

**ITRANSACT RETIREMENT ANNUITY FUND**

**VERSION 1.0 - 2013**

**RULES**

## ITRANSACT RETIREMENT ANNUITY FUND RULES

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**RESOLUTION OF  
THE ITRANSACT RETIREMENT ANNUITY FUND**

FSB Registration Number \_\_\_\_\_

S A R S Approval Number \_\_\_\_\_

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At a meeting of the First Trustees of the Itransact Retirement Annuity Fund, (“the Fund”), held at 15 Phillips Street, Randburg, the Trustees resolved as follows:

1. The Rules of the Itransact Retirement Annuity Fund, as attached hereto be passed and submitted for Registration by the Registrar of Pensions, The Financial Services Board, and that they be further submitted for Approval.
2. Certification that these are the RULES of the Itransact Retirement Annuity Fund, which will be effective from the date of registration of these RULES by the REGISTRAR.
3. The Actuary to the Fund be  
  
C A Scott Consulting Actuary
4. The Auditors to the Fund be  
  
Ramathe (Central) Incorporated

Certified a true extract of the minutes.

Dated at Randburg this \_\_\_\_ day of October 2012

\_\_\_\_\_

**Chairman**

\_\_\_\_\_

**Principal Officer**

\_\_\_\_\_

**Trustee**

\_\_\_\_\_

**Independent Trustee**

## 1. INTRODUCTION

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

1.2. **Object**

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:

15 Philips Street

Randburg

2194

## 2. DEFINITIONS

- 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;
  - 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:

- 2.4. "ACT" means the PENSION FUNDS ACT of 1956.
- 2.5. "ADJUDICATOR" means the Pension Fund Adjudicator appointed in terms of Section 30C (1) of the ACT.
- 2.6. "ADMINISTRATOR" means the person appointed by the BOARD to attend to the day to day administration of the FUND.
- 2.7. "ANNUITY" means a compulsory non-commutable ANNUITY payable for and based on the lifetime of the retiring MEMBER and his spouse (if a spouse's ANNUITY is elected by the MEMBER) which must not be capable of being transferred, assigned, ceded, pledged, reduced, hypothecated or attached by creditors as contemplated in sections 37A and 37B of the ACT.
- 2.8. "APPROVED PENSION FUND" means a fund registered in terms of the ACT and approved as a pension fund by the REVENUE SERVICE.
- 2.9. "APPROVED PENSION PRESERVATION FUND" means a fund registered in terms of the ACT and approved as a PENSION PRESERVATION FUND by the REVENUE SERVICE.
- 2.10. "APPROVED PROVIDENT PRESERVATION FUND" means a fund registered in terms of the ACT and approved as a PROVIDENT PRESERVATION FUND by the REVENUE SERVICE.



- 2.11. "APPROVED PROVIDENT FUND" means a fund registered in terms of the ACT and approved as a PROVIDENT FUND by the REVENUE SERVICE.
- 2.12. "APPROVED RETIREMENT ANNUITY FUND" means a fund registered in terms of the ACT and approved as a RETIREMENT ANNUITY FUND by the REVENUE SERVICE.
- 2.13. "AUDITOR" means the AUDITOR appointed in terms of these RULES who shall be engaged in public practice registered as an AUDITOR in terms of section 15 of the Public Accountants and Auditors Act, 1991 and approved by the REGISTRAR.
- 2.14. "BENEFICIARY" means a NOMINEE of a MEMBER or a DEPENDANT who is entitled to a benefit, as provided for in the rules.
- 2.15. "BOARD" means the BOARD of the FUND constituted in terms of the Rules, also known as TRUSTEES.
- 2.16. "BOARD MEMBER" means a person who has been appointed to serve as a member of the BOARD in terms of Rule 9.
- 2.17. "COMMISSIONER" shall mean the Commissioner for the South African Revenue Service.
- 2.18. "DEPENDANT" in relation to a MEMBER, shall mean:

- 2.18.1. a person in respect of whom the MEMBER is legally liable for maintenance;
- 2.18.2. a person in respect of whom the MEMBER is not legally liable for maintenance, if such person;
  - 2.18.2.1. was, in the opinion of the TRUSTEES, upon the death of the MEMBER in fact dependent on the MEMBER for maintenance;
  - 2.18.2.2. is the spouse of the MEMBER;
  - 2.18.2.3. is a child of the MEMBER, including a posthumous child, an adopted child and a child born out of wedlock;
  - 2.18.2.4. a person in respect of whom the MEMBER would have become legally liable for maintenance, had the MEMBER not died.
- 2.19. "EXPENSES" means costs related to the management, and administration of the FUND, the cost of audit, actuarial investigations, BOARD MEMBER/ TRUSTEE fees, professional fees, levies, taxes, costs of tracing MEMBERS/BENEFICIARIES/NOMINEES and any other costs regarded as falling within the definition of EXPENSES from time to time by the BOARD.

- 2.20. "FINANCIAL YEAR" shall mean the period from 1 March in one year to last day in February of the following year.
- 2.21. "FUND" shall mean the Retirement Annuity Fund as constituted by these RULES.
- 2.22. "INCOME TAX ACT" shall mean the INCOME TAX ACT No.58 of 1962 as amended from time to time or any legislation enacted to replace such act.
- 2.23. "INDEPENDENT TRUSTEE" shall mean a TRUSTEE who is not:
- 2.23.1. an employee of the FUND or the ADMINISTRATOR;
  - 2.23.2. controlled by the FUND or the ADMINISTRATOR;
  - 2.23.3. in common control with the ADMINISTRATOR of the FUND and does not provide any other services to the FUND or the ADMINISTRATOR.
- 2.24. "INSURER" shall mean a life insurer registered to transact long-term insurance business in terms of the Long-Term Insurance Act, 1998, as amended from time to time or any legislation enacted to replace such act.

- 2.25. "INVESTMENT PORTFOLIO" means a portfolio consisting of SECURITIES and/or cash in which the MEMBER contributions and or transfers may be invested.
- 2.26. "LIVING ANNUITY" means a right of a MEMBER or former MEMBER of the FUND or his or her DEPENDANT or NOMINEE, or any subsequent NOMINEE to an ANNUITY purchased from a pension from the INSURER on or after the RETIREMENT DATE of that MEMBER or former MEMBER that is defined as a LIVING ANNUITY in the INCOME TAX ACT as amended.
- 2.27. "MEMBER" shall mean a person admitted as a MEMBER of the FUND in terms of these RULES and who continues to be a MEMBER in terms of these RULES and MEMBERSHIP has a corresponding meaning.
- 2.28. "MEMBER APPLICATION" means the written application of a MEMBER to participate in the FUND, which shall include details regarding the MEMBER contributions and/or transfer value and the RETIREMENT AGE selected by the MEMBER, the portfolio or portfolios selected by the MEMBER in terms of MEMBERS APPLICATION and any other information which may be required by the TRUSTEES, or the ADMINISTRATOR.
- 2.29. "MEMBER INVESTMENT" means the value of the INVESTMENT PORTFOLIO that has been purchased for a MEMBER by the monies that the MEMBER has contributed or transferred to the FUND, less fees and charges where applicable.
- 2.30. "NOMINEE" means a person, other than a DEPENDANT of a MEMBER duly nominated by the MEMBER, in writing and submitted to

the ADMINISTRATOR before the death of the MEMBER, to receive benefits on his death and whose nomination has not been retracted by the MEMBER.

- 2.31. “PRINCIPAL OFFICER” means the PRINCIPAL OFFICER of the FUND appointed by the TRUSTEES in accordance with the ACT and these RULES to fulfil the functions of a PRINCIPAL OFFICER set out in the ACT and these RULES.
- 2.32. “REGISTRAR” shall mean the REGISTRAR of Pension Funds appointed in terms of the ACT.
- 2.33. “RETIREMENT AGE” means the age, advised to the BOARD in writing by a MEMBER at which the MEMBER will become entitled to payment of the MEMBER benefit, provided that such age may not be earlier than age 55 years.
- 2.34. “RETIREMENT DATE” means the last day of the month in which a MEMBER attains his RETIREMENT AGE.
- 2.35. “RULES” shall mean the RULES as amended from time to time and as registered in terms of the ACT and approved for income tax purposes in accordance with the provisions of the INCOME TAX ACT, 1962 as amended from time to time or any legislation enacted to replace such act.
- 2.36. “REVENUE SERVICE” means the Commissioner for the South African REVENUE SERVICE as defined in the INCOME TAX ACT, 1962 as amended from to time or any legislation enacted to replace such act.

- 2.37. "SECURITIES" means the shares and other financial instruments which are listed on a stock exchange and held in the INVESTMENT PORTFOLIOS, including securities in exchange traded products.
- 2.38. "SPONSOR" is Automated Outsourcing Services (Pty) Ltd.
- 2.39. "SPOUSE" shall mean a person who is the permanent life partner or spouse or civil union partner of a MEMBER in accordance with the Marriage Act, No. 68 of 1961, the Recognition of Customary Marriages Act, No. 120 of 1998 or the Civil Union Act, No. 17 of 2006 or the tenets of a religion.
- 2.40. "TRUSTEES" shall mean the TRUSTEES of the FUND from time to time in terms of the RULES, also known as the BOARD.
- 2.41. "VALUATOR" means an actuary who has been admitted as a fellow member of the Actuarial Society of South Africa or any other institution approved by the Minister by notice in the Gazette, or any other person who, in the opinion of the REGISTRAR, has sufficient actuarial knowledge to perform the duties required of a VALUATOR in terms of the ACT.

### **3. MEMBERSHIP**

#### **3.1. Commencement of membership**

3.1.1. The TRUSTEES shall have the sole discretion to delegate the function of acceptance of MEMBERSHIP to the ADMINISTRATOR. The ADMINISTRATOR, may approve, or not approve, the application for MEMBERSHIP.

3.1.2. On such person being admitted to participate in the FUND such person will become a MEMBER of the FUND with effect from the date on which the FUND receives the first contribution.

#### **3.2. Cessation of membership**

3.2.1 MEMBERSHIP of the FUND will cease once the FUND has paid the MEMBER an amount equal to its liability towards the MEMBER as contemplated in Rule 8 (purchase of an ANNUITY) and, if applicable, has paid any cash benefit to the MEMBER, or when the benefits accruing to the MEMBER have been transferred to another retirement ANNUITY fund, or on the death of the MEMBER.

## **4. CONTRIBUTIONS**

### **4.1. Recurring contributions and transfers**

- 4.1.1. The TRUSTEES may set a minimum contribution level (in respect of lump sum and regular contributions) from time to time and any such minimum contribution level which applies at the time of an application for MEMBERSHIP will be reflected in the MEMBER APPLICATION.
- 4.1.2. Subject to Rule 4.1.1, a MEMBER shall have the right at any time to make a contribution to the FUND in the form of a lump sum payment arising from a transfer of his interest in an approved pension fund or provident fund or retirement annuity fund or preserver fund or from his own funds. The ADMINISTRATOR has the right to accept or reject any application or additional investment or transfers to the FUND.
- 4.1.3. MEMBER contributions to the FUND shall cease on cessation of MEMBERSHIP or on the MEMBER'S earlier election to cease contributions.
- 4.1.4. A MEMBER who discontinues his recurring contributions prematurely shall be entitled to:



- 4.1.4.1. an ANNUITY (payable from the date on which he would have become entitled to the payment of an ANNUITY if he had continued his contributions) determined in relation to his actual contributions; or
- 4.1.4.2. be reinstated as a contributing MEMBER under conditions prescribed by the FUND; or
- 4.1.4.3. the payment of a lump sum benefit, where that MEMBER'S interest in the FUND is less than an amount determined by notice in the Gazette from time to time;
- 4.1.4.4. the payment of a lump sum benefit contemplated in paragraph 2(b)(ii) of the Second Schedule to the INCOME TAX ACT, 1962 where the MEMBER emigrated from the Republic and that emigration is recognised by the South African Reserve Bank for purposes of exchange control.

## **4.2. Application of contributions**

- 4.2.1. MEMBER contributions to the FUND must be deposited in the bank account of the FUND.
- 4.2.2. The TRUSTEES will make arrangements for the investment of the contributions and transfer values (less EXPENSES) in accordance with the MEMBER investment selection reflected in

the MEMBER APPLICATION or advised to the FUND in writing from time to time.

- 4.2.3. The TRUSTEES will maintain a record in respect of each individual MEMBER which will reflect all items of income and expenditure relative to the MEMBER INVESTMENT. A copy of such record will be available to the MEMBER on request.

## 5. ASSETS

- 5.1 The FUND accumulates the assets it requires to provide benefits to the MEMBER by securing SECURITIES in respect of each MEMBER.
- 5.2 Each MEMBER of the FUND shall select an INVESTMENT PORTFOLIO, limited to the portfolios made available by the TRUSTEES. The TRUSTEES shall set out the guidelines for when selection or reselection of the INVESTMENT PORTFOLIOS may take place and shall communicate this to the MEMBER. These guidelines shall include requirements as well as information regarding EXPENSES related to the relocation of assets attributable to such MEMBER from one INVESTMENT PORTFOLIO to another. The MEMBER accepts the investment risk accompanying his choice.
- 5.3 The MEMBER value is equal to the value of SECURITIES and or cash from time to time held by the FUND for the benefit of the MEMBER after the deduction of all applicable fees, costs and charges, including any early termination charges that may be applicable.
- 5.4 The FUND is the owner of SECURITIES purchased with the MEMBER contributions.

- 5.5 In the event that a MEMBER is unable or unwilling to make a selection in terms of the Rules, the TRUSTEES shall allocate the assets attributable to such MEMBER to a default portfolio elected by the TRUSTEES.
- 5.6 If a MEMBER does not respond to a request by the FUND to elect other investment options to ensure compliance with the ACT and regulations issued in terms thereof, the FUND reserves the right to change the allocation to and selection of SECURITIES to ensure compliance with the limits prescribed by the ACT and the Regulations.
- 5.7 The contributions of the MEMBER less all applicable fees, costs and charges, are used exclusively to invest in the INVESTMENT PORTFOLIO selected by the MEMBER.
- 5.8 The ADMINISTRATOR on behalf of the FUND levies the MEMBER INVESTMENT with administration charges from the MEMBER INVESTMENT PORTFOLIO in respect of each MEMBER at a rate approved by the TRUSTEES.
- 5.9 The TRUSTEES and the FUND reserve the right to direct investment instructions in respect of investment funds, including INVESTMENT PORTFOLIOS with offshore exposure that are closed for new business, to an alternative fund as chosen and approved by the TRUSTEES.
- 5.10. The SECURITIES so purchased will be administered by the ADMINISTRATOR.

- 5.11. Investments belonging to the FUND shall not vest in the name of an individual MEMBER or body of MEMBERS and shall always remain the property of the FUND.

## **6. RETIREMENT BENEFITS**

### **6.1 Retirement Date**

6.1.1 A MEMBER shall 30 days prior to the MEMBER'S RETIREMENT DATE notify the FUND in writing of his or her RETIREMENT DATE.

6.1.2 No MEMBER shall become entitled to the payment of an ANNUITY before he reaches the age of fifty-five years, except in the case of a MEMBER who has satisfied the TRUSTEES, based on medical evidence, that he has become permanently disabled, through infirmity of mind or body, of carrying on his occupation.

### **6.2 Benefit at retirement**

6.2.1 A MEMBER'S retirement benefit when he reaches his RETIREMENT DATE is an ANNUITY purchased with the proceeds of realisation of the MEMBER'S INVESTMENT held by the FUND in respect of the MEMBER.

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

## **7. DEATH BENEFITS**

### **7.1 Death benefits**

Upon the death of a MEMBER, there will be payable a lump sum death benefit equal to the MEMBER INVESTMENT, less any applicable tax.

### **7.2 Benefit payable upon death prior to retirement;**

7.2.1 if a MEMBER dies before becoming entitled to a retirement benefit in terms of Rule 6.

7.2.2 the MEMBER INVESTMENT held in respect of the MEMBER will be transferred to an interest bearing FUND bank account.

7.2.3 a DEPENDANT or BENEFICIARY/NOMINEE, as the case may be, may commute the whole or a portion of the value of the benefit to which he becomes entitled for a lump sum.

7.3 Subject to the prescriptions laid down by the FUND, a MEMBER may, in writing, designate a person (and revoke such as designation in writing) to receive the benefits at his death.

7.4 The benefits payable to the DEPENDANT and/or BENEFICIARY/NOMINEE of a deceased MEMBER in terms of provisions contained elsewhere in the RULES, shall, notwithstanding these provisions, be paid by the FUND as follows;

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

7.4.2 If within twelve months of the death of the MEMBER the FUND does not become aware of or cannot trace any DEPENDANT of the MEMBER and the MEMBER has designated in writing to the FUND a NOMINEE to receive the benefit or such portion of the benefit as is specified by the MEMBER in writing to the FUND, the benefit or such portion of the benefit shall be paid to such NOMINEE, provided that where the aggregate amount of the debts in the estate of the MEMBER exceeds the aggregate amount of the assets in the estate, so much of the benefit as is equal to such excess shall be paid into the estate and the balance of such benefit or the balance of such portion of the benefit shall be paid to the BENEFICIARY /NOMINEE.



7.4.3 If a MEMBER has a DEPENDANT and the MEMBER has also designated in writing to the FUND a BENEFICIARY /NOMINEE to receive the benefit or such portion of the benefit as is specified by the MEMBER in writing to the FUND, the FUND shall within twelve months of the death of such MEMBER pay the benefit or such portion thereof to such DEPENDANT or NOMINEE in such proportions as the TRUSTEES may deem equitable;

7.4.4 If within twelve months of the death of the MEMBER the FUND does not become aware of or cannot trace any DEPENDANT of the MEMBER and if the MEMBER has not designated a BENEFICIARY /NOMINEE or if the MEMBER has designated a NOMINEE to receive a portion of the benefit specified by the MEMBER in writing to the FUND, the benefit or the remaining portion of the benefit after payment to the designated BENEFICIARY /NOMINEE, shall be paid into the estate of the MEMBER or, if no inventory in respect of the MEMBER has been received by the Master of the Supreme Court in terms of section 9 of the Administration of Estates Act, 1965, into the Guardian's Fund.

7.5 Notwithstanding a contrary provision contained in the RULES, if the TRUSTEES, in their 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 TRUSTEES, may, subject to the Act, pay the benefit to a BENEFICIARY in one of the following ways:

7.5.1 to a trustee contemplated in the Trust Property Control Act, 1988, for the benefit of a BENEFICIARY;

- 7.5.2 where a BENEFICIARY is a minor, to the guardian of the BENEFICIARY, for the benefit of the BENEFICIARY, in the case of benefits and/or where a BENEFICIARY is contractually incapacitated, to the curator of the BENEFICIARY, for the benefit of the BENEFICIARY;
- 7.5.3 or to a registered beneficiary fund.
- 7.6 A decision of the TRUSTEES in terms of this Rule may be varied by the TRUSTEES, from time to time in the TRUSTEES sole discretion prior to the benefit being paid.
- 7.7 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.
- 7.8 Any benefit dealt with in terms of this Rule, payable to a minor DEPENDANT or minor BENEFICIARY/ NOMINEE, may be paid in more than one payment in such amounts as the TRUSTEES may from time to time consider appropriate and in the best interests of such DEPENDANT or BENEFICIARY/NOMINEE.
- 7.9 Any benefit dealt with in terms of this RULE, payable to a major DEPENDANT or major BENEFICIARY/ NOMINEE, may be paid in more than one payment if the DEPENDANT or BENEFICIARY/ NOMINEE has consented thereto in writing, provided that:
- 7.9.1 the amount of the payments, intervals of payment, interest to be added and other terms and conditions are disclosed in a written agreement; and

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

7.9.3 If the agreement contemplated above is cancelled, the full balance will be paid to the DEPENDANT or BENEFICIARY/ NOMINEE.

## **8. PURCHASE OF ANNUITY**

8.1 Upon a MEMBER, DEPENDANT or NOMINEE becoming entitled to an ANNUITY in terms of the RULES, the TRUSTEES shall apply the relevant MEMBER INVESTMENT (or the balance thereof after commutation, if applicable) to purchase an ANNUITY from an INSURER selected by the MEMBER, DEPENDANT or NOMINEE with the particular person as owner.

8.2 The FUND liability is limited to the conclusion of a contract with the INSURER for the payment of the ANNUITY directly to the MEMBER, DEPENDANT or NOMINEE.

8.3 After the FUND has applied the MEMBER INVESTMENT as contemplated above and, if applicable, paid any benefit direct to the MEMBER, DEPENDANT or NOMINEE, the FUND will have no further liability towards any of the above persons.

8.4 **Any ANNUITY payable to the MEMBER:**

8.4.1 shall be payable at least until the death of the MEMBER;

8.4.2 shall be non-commutable or unless the value is less than an amount determined by applicable legislation or determined by notice in the Gazette from time to time;

8.4.3 shall not be transferred, assigned, reduced, hypothecated or attached by creditors.

## **9. OPERATION AND MANAGEMENT OF THE FUND**

### **9.1 Constitution of BOARD of TRUSTEES**

9.1.1 The management, control and administration of the FUND shall vest in the TRUSTEES 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 TRUSTEE.

9.1.2 A Chairman is to be appointed from among the ranks of the BOARD MEMBERS. The Chairman will hold office for a maximum period of 12 (twelve) months unless otherwise agreed upon by the BOARD.

### **9.2 Appointment and removal of TRUSTEES**

The TRUSTEES are appointed by the SPONSOR. When a TRUSTEE ceases to hold office his successor shall be appointed by:

- 9.2.1 SPONSOR if he is not an INDEPENDENT TRUSTEE;
- 9.2.2 The remaining TRUSTEES if he is an INDEPENDENT TRUSTEE;
- 9.2.3 The TRUSTEE term of office shall cease:
  - 9.2.3.1 if he dies or if he resigns and gives written notice to this effect to the other TRUSTEES; or
  - 9.2.3.2 if he becomes incompetent to be a director of a company in terms of the Companies Act, 2008; or
  - 9.2.3.3 if the other TRUSTEES, after having given him notice in writing, discharge him from his office; or
  - 9.2.3.4 after the expiry of 1 (one) year from the date of appointment to the post.
- 9.2.4 A TRUSTEE whose term of office has ceased after the expiry of 1 (one) year may be re-appointed if he is willing and otherwise competent to hold office.
- 9.2.5 In the event of a TRUSTEE being temporarily unable to discharge his duties as TRUSTEE he shall appoint a

deputy to act in his stead. The appointment shall be subject to the approval of the other TRUSTEES. In the event of the deputy being absent the remaining TRUSTEES may appoint a temporary TRUSTEE to act during the period of absence of a TRUSTEE and his deputy. If at any time there are no TRUSTEES, The SPONSOR shall appoint new TRUSTEES.

### 9.3 **Meetings of the BOARD**

9.3.1 The TRUSTEES shall meet from time to time, at least once a year, to discuss and regulate the business of the FUND. Notice shall be given to all the TRUSTEES at least 15 (fifteen) days before a meeting. If all the TRUSTEES agree thereto, the notice period can be waived. The quorum which must consist of 4 (four) TRUSTEES and includes an INDEPENDENT TRUSTEE.

9.3.2 A TRUSTEE elected as chairperson or vice-chairperson serves in that capacity until the first TRUSTEE meeting after 1 (one) year has expired since his appointment in that position or until his tenure as TRUSTEE expires, whichever occurs first. At that meeting the TRUSTEES elect a new chairperson or vice-chairperson. An incumbent may make himself available for re-election.

9.3.2.1 At every meeting all matters for discussion shall be put to the vote and the majority vote shall be binding. In the case of equal division the chairperson of the meeting shall have a casting

vote in addition to his deliberative vote. Minutes of all meetings shall be kept.

9.3.2.2 A resolution in writing which has been signed by TRUSTEES or a resolution which has been sent by electronic mail to all the TRUSTEES and ratified by them shall be as valid as a resolution passed at a meeting of the BOARD.

9.3.2.3 All documents pertaining to the FUND and required to be signed on behalf of the FUND shall be signed by a person appointed by the BOARD.

9.3.2.4 The BOARD may lay down regulations with regard to the procedures of the TRUSTEES which may not be inconsistent with the RULES.

## **10 OPERATION OF THE FUND**

### **10.1 BOARD to direct and control FUND**

The object of the BOARD is to direct control and oversee the operations of the FUND in accordance with applicable laws and the RULES. In pursuing its object the BOARD shall -

- 10.1.1 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;
- 10.1.2 act with due care, diligence and good faith;
- 10.1.3 avoid conflicts of interest; and



10.1.4 act with impartiality in respect of all MEMBERS, DEPENDANTS and NOMINEES

## 10.2 **Duties of the BOARD**

10.2.1 The Duties of a BOARD shall be to:

10.2.1.1 ensure that proper registers, books and records of the operations of the FUND are kept, inclusive of proper minutes of all resolutions passed by the BOARD;

10.2.1.2 ensure that proper control systems are employed by or on behalf of the ADMINISTRATOR;

10.2.1.3 ensure that adequate and appropriate information is communicated to the MEMBERS of the FUND informing them of their rights, benefits and duties in terms of the RULES.

- 10.2.1.4 ensure that the RULES and the operations and administration of the FUND comply with the ACT and all other applicable laws;
- 10.2.1.5 obtain expert advice on matters in respect of which the BOARD may lack sufficient expertise;
- 10.2.1.6 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;
- 10.2.1.7 in consultation with the AUDITOR, take such measures as will ensure the efficient and secure operation of the banking account;
- 10.2.1.8 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;
- 10.2.1.9 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;

10.2.1.10 any agreement or document which is binding on the FUND or which authorises action on behalf of the FUND must be signed by such TRUSTEES and/or the PRINCIPAL OFFICER as are authorised by a BOARD resolution; provided that any documents to be deposited with the REGISTRAR shall be signed as prescribed in the ACT;

10.2.1.11 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.

### 10.3 **Powers of the BOARD**

10.3.1 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.

10.3.2 The BOARD shall cause such bank account to be opened in the name of the FUND and may, from time to time, authorise cheques, bills, electronic transfers or other documents relating to such accounts and pertaining to the FUND to be signed or endorsed by any authorised persons as they deem fit.

10.3.3 To acquire, hold, alienate or otherwise deal with any movable or immovable property of the FUND subject to the provisions of the ACT; provided that any immovable property acquired in excess of the FUND'S own requirements at any stage may be let.

10.3.4 The power of the BOARD in respect of the SECURITIES of the FUND will be limited to the selection of INVESTMENT PORTFOLIOS managed by the investment provider. The investment of the assets of the FUND in a particular portfolio will be made in accordance with the election of the MEMBERS of the FUND, provided that such election will be limited to such portfolios selected by the BOARD. In the event that a MEMBER fails to select a portfolio or portfolios, the assets attributable to the applicable MEMBER or MEMBERS of the FUND will be allocated to a default portfolio selected by the BOARD.

10.3.5 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:-

10.3.5.1 a subcommittee of such of their number as they nominate;

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

- 10.3.5.3 a person approved in terms of the Financial Advisory and Intermediary Services Act, 2002.
- 10.3.6 The BOARD will not be liable for the negligence, dishonesty or fraud of an institution or person referred to in the above paragraph.
- 10.3.7 To raise, borrow or lend monies, at interest or otherwise, for the purposes of the FUND; provided that the borrowing shall be limited to temporary loans for bridging unforeseen cash shortages or for taking advantage of attractive investment opportunities.
- 10.3.8 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.
- 10.3.9 To make, amend and rescind policies and procedures in respect of a matter concerning the FUND, provided that such policies and procedures do not conflict with the RULES, the ACT, or the INCOME TAX ACT.
- 10.3.10 To amend the RULES of the FUND.
- 10.3.11 The BOARD will be entitled, in its absolute discretion, to make any arrangements for the administration of the FUND

and in this regard shall appoint the ADMINISTRATOR. The BOARD must ensure that the ADMINISTRATOR is registered in terms of section 13B of the ACT and must enter into an administration agreement which complies with any BOARD Notices or Directives issued in terms of the ACT.

- 10.3.12 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.
  
- 10.3.13 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.
  
- 10.3.14 To delegate the exercise of any of their powers and the performance of any of their functions to a sub-committee or any other person or persons, subject to a written mandate and conditions that they may determine and provided such delegation is lawful and consistent with the exercise of its fiduciary obligations. The BOARD is entitled to defray expenses incurred as a result of such delegation out of the monies of the FUND.

- 10.3.15 The BOARD shall invest the contributions and or transfer benefit received on behalf of the MEMBER in INVESTMENT PORTFOLIOS according to the instructions of the MEMBER and the MEMBER accepts the investment risks accompanied by his choice.
- 10.3.16 The costs pertaining to a MEMBER choice of investments, will be recouped by the BOARD from the MEMBER'S individual fund value. The ADMINISTRATOR and TRUSTEES may negotiate the administration fees from time to time.
- 10.3.17 The TRUSTEES and their assignees shall be obliged and be competent to perform all acts as may be necessary for or incidental to the execution of the objectives of the FUND; but no act of the TRUSTEES may be inconsistent with the provisions of the RULES.
- 10.3.18 To take, generally, such steps as are, in their discretion, conducive to the attainment of the objects of the FUND.
- 10.3.19 To create such contingency reserve accounts as may be required by the ACT or as the BOARD believe are necessary and to invest and deal with any balance in such contingency reserve accounts as they may deem expedient, regard being had to the RULES.

#### 10.4 **Appointment of PRINCIPAL OFFICER**

- 10.4.1 The TRUSTEES shall appoint a PRINCIPAL OFFICER who shall be charged with the duties and responsibilities set out in the ACT, the RULES and the directions of the BOARD and whose appointment is subject to approval of the REGISTRAR.
- 10.4.2 The BOARD shall notify the REGISTRAR, in writing, of the name of the PRINCIPAL OFFICER within 30 (thirty) days of the appointment of the PRINCIPAL OFFICER.
- 10.4.3 Should the PRINCIPAL OFFICER be absent from the Republic of South Africa for more than 30 (thirty) days or be otherwise unable to perform his duties, the TRUSTEES shall appoint another person to act as PRINCIPAL OFFICER in his absence.

## 10.5 **Financial Records, Audit and Valuation**

- 10.5.1 The TRUSTEES shall cause to be maintained and prepared in respect of each FINANCIAL YEAR of the FUND such financial records and statements as are required in terms of any applicable law.
- 10.5.2 The TRUSTEES shall appoint and may remove AUDITORS to the FUND and shall cause the annual financial statements of the FUND to be audited by such AUDITORS. The AUDITORS shall have access to all books, accounts, vouchers and other documents pertaining to the FUND and



must certify the result of each audit in the form of a balance sheet as at the end of each FINANCIAL YEAR.

10.5.3 The TRUSTEES shall appoint (and may remove) a VALUATOR for the FUND as contemplated in the ACT.

## 10.6 Auditor and Valuator

10.6.1 Subject to the approval of the REGISTRAR, the BOARD shall appoint an AUDITOR. Each such appointment shall remain in force for the duration of the FUND YEAR unless the AUDITOR is discharged by the BOARD or personally relinquishes the appointment prior to the expiry of such period.

10.6.2 The REGISTRAR must be informed of the appointment of any new AUDITOR within 30 (thirty) days of the appointment.

10.6.3 The AUDITOR shall have:

10.6.3.1 the right, at all reasonable times, to see and make copies of all accounting records and all books, vouchers, accounts and other documents pertaining to the FUND;

- 10.6.3.2 the right to obtain from the BOARD or the ADMINISTRATOR all information and explanations that he thinks are necessary;
- 10.6.3.3 the right to investigate whether there are adequate measures and procedures to ensure that the FUND operates in a sound, cost effective and cost efficient way;
- 10.6.3.4 the right to investigate any aspect of the management of the FUND, which has a bearing on the control, use, and expenditure of FUND assets;
- 10.6.3.5 within 6 (six) months after each FUND YEAR, the AUDITOR must prepare and submit to the BOARD statements of the FUND financial affairs in accordance with the ACT. The statements must state whether, in the opinion of the AUDITOR;
- 10.6.3.6 the statements, in all material respects, fairly present the financial position of the FUND in accordance with generally accepted accounting practice;
- 10.6.3.7 all transactions during the financial year in question of which the AUDITOR is aware, took place in accordance with the RULES, all applicable laws, and guidelines previously

recommended by the AUDITOR for the proper management of the FUND'S assets;

10.6.3.8 the AUDITOR shall certify in writing the result of each audit; and

## 10.7 **Actuary**

10.7.1 Subject to the approval of the REGISTRAR and other requirements of the ACT, the BOARD shall appoint an actuary, if necessary, who shall be the VALUATOR of the FUND in terms of the ACT. Such appointment shall remain in force until terminated by the TRUSTEES or relinquished by the actuary.

10.7.2 The REGISTRAR must be informed of the appointment of any new actuary within 30 (thirty) days of the appointment.

10.7.3 The actuary shall have:

10.7.3.1 the right, at all reasonable times, to see and make copies of all accounting records and all books, vouchers, accounts and other documents pertaining to the FUND;

10.7.3.2 the right to obtain from the BOARD or the ADMINISTRATOR all information and explanations that he thinks are necessary;

10.7.3.3 the right to investigate whether there are adequate measures and procedures to ensure that the FUND operates in a sound, cost effective and cost efficient way; and

10.7.3.4 the right to investigate any aspect of the management of the FUND, which has a bearing on the control, use, and expenditure of FUND assets.

## 10.8 **Actuarial Valuations**

10.8.1 The BOARD shall keep such registers and records, and make the same available to the VALUATOR, to enable him to undertake an actuarial valuation of the FUND at any time.

## 10.9 **Personal Liability**

10.9.1 The TRUSTEES and their assignees shall not be liable personally for any loss that the MEMBERS or their DEPENDANTS may suffer as a result of their actions, provided the action was in accordance with the provisions of the RULES and the loss did not arise from their negligence, dishonesty or fraud.

## 10.10 **Fidelity Insurance and Professional Indemnity Cover**

### 10.10.1 The BOARD shall –

10.10.1.1 ensure that fidelity and professional indemnity cover is obtained and maintained for such an amount as the BOARD regards as sufficient, at the FUND'S expense, against loss resulting from negligence, dishonesty or fraud of any of its TRUSTEES, officers, or any person to whom they have delegated their functions;

10.10.1.2 require that the ADMINISTRATOR and investment provider and any other third party who takes into its possession or administers any money or assets belonging to the FUND effect and maintain insurance to indemnify the FUND adequately against loss resulting from the negligence, dishonesty or fraud of any person employed or acting on behalf of any such party;

10.10.1.3 ensure that all areas of business risk are identified and that insurance, where appropriate, is effected to protect the FUND against such risks.

## 10.11 **Payments to BOARD**

- 10.11.1 The BOARD MEMBERS will receive from the FUND a refund of the reasonable expenses incurred by them, if any, on behalf of the FUND in accordance with the policies set by the BOARD from time to time and these expenses shall be approved by the BOARD prior to payment.
  
- 10.11.2 In addition, the INDEPENDENT TRUSTEE 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.
  
- 10.11.3 The payments referred to above will be regarded as expenses within the meaning of Rule 2.19 as defined under expenses.
  
- 10.11.4 The BOARD will determine the remuneration, if any, to be paid to TRUSTEES and/or any official, or consultant to the FUND, and to pay them out of the monies of the FUND.

## **11 MISCELLANEOUS PROVISIONS**

### **11.1 Mode of payment of benefits**

11.1.1 The TRUSTEES will be entitled to request any documentation prescribed by it as satisfactory proof as to the identity and right of a MEMBER, BENEFICIARY/NOMINEE, DEPENDANT to a benefit before payment of a benefit is made to such MEMBER, BENEFICIARY/NOMINEE, DEPENDANT.

11.1.1.1 If a benefit becomes payable in terms of the RULES and the RULES do not require elsewhere that the benefit be paid in the form of a lump sum or an ANNUITY the FUND shall, notwithstanding any provision to the contrary, come to an agreement with the MEMBER, DEPENDANT or NOMINEE, to make payment of the benefit in some other manner, provided that this will not include payment in cash;

11.1.1.2 If no agreement has been reached after three months the TRUSTEES will decide whether the benefit shall be paid by way of a lump sum or an ANNUITY.

11.1.1.3 Payment of the benefit will be made at the FUND'S registered head office address by electronic funds transfer. If a MEMBER or BENEFICIARY or NOMINEE wishes payment to be made by cheque, such MEMBER or BENEFICIARY or NOMINEE will accept the risk thereof.

## 11.2 **Benefits inalienable**

11.2.1 Save to the extent permitted by the ACT, the RULES, the INCOME TAX ACT, and the Maintenance Act, 1998, and Divorce Act 1979, no benefit provided for in the RULES (including an ANNUITY purchased or to be purchased by the FUND from an INSURER for a MEMBER), or right to such benefit, or right in respect of contributions made by or on behalf of a MEMBER, shall be capable of being reduced, transferred or otherwise ceded, or of being pledged or hypothecated, or be subject to attachment or any form of execution under a judgment or order of a court of law, or to the extent of not more than R3000 (three thousand rand per annum, be capable of being taken into account in a determination of a judgment debtor's financial position in terms of section 65 of the Magistrates' Courts Act, 1944 as amended from time to time, and in the event of the MEMBER or BENEFICIARY concerned attempting to transfer or otherwise cede or to pledge or hypothecate such



benefit or right, the FUND may withhold or suspend payment of it.

11.2.2 If the estate of any person entitled to a benefit payable in terms of the RULES is sequestrated or surrendered, such benefit shall not be deemed to form part of the assets in the insolvent estate of that person and may not in any way be attached or appropriated by the TRUSTEE in his insolvent estate or by his creditors.

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

### 11.3 **Unclaimed benefits**

11.3.1 If a MEMBER, BENEFICIARY/NOMINEE does not claim monies payable to him within 2 (two) years of the date of such monies becoming payable, other than in the case of death benefits payable the monies will be paid into the Guardians Fund or such other unclaimed benefits fund.

11.3.2 Any costs incurred by the Board on behalf of the FUND as a consequence of tracing of MEMBER or BENEFICIARIES may be recovered from the MEMBER INVESTMENT value.

### 11.4 **Currency**

All amounts payable to or by the FUND in terms of the RULES shall be payable in the currency of the Republic of South Africa.

#### **11.5 Disposition of benefits upon divorce**

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.

In the event of the FUND being furnished with a valid court order the FUND shall on the date the order is received reduce the MEMBERS investment value by the amount assigned in terms of these Rules and the ACT.

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 pension 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.

#### **11.6 Tax**

Should BENEFITS payable in terms of the RULES be, at any time subject to the payment of tax, in whatever form by a duly authorised taxing authority, such tax shall be deducted from any benefit payable in terms of these RULES.

#### **11.7 Transfers from other funds**

Subject to the provisions of the ACT, should such provision be applicable a MEMBER may transfer an amount to the FUND from such approved fund as maybe be permitted in terms of the rules of the fund and by legislation.

**11.8 Transfers to another fund**

Subject to the written request of a MEMBER and subject to the provisions of the RULES and the ACT, the TRUSTEES may, within a reasonable period of receiving the MEMBER written request, transfer the MEMBER INVESTMENT to another APPROVED RETIREMENT ANNUITY FUND.

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

11.9.1 Notwithstanding anything to the contrary contained elsewhere in these RULES, the TRUSTEES shall, within a reasonable waiting period from the date on which the TRUSTEE 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 INVESTMENT to a bank account in the name of the FUND or registered INSURER.

11.9.2 Any reference to MEMBER INVESTMENT shall refer to that amount as at the date of transfer to the bank account.

11.9.3 Interest earned on the amount referred to in will form part of the MEMBER INVESTMENT return.

#### 11.10 **Proof of claims**

The FUND shall not be obliged to grant any benefit unless it is satisfied with regard to the age of the MEMBER and with regard to any other circumstance which it considers relevant to the benefit and for which it requested proof or information.

#### 11.11 **Binding force of the RULES**

The RULES shall bind the MEMBER, the FUND and its officials and anyone who lays a claim in terms of the RULES or anyone whose claim is derived from the aforesaid claim.

#### 11.12 **Confidentiality of information**

11.12.1 The TRUSTEES, the ADMINISTRATOR, are entitled to such information as they may reasonably require for the fulfilment of their responsibility in terms of these RULES.

11.12.2 The aforementioned may only use such information for the administration and management of the FUND and they may not disclose any information to any person or body other than office bearers, employees or agents of the FUND.

#### 11.13 **Complaints**

11.13.1 Any complaint which may arise between the TRUSTEES and the MEMBERS in regard to claims against the FUND or the interpretation of these RULES will be decided by the TRUSTEES provided that such decision is not inconsistent with these RULES.

11.13.2 Such a complaint shall be properly considered and replied to in writing by either the PRINCIPAL OFFICER or TRUSTEES within Thirty (30) days after receipt of such complaint.

11.13.3 If the MEMBER is not satisfied with the reply received, or if no reply is received from the PRINCIPAL OFFICER or the TRUSTEES, the MEMBER will be entitled to lodge a complaint with the ADJUDICATOR.

#### **11.14 Inspection of and copies of documents of the Fund**

The RULES, valuation report, if any and the latest financial statements of the FUND shall be open for inspection by MEMBERS at any reasonable time and they may, at a fee determined by the FUND, obtain copies of the RULES.

#### **11.15 Registration and approval of FUND**

11.15.1 The TRUSTEES shall apply for registration of the FUND in accordance with the provisions of the ACT and shall apply to the REVENUE SERVICE for the approval of the FUND

as a retirement annuity fund in terms of the INCOME TAX ACT.

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

#### 11.16 **Amendments of the RULES**

11.16.1 The TRUSTEES may at any time amend the RULES in accordance with the requirements of the ACT, provided that:

11.16.1.1 the accrued rights and benefits in MEMBERS shall not be affected to their disadvantage;

11.16.1.2 the amendment is not inconsistent with the provisions of the ACT or the INCOME TAX ACT or any other applicable laws;

11.16.1.3 the ACTUARY certifies that any amendment having a financial impact on the FUND does not affect the financial soundness of the FUND.

11.16.2 The limitations above shall not apply to amendments that are required to give effect to a scheme approved by the

REGISTRAR in terms of the ACT to restore the FUND to financial soundness.

11.16.3 The TRUSTEES shall submit any amendment to the RULES to the REGISTRAR and the REVENUE SERVICES in writing, for approval.

## 11.17 Termination

11.17.1 FUND may be wound up if –

11.17.1.1 the TRUSTEES resolves that it should be wound up; or a court of competent jurisdiction determines that it be wound up.

11.17.1.2 Should the FUND be terminated or dissolved under section 28 of the ACT, all monies remaining unclaimed for a period of 6 (six) months from the date on which payment of benefits commenced after completion of all necessary formalities, shall be paid into the Guardian's Fund or any fund established in terms of any law for the receipt of unclaimed benefits for the account of the MEMBER concerned and thereafter there shall be no claim against the FUND.

11.17.1.3 Expiry of AGREEMENT - reasons for, and necessary actions by BOARD In the event of the expiry of the AGREEMENT by effluxion of time or for any other cause, the BOARD shall continue to administer the Fund and may make such

arrangements or enter into such AGREEMENTS as may be necessary for continuing the Fund under modified conditions, or dispose of the assets for the benefit of its MEMBERS in accordance with the advice of the VALUATOR; provided that in no case shall any assets, or any part thereof, be refunded to the EMPLOYERS.

#### 11.17.1.4 Winding up - appointment of liquidator

In the event of the discontinuance of contributions to the Fund, the BOARD shall appoint a liquidator, whose Appointment shall be subject to the approval of the REGISTRAR.

#### 11.17.1.5 Winding up - liquidator's obligations

Partial winding up: The liquidator shall realise the assets of the Fund and shall apportion the proceeds amongst the MEMBERS on a basis recommended by the VALUATOR and approved by the liquidator. In making such apportionment the liquidator shall include each former MEMBER whose membership ceased during the period of twelve months ending on the date of commencement of liquidation but shall reduce the amount of such person's apportionment by the amount of his benefit on cessation of membership. The liquidator shall then pay each beneficiary the amount of his benefit in cash. Should a person to whom an amount is payable cannot be traced; the amount referred to above shall be paid to the Guardian's Fund.



11.17.1.6 Any EMPLOYER may, for any reason whatsoever, give notice in writing to the BOARD of its intention to cease its participation as an EMPLOYER in the Fund. In such case the provisions of Rule 11 above shall apply; provided, that part of the Fund which is to be liquidated in terms of the ACT shall be limited to the total assets and liabilities attributable to the MEMBERS related to the withdrawing EMPLOYER as determined by the liquidator in consultation with the VALUATOR.

## **11.18 Amalgamation of FUND**

11.18.1 The TRUSTEES has the right to amalgamate the business of the FUND with any other APPROVED RETIREMENT ANNUITY FUND on condition that:

11.18.1.1 the other fund's objectives are similar to those of the FUND; and the benefits provided by the other fund are not less than those provided by the FUND; and

11.18.1.2 the REGISTRAR and the Commissioner for the South African Revenue Service agree to the amalgamation.