACTIVE MEMBER'S WITHDRAWAL DATE, provided that in the event that the FUND has, within a reasonable period, made application to

the appropriate Receiver of Revenue for a tax directive and through no fault of the FUND, has not received such document, the FUND may extend the first-mentioned period.

6.5.4 Once payment of the lump sum benefit, less any applicable tax, has been made to the former ACTIVE MEMBER, the FUND will have no further liability to or in respect of such ACTIVE MEMBER and his DEPENDANTS and/or NOMINEES in so far as the amount paid is concerned, provided that if the entire MEMBER'S SHARE is paid, the FUND will have no further liability to or in respect of the ACTIVE MEMBER whatsoever.

6.5.5 In the event that the ACTIVE MEMBER had already received a lump sum benefit (excluding a transfer to an APPROVED RETIREMENT ANNUITY FUND) from the EMPLOYER FUND prior to transferring the TRANSLOCATION BENEFIT to the FUND, a lump sum benefit received from the previous APPROVED PROVIDENT PRESERVATION FUND prior to transferring the TRANSLOCATION BENEFIT to the FUND or an amount been paid in terms of Section 37D of the ACTIVE MEMBER will not be entitled to any lump sum benefit in terms of Rule 6.5.1.

## 6.6 Transfers

6.6.1 At the written request of an ACTIVE MEMBER and subject to the provisions of Rule 5.5 the BOARD will transfer his MEMBER'S SHARE to another APPROVED PRESERVATION PENSION FUND.

6.6.2 If such an ACTIVE MEMBER has already been granted a lump sum benefit as envisaged in Rule 6.5, the BOARD shall instruct the board of management of the APPROVED PRESERVATION PENSION FUND accepting the MEMBER'S SHARE to prohibit the former ACTIVE MEMBER from receiving or becoming entitled to any benefit prior to retirement.

- 6.6.3 The BOARD must request the board of management of the APPROVED PRESERVATION PENSION FUND accepting the MEMBER'S SHARE to record the instruction, provided that a signed warranty will be sufficient evidence of the BOARD having made such request.
- 6.6.4 At the written request of an ACTIVE MEMBER, the MEMBER'S SHARE of an ACTIVE MEMBER who is in new employment may, irrespective of whether the FUND paid a partial lump sum benefit to the ACTIVE MEMBER in terms of Rule 6.5 and subject to the provisions of Rule 5.5, may be transferred to the APPROVED PENSION FUND.
- 6.6.5 At the written request of a MEMBER and subject to the provisions of rule 5.5 the BOARD will transfer his MEMBER'S SHARE to a RETIREMENT ANNUITY FUND.
- 6.6.6 At the written request of the SPOUSE of a MEMBER in respect of whom a deduction applied in terms of Rule 6.9 as a result of the divorce of the MEMBER and his spouse, the FUND will transfer the amount deducted in terms of Rule 6.9 to such an APPROVED PENSION PRESERVATION FUND, APPROVED PENSION FUND, APPROVED RETIREMENT ANNUITY FUND as may be specified in the INCOME TAX ACT on behalf of the SPOUSE.
- 6.6.7 In the event of an ACTIVE MEMBER electing to transfer his benefit or part of his benefit in terms of this Rule, the FUND will, within a reasonable period of receiving the ACTIVE MEMBER'S written request ensure that the transfer takes place.
- 6.6.8 Once a transfer has been effected in terms of this Rule, the FUND will have no further liability to or in respect of the former MEMBER and his BENEFICIARY.

## 6.7 Payment of benefits

6.7.1 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.

6.7.2 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.

6.7.3 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 MEMBER or BENEFICIARY in one of the following ways:

6.7.3.1 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

6.7.3.2 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.

6.7.4 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.

6.7.5 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.

**6.8 Payment of death benefits**

6.8.1 If the FUND within twelve months of the death of the ACTIVE MEMBER becomes aware of or traces a DEPENDANT or DEPENDANTS of the ACTIVE 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.

6.8.2 If the FUND does not become aware of or cannot trace any DEPENDANT of the ACTIVE MEMBER within twelve months of the death of the ACTIVE MEMBER and the ACTIVE MEMBER has designated in writing to the FUND a NOMINEE who is not a DEPENDANT of the ACTIVE MEMBER, to receive the benefit or such portion of the benefit as is specified by the ACTIVE 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 ACTIVE MEMBER in writing to the FUND will be paid to the NOMINEE.

- 6.8.3 If the ACTIVE MEMBER has a DEPENDANT and the ACTIVE 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 ACTIVE MEMBER in writing to the FUND, the FUND shall within twelve months of the death of such ACTIVE 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.
- 6.8.4 If the FUND does not become aware of or cannot trace any DEPENDANT of the ACTIVE MEMBER within twelve months of the death of the ACTIVE MEMBER and if the ACTIVE MEMBER has not designated a NOMINEE or if the ACTIVE 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 ACTIVE MEMBER or, if no inventory in respect of the ACTIVE 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 into an Unclaimed Benefit Fund.
- 6.8.5 For the purposes of this Rule, the BOARD may make payment to a BENEFICIARY FUND or to an already 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.

6.8.6 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.

6.8.7 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:

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

6.8.7.2 the agreement may be cancelled by either party on written notice not exceeding ninety days.

6.8.8 If the agreement contemplated in Rule 6.8.7 is cancelled, the full balance of the will be paid to the DEPENDANT or NOMINEE.

## 6.9 Reduction of benefits and insolvency

6.9.1 Save to the extent permitted by the ACT, the INCOME TAX ACT, the Maintenance Act, 1998 and the Divorce Act, 1979, and any 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 ACTIVE 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.

6.9.2 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.

6.9.3 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.

6.9.4 Any benefit payable regarding a deceased MEMBER by the FUND shall not form part of the assets in the estate of such MEMBER.

## 6.10 Unclaimed Benefits

6.10.1 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.

6.10.2 Any costs incurred by the BOARD as a consequence of tracing of MEMBER or BENEFICIARIES may be recovered from the MEMBER'S SHARE.

- 6.10.3 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 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, for approval 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 Transfers from other funds.**

Subject to the provisions of the Rules, ACT, INCOME TAX ACT a MEMBER may transfer an amount to the FUND from other funds.

## **7.7 Transfer to another fund**

On receipt of a written request to this effect from a MEMBER and subject to the written request of a MEMBER and subject to the provisions of the RULES and provisions of the ACT, INCOME TAX ACT, the BOARD shall within a reasonable period of receiving the MEMBER'S written request, transfer the MEMBER'S SHARE to another fund

## **7.8 Binding power of Rules**

The provisions of the RULES are binding on the MEMBER, the FUND and its officials, and any 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 PENSION 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 a Unclaimed Benefit 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.
- 7.9.3.4 An auditor approved by the REGISTRAR shall certify that the liquidator's final liquidation and distribution account is correct.

- 
- 7.9.4 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 provisions of the Companies Act, 2008 applicable or make any other directions regarding unclaimed monies, the provisions of Rule 7.9.3.3 shall apply.

- 7.9.5 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 PRESERVATION PENSION FUND**

Registration No. 12/8/37924

("the Fund")

**Amendment Number 1**

(after the revised rules approved by the Registrar of Pension Funds on 28 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 5.2.4 and renumber the balance of Rule 5.2 accordingly:

5.2.4 Subject to the provisions of Rule 6.5.6, in the event that a MEMBER retires from the EMPLOYER FUND, the MEMBER may direct that the benefit payable to him from the EMPLOYER FUND be transferred directly to the FUND.

**4) Amend Rule 6.5.1 to read as follows:**

**6.5.1** Should an ACTIVE MEMBER so elect, subject to the provisions of Rule 6.5.5 and 6.5.6, an ACTIVE MEMBER will become entitled to a lump sum benefit prior to his RETIREMENT DATE.

**5) Add Rule 6.5.6 and Rule 6.5.7 as follows:**

**6.5.6** In the event of a transfer to the FUND in terms of Rule 5.2.4, the ACTIVE MEMBER will not be entitled to any lump sum benefit in terms of Rule 6.5.1.

**6.5.7** A MEMBER shall, prior to his or her RETIREMENT DATE, be entitled to the payment of a lump sum benefit where he or she emigrates from South Africa and the emigration is recognised by the South African Reserve Bank for purposes of exchange control or where a MEMBER depart from South Africa at the expiry of a work or visit visa, subject to applicable legislation.

**6) Add Rule 7.10 as follows:**

**7.10 Retirement Counselling**

The FUND makes available RETIREMENT BENEFITS COUNSELLING, in the format or on the platform determined by the BOARD from time to time, upon a MEMBER contemplating retiring from the FUND.

**The reasons for the amendment are:**

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



Certified on this 10<sup>th</sup> day of April 2019 that the above resolution has been adopted in accordance with the provisions of the Rules of the Fund.



Chairman: Anesh Soonder



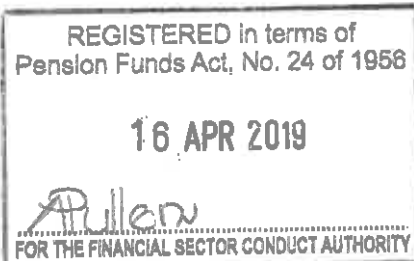
Trustee: Chantal Menton



Principal Officer: Vivian Cohen



Trustee: Shawn Smith



## **PRIME PRESERVATION PENSION FUND**

Registration No. 12/8/37924

("the Fund")

### **Amendment Number 2**

(after the revised rules approved by the Registrar of Pension Funds on 28 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 5.2.4 and renumber the balance of Rule 5.2 accordingly:**

5.2.4 Subject to the provisions of Rule 6.5.6, in the event that a MEMBER retires from the EMPLOYER FUND, the MEMBER may direct that the benefit payable to him from the EMPLOYER FUND be transferred directly to the FUND.

**4) Amend Rule 6.5.1 to read as follows:**

6.5.1 Should an ACTIVE MEMBER so elect, subject to the provisions of Rule 6.5.5 and 6.5.6, an ACTIVE MEMBER will become entitled to a lump sum benefit prior to his RETIREMENT DATE.

**5) Add Rule 6.5.6 and Rule 6.5.7 as follows:**

6.5.6 In the event of a transfer to the FUND in terms of Rule 5.2.4, the ACTIVE MEMBER will not be entitled to any lump sum benefit in terms of Rule 6.5.1.

6.5.7 A MEMBER shall, prior to his or her RETIREMENT DATE, be entitled to the payment of a lump sum benefit where he or she emigrates from South Africa and the emigration is recognised by the South African Reserve Bank for purposes of exchange control or where a MEMBER depart from South Africa at the expiry of a work or visit visa, subject to applicable legislation.

**6) 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 6 day of December 2022 that the above resolution has been adopted in accordance with the provisions of the Rules of the Fund.



**Chairman & Independent Trustee:**

**Stanley Rapetsoa**



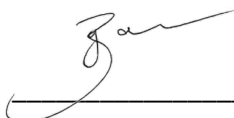
**Sponsor Trustee: Doug Stott**



**Principal Officer: Vivian Cohen**



**Independent Trustee: Stephan  
Hartzenberg**



**Sponsor Trustee: Jacques Zaayman**

**PRIME PRESERVATION PENSION FUND**

Registration No. 12/8/37924

("the Fund")

**Amendment Number 3**

(after the revised rules approved by the Authority on 30 November 2017 and the last rule amendment 2 was approved on 24 June 2019)

The Board Members of the Fund hereby resolve on a round robin basis, that with **effect from 1 February 2022** the Rules of the Fund shall be amended as follows:

**1) Amend Rule 1.4 to read as follows:**

1.4 "Registered office  
28 Peter Place  
Lyme Park  
Sandton  
2060"

**2) Amend Rule 2.3.12 [as per numbering in Rules approved in 2017] to read as follows:**

2.3.12 "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."

**3) Amend Rule 2.3.18 [as per numbering in Rules approved in 2017] to read as follows:**

2.3.18 "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."

**4) Delete the following definition under Rule 2.3.23 [as per numbering in Rules approved in 2017]:**

2.3.23 "FINANCIAL YEAR" means the period commencing on 1 February each year and ending on the last day of January of the following year.

**5) Amend Rule 2.3.24 [as per numbering in Rules approved in 2017] to read as follows:**

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

**6) Amend Rule 2.3.37 [as per Amendment 1 numbering] to read as follows:**

2.3.37 "RETIREMENT BENEFIT COUNSELLING" means the disclosure and explanation, in 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."

**7) Add Rules 2.3.45 and 2.3.46 [as per Amendment 2 numbering] to read as follows:**

2.3.45 "VESTED RIGHTS" means all CONTRIBUTIONS made to an APPROVED PROVIDENT FUND, prior to 1 March 2021 and the investment growth thereon."

2.3.46 "UNVESTED RIGHTS" means all CONTRIBUTIONS made to an APPROVED PROVIDENT FUND post 1 March 2021 for MEMBERS 55 years or younger and the investment growth thereon and all CONTRIBUTIONS made to a new APPROVED PROVIDENT FUND after transfer date, should a member, 55 years or older as at 1 March 2021, transfer to a new APPROVED PROVIDENT FUND after 1 March 2021 but prior to retirement age."

**8) Add Rule 6.6.9 to read as follows:**

6.6.9 "Should you transfer your full Benefit to another Preservation Pension fund, please take note of the Vested rights that are protected in terms of legislation as from 1 March 2021."

**The reasons for the amendment are:**

- To align the rules of the Fund with the latest legislation and best practice.
- To align the year end to the broader reporting cycle which will allow for more capacity to efficiently prepare timely year-end financial statements and other regulatory reporting

Certified on this 30<sup>th</sup> day of September 2022 that the above resolution has been adopted in accordance with the provisions of the Rules of the Fund.



**Chairman & Independent Trustee:**  
**Stanley Rapetsoa**



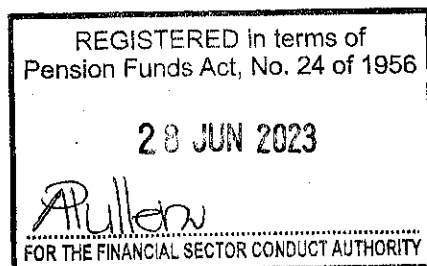
**Principal Officer: Vivian Cohen**



**Sponsor Trustee: Doug Stott**



**Independent Trustee: Stephan Hartzenberg**



## PRIME PRESERVATION PENSION FUND

Registration No. 12/8/37924

("the Fund")

### Amendment Number 4

(after the revised rules approved by the Authority on 30 November 2017  
and the last rule amendment 2 was approved on 13 December 2022)

The Board Members of the Fund hereby resolve on a round robin basis, that with effect from 1 March 2023 the Rules of the Fund shall be amended as follows:

**1) Add 2.3.20 of the definitions and renumber the balance of rule 2.3.30 accordingly:**

"2.3.20. "EARLY RETIREMENT" a MEMBER may retire early at any time after having attained the age of 55 years or, if applicable, earlier than the age of 55 years, if such earlier retirement is legislated and/or approved and/or recognised by SARS."

**2) Delete the definition of RETIREMENT DATE in per rule 2.3.36 and replace with:**

"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 or carrying on his occupation"

**The reasons for the amendment are:**

1. To allow a MEMBER, who in terms of legislation or by approval from SARS, to retire earlier than age 55.

Certified on this 14<sup>th</sup> day of March 2023 that the above resolution has been adopted in accordance with the provisions of the Rules of the Fund.





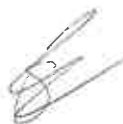
**Chairman & Independent Trustee:**  
**Stanley Rapetsoa**



**Sponsor Trustee: Doug Stott**



**Principal Officer: Vivian Cohen**



**Independent Trustee: Stephan  
Hartzenberg**

