

RULES

OF THE

COLUMBUS RETIREMENT FUND

(Registration Number 12/8/33171)

Effective 1 November 2021

**RULES OF THE
COLUMBUS RETIREMENT FUND
12/8/33171**

The BOARD of the Columbus Retirement Fund (Pension Section) (Registration Number 12/8/33170) and the Columbus Retirement Fund (Provident Section) (Registration Number 12/8/33171) has, at a virtual Board meeting on 6 October 2021 and Board Meetings on 28 March 2022, 20 June 2022, and 8 December 2022 resolved that, subject to the approval of the Financial Sector Conduct Authority and the provisions of the Pension Funds Act, 24 of 1956:

- 1) the Columbus Retirement Fund (Pension Section) and the Columbus Retirement Fund (Provident Section) be amalgamated into the Columbus Retirement Fund (Provident Section) and that the amalgamated fund be renamed as the Columbus Retirement Fund ("the FUND") and
- 2) the RULES of the Columbus Retirement Fund (Pension Section), including RULE Amendment 1 to RULE Amendment 8, and the RULES of the Columbus Retirement Fund (Provident Section), including RULE Amendment 1 to RULE Amendment 8, be substituted with effect from 1 November 2021 by these RULES.

The reason for this RULE Amendment is to:

Consolidate the existing RULES of the Columbus Retirement Fund (Pension Section) and the Columbus Retirement Fund (Provident Section), with all the previous RULE Amendments, into the RULES of the Columbus Retirement Fund (Provident Section), and revise the RULES in terms of the latest legislation, and rename the Columbus Retirement Fund (Provident Section) to the Columbus Retirement Fund.

**RULES OF THE
COLUMBUS RETIREMENT FUND
12/8/33171**

It is certified that the above resolution has been adopted in accordance with the provisions of the RULES of the FUND.

CHAIRPERSON OF THE BOARD:

<p>JL Strydom</p> <hr/> <p>NAME AND SURNAME</p>	 <p>Johannes Lafras Strydom 30/01/2023 09:58:47(UTC+02:00) Signed by Johannes Lafras Strydom, strydom.johan@columbus.co.za</p> <hr/> <p>SIGNATURE</p>
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BOARD MEMBER:

<p>Fernando Miguel Freire</p> <hr/> <p>NAME AND SURNAME</p>	 <p>Fernando Miguel Freire 23/01/2023 08:33:44(UTC+02:00) Signed by Fernando Miguel Freire, freire.miguel@columbus.co.za</p> <hr/> <p>SIGNATURE</p>
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BOARD MEMBER:

<p>Alec Robert Russell</p> <hr/> <p>NAME AND SURNAME</p>	<p><i>Alec Robert Russell</i></p> <p>Alec Robert Russell 23/01/2023 10:48:10(UTC+02:00) Signed by Alec Robert Russell, russell.alec@columbus.co.za</p> <hr/> <p>SIGNATURE</p>
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PRINCIPAL OFFICER:

<p>Johan H Hartzenberg</p> <hr/> <p>NAME AND SURNAME</p>	<p>Johan H Hartzenberg</p> <p>Johan H Hartzenberg 23/01/2023 15:26:08(UTC+02:00) Signed by Johan H Hartzenberg, AM-CRF@outlook.com</p> <hr/> <p>SIGNATURE</p>
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Columbus Retirement Fund (Registration Number 12/8/33171)
Rules with effect from 1 November 2021

JHH

I certify that the revision of the RULES of the FUND, which is effective from 1 November 2021 will not adversely affect the financial soundness of the FUND.

Tommie Doubell
 Tommie Doubell
 31/01/2023 12:28:44(UTC+02:00)
 Signed by Tommie Doubell,
 tdoubell@sng-argen.com

Tommie Doubell
VALUATOR

Date

Fellow of the Actuarial Society of South Africa and the Institute and Faculty of Actuaries.

In my capacity as the valuator of the FUND and as an employee of SNG ARGEN Actuarial Solutions

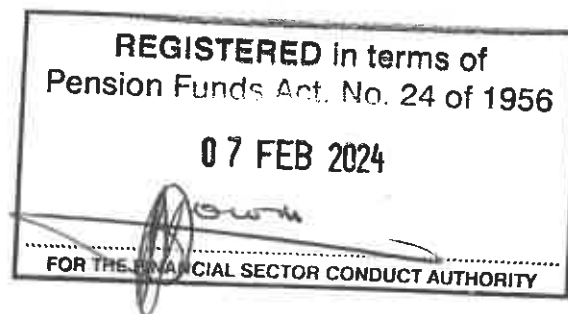


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RULES OF THE COLUMBUS RETIREMENT FUND

1. NAME AND COMMENCEMENT

The Columbus Retirement Fund (Provident Section) was established on 1 April 1995. On 1 January 2013, the RULES of the Fund were consolidated and revised. From 1 November 2021, the Columbus Retirement Fund (Pension Section) and the Columbus Retirement Fund (Provident Section) were amalgamated into the Columbus Retirement Fund (Provident Section), and the amalgamated fund was renamed the Columbus Retirement Fund ("the FUND"). The RULES of the Columbus Retirement Fund (Pension Section) and the Columbus Retirement Fund (Provident Section) were consolidated and revised into these RULES of the FUND.

2. OBJECTIVES

The object of the FUND is to provide benefits for MEMBERS upon and during their retirement and for their BENEFICIARIES upon the MEMBER's death.

3. LEGAL STATUS

The FUND is a juristic person with perpetual succession and, as such, has the legal capacity and powers which are enjoyed in law by a person of full legal capacity, including the capacity and power to sue and be sued, conclude agreements, acquire, own, hypothecate, hire, let and alienate property, movable or immovable, corporeal and incorporeal, do such things as may be necessary or desirable for the achievement of its mission and the carrying out of its functions and duties; and to exercise any powers incidental to the above powers.

4. REGISTERED OFFICE

The FUND's registered office is Room 2, Office Block D, Columbus Stainless, Off Hendrina Road, Middelburg, Mpumalanga, 1050.

5. INTERPRETATION AND DEFINITIONS

5.1 Interpretation

5.1.1 In the RULES, unless inconsistent with the context or a contrary intention appears:

- (a) words and expressions defined in the ACT and not in the RULES will bear the meanings assigned to them in the ACT;
- (b) words and expressions importing one gender will include the other gender;
- (c) words and expressions denoting the singular number will include the plural and vice versa; and
- (d) references to a natural person will include a juristic person and vice versa.
- (e) The headings are solely for ease of reference and will not be considered in the interpretation of the RULES.

5.2 Definitions

The following words and expressions bear the meanings assigned to them below, and cognate expressions have corresponding meanings, namely:

ACT means the Pension Fund Act, 1956, the regulations and conditions promulgated in terms of the Pension Funds Act, 1956, including any amendments effective from time to time and any directive issued in terms of Section 33A of the Pension Funds Act, 1956;

ACTUARY means the actuary appointed by the BOARD in terms of RULE 10.1.1 who is admitted as a fellow member of the Actuarial Society of South Africa, or any other institution approved by the Minister of Finance by notice in the Government Gazette;

AD HOC EXPENSES means the cost of Financial Sector Conduct Authority levies, audit fees, bank charges, professional indemnity and fidelity guarantee insurance for the BOARD and any other costs of the FUND which cannot be pre-determined and are not payable on a regular monthly or annual basis, provided that expenses referred to in RULES 13.1 and 13.3 are excluded;

ADJUDICATOR means the Pension Funds Adjudicator appointed in terms of Section 30C (1) of the ACT;

ADMINISTRATION EXPENSES means the cost of the management and administration of the FUND by the ADMINISTRATOR and other service providers, including any costs for actuarial or consultancy services;

ADMINISTRATOR means the entity appointed by the BOARD in terms of RULE 6.8.10 to attend to the FUND's day by day administration, provided that the ADMINISTRATOR is registered in terms of Section 13B of the ACT;

ANNUAL RISK BENEFIT SALARY means the annualised PENSIONABLE SALARY of a MEMBER without any reductions if a MEMBER is temporarily absent from SERVICE with the consent of the EMPLOYER;

ANNUITY means a compulsory non-commutable annuity payable for and based on the lifetime of the retiring MEMBER or DEFERRED RETIREE and their spouse (if the MEMBER or DEFERRED RETIREE elects a spouse's annuity), 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. And provided that this may, subject to the requirements of the SARS, include a Living Annuity;

APPROVED FUND means a fund registered in terms of the ACT and approved as a pension fund, provident fund, pension preservation fund, provident preservation fund or retirement annuity fund by the SARS;

AUDITOR means the auditor appointed by the BOARD in terms of RULE 10.2.1 who must be registered under the Auditing Profession Act, 2005;

BENEFICIARY means a person who is entitled to benefits in terms of the RULES;

BENEFICIARY FUND means an association of persons or businesses continued under a scheme or arrangement established with the object of receiving, administering, investing, and paying benefits, referred to in Section 37C of the ACT, on behalf of BENEFICIARIES, payable on the death of a MEMBER of the FUND and the members of any other APPROVED FUND;

BOARD means the BOARD of Trustees of the FUND constituted in terms of RULE 6.1;

BOARD MEMBER means a person who has been appointed or elected to serve as a member of the BOARD in terms of RULE 6.2;

CATEGORY 1 MEMBER means a MEMBER who has elected in terms of RULE 12.1.1 to contribute to the FUND at the rate of five-point zero percent (5.0%) of PENSIONABLE SALARY;

CATEGORY 2 MEMBER means a MEMBER who has elected in terms of RULE 12.1.1 to contribute to the FUND at the rate of five-point five percent (5.5%) of PENSIONABLE SALARY;

CATEGORY 3 MEMBER means a MEMBER who has elected in terms of RULE 12.1.1 to contribute to the FUND at the rate of six-point zero percent (6.0%) of PENSIONABLE SALARY;

CATEGORY 4 MEMBER means a MEMBER who has elected in terms of RULE 12.1.1 to contribute to the FUND at the rate of six-point five percent (6.5%) of PENSIONABLE SALARY;

CATEGORY 5 MEMBER means a MEMBER who has elected in terms of RULE 12.1.1 to contribute to the FUND at the rate of seven-point zero percent (7.0%) of PENSIONABLE SALARY;

CATEGORY 6 MEMBER means a MEMBER who has elected in terms of RULE 12.1.1 to contribute to the FUND at the rate of seven-point five percent (7.5%) of PENSIONABLE SALARY;

CATEGORY 7 MEMBER means a MEMBER who has elected in terms of RULE 12.1.1 to contribute to the FUND at the rate of eight-point zero percent (8.0%) of PENSIONABLE SALARY;

CATEGORY 8 MEMBER means a MEMBER who has elected in terms of RULE 12.1.1 to contribute to the FUND at the rate of eight-point five percent (8.5%) of PENSIONABLE SALARY;

CATEGORY 9 MEMBER means a MEMBER who has elected in terms of RULE 12.1.1 to contribute to the FUND at the rate of nine-point zero percent (9.0%) of PENSIONABLE SALARY;

CATEGORY 10 MEMBER means a MEMBER who has elected in terms of RULE 12.1.1 to contribute to the FUND at the rate of nine-point five percent (9.5%) of PENSIONABLE SALARY;

CATEGORY 11 MEMBER means a MEMBER who has elected in terms of RULE 12.1.1 to contribute to the FUND at the rate of ten-point zero percent (10.0%) of PENSIONABLE SALARY;

CATEGORY 12 MEMBER means a MEMBER who has elected in terms of RULE 12.1.1 to contribute to the FUND at the rate of ten-point five percent (10.5%) of PENSIONABLE SALARY;

CATEGORY 13 MEMBER means a MEMBER who has elected in terms of RULE 12.1.1 to contribute to the FUND at the rate of eleven-point zero percent (11.0%) of PENSIONABLE SALARY;

CATEGORY 14 MEMBER means a MEMBER who has elected in terms of RULE 12.1.1 to contribute to the FUND at the rate of eleven-point five percent (11.5%) of PENSIONABLE SALARY;

CATEGORY 15 MEMBER means a MEMBER who has elected in terms of RULE 12.1.1 to contribute to the FUND at the rate of twelve-point zero percent (12.0%) of PENSIONABLE SALARY;

CATEGORY 16 MEMBER means a MEMBER who has elected in terms of RULE 12.1.1 to contribute to the FUND at the rate of twelve-point five percent (12.5%) of PENSIONABLE SALARY;

CATEGORY 17 MEMBER means a MEMBER who has elected in terms of RULE 12.1.1 to contribute to the FUND at the rate of thirteen-point zero percent (13.0%) of PENSIONABLE SALARY;

CATEGORY 18 MEMBER means a MEMBER who has elected in terms of RULE 12.1.1 to contribute to the FUND at the rate of thirteen-point five percent (13.5%) of PENSIONABLE SALARY;

CATEGORY 19 MEMBER means a MEMBER who has elected in terms of RULE 12.1.1 to contribute to the FUND at the rate of fourteen-point zero percent (14.0%) of PENSIONABLE SALARY;

CATEGORY 20 MEMBER means a MEMBER who has elected in terms of RULE 12.1.1 to contribute to the FUND at the rate of fourteen-point five percent (14.5%) of PENSIONABLE SALARY;

CATEGORY 21 MEMBER means a MEMBER who has elected in terms of RULE 12.1.1 to contribute to the FUND at the rate of fifteen-point zero percent (15.0%) of PENSIONABLE SALARY;

CATEGORY 22 MEMBER means a MEMBER who has elected in terms of RULE 12.1.1 to contribute to the FUND at the rate of fifteen-point five percent (15.5%) of PENSIONABLE SALARY;

CATEGORY 23 MEMBER means a MEMBER who has elected in terms of RULE 12.1.1 to contribute to the FUND at the rate of sixteen-point zero percent (16.0%) of PENSIONABLE SALARY;

CATEGORY 24 MEMBER means a MEMBER who has elected in terms of RULE 12.1.1 to contribute to the FUND at the rate of sixteen-point five percent (16.5%) of PENSIONABLE SALARY;

CATEGORY 25 MEMBER means a MEMBER who has elected in terms of RULE 12.1.1 to contribute to the FUND at the rate of seventeen-point zero percent (17.0%) of PENSIONABLE SALARY;

CATEGORY 26 MEMBER means a MEMBER who has elected in terms of RULE 12.1.1 to contribute to the FUND at the rate of seventeen-point five percent (17.5%) of PENSIONABLE SALARY;

DEFAULT ANNUITY STRATEGY means a strategy, as determined by the BOARD, setting out how a MEMBER'S retirement savings may be applied;

DEFAULT INVESTMENT OPTION/PORTFOLIO means an INVESTMENT OPTION OR PORTFOLIOS chosen by the BOARD to be the investment vehicle/s for that portion of the FUND'S assets which is not subject to an investment choice decision by a MEMBER, NON-CONTRIBUTING MEMBER or PENSIONER;

DEFERRED RETIREE means a MEMBER who has retired from SERVICE in terms of RULES 16.3, 16.4 and 16.5 and elected that their retirement benefit shall remain in the FUND until the ELECTION DATE. RULES 16.3, 16.4 and 16.5 shall apply to a DEFERRED RETIREE.

DEPENDANT in relation to a MEMBER means:

- (a) a person for whom the MEMBER is legally liable for maintenance;
- (b) a person for whom the MEMBER is not legally liable for maintenance, if such person –
 - (i) was, in the opinion of the BOARD, upon the death of the MEMBER, dependent on the MEMBER for maintenance;

- (ii) was the spouse of the MEMBER, which includes a person who was the permanent life partner or spouse or civil union partner of the MEMBER in accordance with the Marriage Act, 1961, the Recognition of Customary Marriages Act, 1998, the Civil Union Act, 2006, or the tenets of a religion;
- (iii) was a child of the MEMBER, including a posthumous child, an adopted child and a child born out of wedlock;
- (iv) a person in respect of whom the MEMBER would have become legally liable for maintenance, had the MEMBER not died;

ELECTION DATE means the date on which a MEMBER, a PAID-UP MEMBER, or a DEFERRED RETIREE elects to receive their benefits payments in terms of RULES 16.3, 16.4, 16.5 or 16.11. This must be the same date that they become entitled to their benefits from the FUND, or later.

ELIGIBLE EMPLOYEE means a full time, permanent employee in SERVICE;

EMPLOYER means the PRINCIPAL EMPLOYER and its subsidiaries and organisations that participate in the FUND. An EMPLOYER who withdraws from the FUND in terms of RULE 17.11 will cease to be an EMPLOYER;

FINANCIAL YEAR means the twelve (12) month period commencing on 1 January each year and ending on 31 December of the same year;

FINANCIAL YEAR END means 31 December;

FSCA means the Financial Sector Conduct Authority;

FUND means the Columbus Retirement Fund;

FUND CREDIT in relation to a MEMBER or NON-CONTRIBUTING MEMBER at any date, means the sum of:

- (a) the value of the units in INVESTMENT ACCOUNT 1 VESTED;
plus
- (b) the value of the units in INVESTMENT ACCOUNT 2 VESTED;
plus
- (c) the value of the units in INVESTMENT ACCOUNT 3 VESTED
(if any); plus
- (d) the value of the units in INVESTMENT ACCOUNT 4 VESTED
(if any); plus
- (e) the value of the units in INVESTMENT ACCOUNT 5 NON-VESTED;
plus
- (f) the value of the units in INVESTMENT ACCOUNT 6 NON-VESTED;
plus
- (g) the value of the units in INVESTMENT ACCOUNT 7 NON-VESTED
(if any); plus
- (h) the value of the units in INVESTMENT ACCOUNT 8 NON-VESTED
(if any);

FUND CREDIT VESTED PORTION in relation to a MEMBER or NON-CONTRIBUTING MEMBER at any date, means the sum of:

- (a) the value of the units in INVESTMENT ACCOUNT 1 VESTED;
plus
- (b) the value of the units in INVESTMENT ACCOUNT 2 VESTED;
plus
- (c) the value of the units in INVESTMENT ACCOUNT 3 VESTED
(if any); plus
- (d) the value of the units in INVESTMENT ACCOUNT 4 VESTED
(if any);

INCOME TAX ACT means the Income Tax Act, 1962, including any amendments effective from time to time;

IN-FUND LIVING ANNUITY means an annuity that complies with the following conditions:

- (a) The value of the IN-FUND LIVING ANNUITY is determined solely by reference to the value of the assets held in the IN-FUND LIVING ANNUITY ACCOUNT for the PENSIONER;
- (b) The PENSIONER may elect an INVESTMENT OPTION / PORTFOLIO(S) from those made available by the BOARD. The PENSIONER'S FUND CREDIT, less any lump sum benefit taken at their date of retirement, will be transferred to their selected PORTFOLIOS, when it is transferred to their IN-FUND LIVING ANNUITY ACCOUNT on the ELECTION DATE. The PENSIONER may change their investment decision from time to time;
- (c) The PENSIONER may select their PENSION amount within limits allowed by law and the BOARD. This selection will be made in relation to the capital value in the IN-FUND LIVING ANNUITY ACCOUNT. The PENSION amount may be selected or amended on the IN-FUND LIVING ANNUITY anniversary date, or on a review date/s as may be allowed by legislation. The PENSION amount will be paid monthly in arrear or at intervals allowed by the SARS and the BOARD;
- (d) The IN-FUND LIVING ANNUITY PENSION amount is determined through a method or formula prescribed by the Minister of Finance. Accordingly, should the method or formula change, the percentages selected in (c) above shall be amended to comply with the legislated changes;
- (e) The FUND does not guarantee the IN-FUND LIVING ANNUITY PENSION amount. The FUND may also be required to intervene when the underlying capital value of the IN-FUND LIVING ANNUITY ACCOUNT drops below a threshold determined by the BOARD. The Board may, when such threshold is reached, convert the IN-FUND LIVING ANNUITY to a conventional compulsory ANNUITY to ensure that the FUND meets its obligation to the PENSIONER. Should it become necessary to convert the IN-FUND LIVING ANNUITY to a conventional compulsory ANNUITY, the ANNUITY shall be purchased from a REGISTERED INSURER in the name of the PENSIONER. The

PENSIONER may select the REGISTERED INSURER, or the BOARD will select the INSURER. The purchase of the ANNUITY from a REGISTERED INSURER will be a full and final settlement of the obligation to the PENSIONER.

- (f) On the death of the PENSIONER, the value of the assets in the IN-FUND LIVING ANNUITY ACCOUNT will be paid in terms of RULE 16.9;
- (g) The FUND does not grant pension increases for IN-FUND LIVING ANNUITANTS as envisaged by Section 14A of the ACT; and
- (h) The IN-FUND LIVING ANNUITY shall comply with requirements prescribed by the Minister of Finance and any other applicable legislation from time to time.

IN-FUND LIVING ANNUITY ACCOUNT means the account required to maintain the IN-FUND LIVING ANNUITY of a PENSIONER;

INVESTMENT ACCOUNT 1 VESTED means the notional account within the FUND that is maintained in respect of a MEMBER and a NON-CONTRIBUTING MEMBER, for the VESTED portion of MEMBER Contributions;

INVESTMENT ACCOUNT 2 VESTED means the notional account within the FUND that is maintained in respect of a MEMBER and a NON-CONTRIBUTING MEMBER for the VESTED portion of EMPLOYER Contributions;

INVESTMENT ACCOUNT 3 VESTED means the notional account within the FUND that is maintained in respect of a MEMBER and a NON-CONTRIBUTING MEMBER for the VESTED portion of MEMBER Additional Voluntary Contributions;

INVESTMENT ACCOUNT 4 VESTED means the notional account within the FUND that is maintained in respect of a MEMBER and a NON-CONTRIBUTING MEMBER for the VESTED portion of EMPLOYER Additional Voluntary Contributions;

INVESTMENT ACCOUNT 5 NON-VESTED means the notional account within the FUND that is maintained in respect of a MEMBER and a NON-CONTRIBUTING MEMBER, for the NON-VESTED portion of MEMBER Contributions;

INVESTMENT ACCOUNT 6 NON-VESTED means the notional account within the FUND that is maintained in respect of a MEMBER and a NON-CONTRIBUTING MEMBER, for the NON-VESTED portion of EMPLOYER Contributions;

INVESTMENT ACCOUNT 7 NON-VESTED means the notional account within the FUND that is maintained in respect of a MEMBER and a NON-CONTRIBUTING MEMBER, for the NON-VESTED portion of MEMBER Additional Voluntary Contributions;

INVESTMENT ACCOUNT 8 NON-VESTED means the notional account within the FUND that is maintained in respect of a MEMBER and a NON-CONTRIBUTING MEMBER, for the NON-VESTED portion of EMPLOYER Additional Voluntary Contributions;

INVESTMENT EARNINGS means the investment return, which includes gains and losses, earned by an INVESTMENT PORTFOLIO from time to time;

INVESTMENT EXPENSES means any taxes, levies, fees and other costs related to the investment of the assets of the FUND specific to each INVESTMENT PORTFOLIO;

INVESTMENT OPTION OR PORTFOLIO means the combination of various asset classes, managed or administered by a registered investment manager or investment administrator as identified in the IPPS;

IPPS means the Investment Policy and Principles Statement that governs the FUND investments;

MEMBER means a person who has been admitted to membership of the FUND in terms of RULE 11.1 subject to the following conditions:

- (a) A person who leaves SERVICE will remain a MEMBER until all benefits have been paid to them or transferred to another APPROVED FUND or REGISTERED INSURER on their behalf, provided that no RISK BENEFITS and no benefits in addition to the afore-mentioned benefits will accrue to or in respect of them and they will not be entitled to vote for BOARD MEMBERS except for a PENSIONER who is entitled to vote for BOARD MEMBERS; and
- (b) EMPLOYER in relation to a MEMBER means the EMPLOYER in whose service such MEMBER is or is deemed to be;

MEMBER AGED 55 ON 1 MARCH 2021 means a MEMBER who has attained the age of 55 years on 1 March 2021 and who was a MEMBER of the FUND on 1 March 2021;

NOMINEE means a person, other than a DEPENDANT, who has been nominated in writing by a MEMBER to receive all or part of the death benefits provided by the FUND;

NON-CONTRIBUTING MEMBER means a PAID-UP MEMBER, DEFERRED RETIREE, UNPAID MEMBER, UNCLAIMED BENEFIT MEMBER, and a PENSIONER;

NON-MEMBER SPOUSE means the spouse of a MEMBER that may become entitled to a portion of a MEMBER'S benefits in the FUND in terms of a Divorce Court Order or a death benefit;

NON-VESTED means the portion of a retirement benefit that may not be taken as a lump sum benefit at retirement;

NON-VESTED TRANSFER VALUE means the portion of a transfer value that is received from another APPROVED FUND on behalf of a MEMBER and identified by the other APPROVED FUND that may not be taken as a lump sum benefit at retirement;

NORMAL RETIREMENT AGE means the age of sixty-five (65) years, except for a MEMBER who is in receipt of a disability income benefit from a REGISTERED INSURER with a commencement date prior to 1 January 2021, it means the age of sixty (60) years;

NORMAL RETIREMENT DATE means the last day of the month in which a MEMBER attains their NORMAL RETIREMENT AGE;

PAID-UP MEMBER means a MEMBER who leaves the SERVICE of the EMPLOYER and elects to preserve their withdrawal benefit in the FUND until a later date when they have to notify the FUND of the ELECTION DATE to pay their benefits from the FUND; or a MEMBER who leaves the SERVICE of the EMPLOYER and does not claim their benefit payment within two (2) months of leaving SERVICE, and who does not qualify for RISK BENEFITS;

PENSION means the amount payable to the PENSIONER in terms of the IN-FUND LIVING ANNUITY;

PENSIONABLE SALARY means such portion of a MEMBER'S monthly remuneration as agreed between the MEMBER and the EMPLOYER and advised to the FUND from time to time, provided that PENSIONABLE SALARY in the case of a MEMBER who is in receipt of a benefit payable in terms of the provisions of a disability income benefit scheme will be deemed to be their PENSIONABLE SALARY as at the date of commencement of the aforementioned benefit, which can be increased from time to time by the applicable REGISTERED INSURER based on the terms and conditions of the applicable insurance policy;

PENSIONER means a MEMBER, PAID-UP MEMBER or DEFERRED RETIREE who has retired, and who is in receipt of an IN-FUND LIVING ANNUITY from the FUND in terms of these RULES, and who does not qualify for RISK BENEFITS;

PRINCIPAL EMPLOYER means Columbus Stainless (Pty) Limited, registration number 1999/002477/07;

PRINCIPAL OFFICER means the person appointed by the BOARD in terms of RULE 6.10 in accordance with Section 8 of the ACT;

REGISTERED INSURER means an insurer registered in terms of the Long-Term Insurance Act, 1998;

RETIREMENT BENEFIT COUNSELLING means the disclosure and explanation, in a clear and understandable language, including risks, costs and charges of:

- (a) The FUND's available INVESTMENT PORTFOLIOS;
- (b) The terms of the FUND'S DEFAULT ANNUITY STRATEGY;
- (c) The terms and the process of the FUND's default preservation and portability;
- (d) Any other options made available to MEMBERS;

RISK BENEFIT means the insured benefit at a REGISTERED INSURER of a multiple, as decided by the BOARD from time to time, of ANNUAL RISK BENEFIT SALARY, and subject to such limitations and conditions as the relevant REGISTERED INSURER may impose, payable at the death of a MEMBER, including a MEMBER who is in receipt of a disability income benefit from a REGISTERED INSURER, and excluding a NON-CONTRIBUTING MEMBER;

RISK EXPENSES means the cost of the RISK BENEFIT payable to the applicable REGISTERED INSURER;

RULE or RULES means these RULES as amended from time to time including any annexure that may apply from time to time;

SARS means the South African Revenue Service as defined in the INCOME TAX ACT;

SELECTED INVESTMENT OPTION / PORTFOLIO means the specific INVESTMENT OPTION OR INVESTMENT PORTFOLIO/INVESTMENT PORTFOLIOS chosen by a MEMBER, PAID-UP MEMBER, DEFERRED RETIREE, or PENSIONER into which the assets of the FUND underlying the respective FUND CREDIT or IN-FUND LIVING ANNUITY ACCOUNT must be invested;

SERVICE means continuous service as an ELIGIBLE EMPLOYEE of one or more of the EMPLOYERS;

UNCLAIMED BENEFIT means:

- (a) any benefit, other than a benefit referred to in (b), (c), (d) or (e) below, not paid by the FUND to a MEMBER, former MEMBER or BENEFICIARY within twenty-four (24) months of the date on which it, in terms of the RULES, becomes legally due and payable; or
- (b) in relation to a benefit payable to a former MEMBER who cannot be traced in accordance with Section 15B(5)(e) of the ACT, any benefit that has become legally due and payable to the former MEMBER in terms of a surplus apportionment scheme approved in terms of this ACT not paid to that former MEMBER within twenty-four (24) months of the date on which it became legally due and payable; or
- (c) any benefit that remains unclaimed or unpaid to a MEMBER, former MEMBER or BENEFICIARY if the FUND applies for cancellation of registration in terms of Section 27 of the ACT or where the liquidator is satisfied that a benefit remains unclaimed or unpaid; or
- (d) a death benefit payable to a BENEFICIARY in terms of Section 37C of the ACT not paid within twenty-four (24) months from the date of the death of the MEMBER or such longer period as reasonably justifiable by the BOARD in writing; or
- (e) any benefit that remained unclaimed or unpaid to a NON-MEMBER SPOUSE within twenty-four (24) months from the date of the deduction contemplated in Section 37D(4)(a)(ii) of the ACT; and

- (f) excluding a benefit due to be transferred as part of a transfer of business in terms of Section 14 of the ACT, where an ANNUITY is purchased in terms of RULE 14.1, RULE 14.2 or RULE 14.3 or otherwise in terms of the ACT;

UNCLAIMED BENEFIT MEMBER means a MEMBER who is entitled to an UNCLAIMED BENEFIT;

UNCLAIMED BENEFITS FUND means an APPROVED FUND established for the purpose of receiving, managing, and paying such UNCLAIMED BENEFITS in terms of applicable legislation;

UNPAID MEMBER means a MEMBER that claimed their benefit and notified the FUND of their ELECTION DATE but whose benefit has not yet been paid after the ELECTION DATE, and before the expiry of twenty-four (24) months;

VESTED means the portion of a retirement benefit that may be taken as a lump sum benefit at retirement;

VESTED TRANSFER VALUE means the portion of a transfer value that is received from another APPROVED FUND on behalf of a MEMBER and identified by the other APPROVED FUND that may be taken as a lump sum benefit at retirement.

6. MANAGEMENT OF THE FUND

6.1 Constitution of Board of Trustees

- 6.1.1 The management, control, and administration of the FUND vests in a Board of Trustees ("the BOARD") comprising of eight (8) BOARD MEMBERS. Four (4) BOARD MEMBERS and one (1) alternate BOARD MEMBER must be appointed by the PRINCIPAL EMPLOYER in terms of RULE 6.2.1 and will be called EMPLOYER-BOARD MEMBERS. Four (4) BOARD MEMBERS must be elected by the MEMBERS, and PENSIONERS from their own ranks, based

on the highest number of votes for the nominated candidates during the election process, and will be called ELECTED BOARD MEMBERS. In addition to the ELECTED BOARD MEMBERS there shall be a maximum of two (2) alternate BOARD MEMBERS elected by the MEMBERS, and PENSIONERS which alternates shall be the nominated candidates who received the next highest number of votes after those of the ELECTED BOARD MEMBERS.

6.1.2 The BOARD shall elect from their number a Chairperson. The term of office of the Chairperson will be twenty-four (24) months. The Chairperson may be re-elected on the expiry of their term of office.

6.2 Appointment, Election and Removal of Board Members

6.2.1 The PRINCIPAL EMPLOYER shall affect the appointment of the EMPLOYER BOARD MEMBERS at the same time MEMBERS elect BOARD MEMBERS. The PRINCIPAL EMPLOYER must also appoint one (1) person to function as a roving alternate to the EMPLOYER BOARD MEMBERS.

6.2.2 The PRINCIPAL EMPLOYER may remove from office an EMPLOYER BOARD MEMBER or alternate at any time and may appoint a new EMPLOYER BOARD MEMBER or alternate to take their place in consultation with the BOARD.

6.2.3 The election of ELECTED BOARD MEMBERS and their alternates shall be conducted in a fair and properly controlled manner approved by the BOARD. The election can be done by a show of hands at an Annual General Meeting or Special General Meeting for MEMBERS, or by ballot paper, or electronically.

6.2.4 AN ELECTED BOARD MEMBER will cease to hold office if they cease to be in SERVICE or ceases to be a PENSIONER.

- 6.2.5 Should a vacancy arise in the office of a BOARD MEMBER other than because of the expiry of the term of office of the BOARD MEMBER, such vacancy will be filled by the alternate with the highest number of votes obtained during the recent election and the nominee with the highest number of votes will be appointed as alternate. Should a vacancy arise in the office of a BOARD MEMBER because of the expiry of the term of office of such BOARD MEMBER or should a vacancy arise because of any other reason and there is no alternate, the MEMBERS must elect, or the PRINCIPAL EMPLOYER must appoint, whichever is applicable, an ELECTED BOARD MEMBER or an EMPLOYER BOARD MEMBER.

The BOARD may appoint the MEMBER or PENSIONER with the next highest number of votes obtained in the previous elections, to step into a vacant alternate ELECTED BOARD MEMBER until the next elections.

- 6.2.6 A BOARD MEMBER will cease to hold office if:

- (a) at least five (5) of the other BOARD MEMBERS resolve that such BOARD MEMBER is to be removed from office because of a breach of their fiduciary duty towards the FUND or a breach of their duties to its MEMBERS, PENSIONERS and/or other BENEFICIARIES, after having given them a fair hearing, conducted by the BOARD or a committee of the BOARD; or
- (b) he has failed to attend three (3) consecutive BOARD meetings without leave from a majority of the other BOARD MEMBERS or without providing reasons acceptable to the majority of the other BOARD MEMBERS.

- 6.2.7 A vacancy on the BOARD will not invalidate any proceedings of the BOARD, provided that the requirements for a quorum are met.

6.3 Term of Office of the Board

- 6.3.1 BOARD MEMBERS will hold office for five (5) year periods, effective from 2021, provided that a BOARD MEMBER whose term of office

has expired may be re-appointed or re-elected, as the case may be. In the event of a delay in the election or appointment of a new BOARD MEMBER or BOARD MEMBERS following the expiry of the term of office of a BOARD MEMBER or BOARD MEMBERS, the existing BOARD MEMBERS will continue in office for a maximum period of six (6) months.

6.3.2 A BOARD MEMBER will remain a BOARD MEMBER until:

- (a) the expiry of their term of office;
- (b) they resign by giving the Chairperson written notice to that effect;
- (c) in the case of the Chairperson resigning, they give the rest of the BOARD written notice to that effect;
- (d) they cease to hold office in terms of RULE 6.4;
- (e) they are removed from office in terms of RULE 6.2.6.

6.4 Persons Disqualified from Being or Acting as Board Members

6.4.1 A person may not be appointed or elected as a BOARD MEMBER or will cease to hold office if:

- (a) they become mentally or physically incapable of acting; or
- (b) their estate is sequestrated or surrendered or assigned in favour of their creditors; or
- (c) they are convicted by a competent court of theft, fraud, forgery, or a similar offence; or
- (d) they are discharged by a competent court from an office of trust on account of misconduct; or
- (e) they are convicted by a competent court on any charge and sentenced to a prison term without the option of a fine.

6.5 Meetings of the Board

- 6.5.1 The BOARD shall meet from time to time as is necessary to conduct the business of the FUND but no less than two (2) times in every twelve (12) months. Such meetings may be conducted in-person or virtually.
- 6.5.2 The Chairperson may convene a special meeting of the BOARD if the Chairperson regards it as necessary. The Chairperson must also convene a special meeting within twenty-one (21) days of being so requested by at least five (5) of the BOARD MEMBERS.
- 6.5.3 Save as otherwise provided, the Chairperson must cause at least fourteen (14) days' notice to be given of every BOARD meeting, specifying the place, date, and time of the meeting, provided that the afore-mentioned notice period may be waived by agreement of the majority of the quorum present at the meeting in respect of which such notice was not given.
- 6.5.4 At least six (6) BOARD MEMBERS will be required to constitute a quorum, if there are at least three (3) ELECTED BOARD MEMBERS and three (3) APPOINTED BOARD MEMBERS present.
- 6.5.5 If a quorum is not present within 15-minutes of the time determined for the start of the meeting, the Chairperson may adjourn the meeting for a period of at least seven (7) working days. At such postponed meeting, the same requirements for a quorum will apply.
- 6.5.6 The Chairperson will chair the meetings of the BOARD. If the Chairperson is temporarily absent or, for any reason, is unable to perform their functions as Chairperson, the BOARD MEMBERS present must elect an acting Chairperson for that meeting.
- 6.5.7 The Chairperson must cause minutes to be kept of all meetings held by the BOARD, such minutes must be distributed to the BOARD MEMBERS within a reasonable time of the BOARD meeting. If no

objections are raised at the next meeting of the BOARD, the minutes of the previous meeting will be proposed, seconded, and signed by the Chairperson, a Trustee, and the PRINCIPAL OFFICER. Once the Chairperson, a Trustee, and the PRINCIPAL OFFICER, signed the minutes of the previous meeting, they will constitute *prima facie* evidence of the business transacted at the meeting.

- 6.5.8 Decisions of the BOARD will be taken by a simple majority of votes of BOARD MEMBERS present at any meeting, each BOARD MEMBER having one vote.
- 6.5.9 In the event of a deadlock the matter will be postponed to the next meeting of the BOARD. Should a simple majority not be reached at that meeting of the BOARD, the matter will be referred to an arbitrator appointed by the BOARD. The arbitrator's decision will be final and binding on the BOARD. The BOARD may, by consensus, decide to refer the matter to an arbitrator immediately rather than postponing the matter to the next meeting of the BOARD.
- 6.5.10 An alternate BOARD MEMBER is restricted to an observer role at meetings and may only exercise their vote when the BOARD MEMBER for whom they are acting as alternate is not present at the meeting.
- 6.5.11 A resolution in writing signed by a majority of the BOARD MEMBERS, excluding alternate BOARD MEMBERS, will have the same force and effect as a resolution passed at a BOARD meeting duly convened and held. Such written resolution must be submitted to the BOARD meeting immediately following the last signature on the written resolution for ratification.

6.6 Board to Direct and Control the Fund

- 6.6.1 The purposes of the BOARD are to direct, control and oversee the operations of the FUND in accordance with applicable laws and the RULES.

6.6.2 In pursuing its object, the BOARD must:

- (a) take all reasonable steps to ensure that the interests of MEMBERS are, at all times, protected in terms of the RULES and the provisions of the ACT, especially in the event of an amalgamation or transfer of any business contemplated in Section 14 of the ACT, splitting of the FUND, termination or reduction of contributions to the FUND by an EMPLOYER, increase of contributions of MEMBERS and the withdrawal of an EMPLOYER;
- (b) act with due care, diligence, and good faith;
- (c) avoid conflicts of interest; and
- (d) act with impartiality in respect of all MEMBERS.

6.7 Duties of the Board

6.7.1 The duties of a BOARD will, *inter alia*, include to:

- (a) 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;
- (b) cause true and full monthly accounts of the FUND to be kept for each FINANCIAL YEAR in accordance with the Act, 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, as audited by the AUDITOR;
- (c) ensure that adequate and appropriate information is communicated to the MEMBERS of the FUND informing them of their rights, benefits, and duties in terms of the RULES;

- (d) take all reasonable steps to ensure that the monthly contributions are paid timeously to the FUND in accordance with the ACT;
- (e) obtain expert advice on matters in respect of which the BOARD may lack sufficient expertise;
- (f) ensure that the RULES, operation, and administration of the FUND complies with the ACT, the Financial Institutions (Protection of Funds) Act, 2001, other applicable laws and other duties imposed by the RULES;
- (g) operate a banking account opened in the name of the FUND with a bank registered in terms of the Banks Act, 1990;
- (h) use their best endeavours to ensure that any contributions or other moneys paid to the FUND are paid in accordance with the provisions of Section 13A of the ACT;
- (i) 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 FSCA;
- (j) procure that every title deed and other document of title belonging to the FUND will be kept in the safes or strongrooms at the registered office or other office of the FUND or in a banking institution, as decided by the BOARD;
- (k) procure that every contract or other document pertaining to the FUND be signed by such persons as the BOARD by resolution appoints and if applicable, in the manner set out in the ACT; and
- (l) take such measures as may be prudent to protect the assets of the FUND and pay only such benefits as are provided for in the RULES.

- 6.7.2 The reference 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.

6.8 Powers of the Board

- 6.8.1 The BOARD will, subject to the RULES, have all powers as may be exercised by the FUND in terms of this RULE and any powers granted to the BOARD in the RULES, provided that such powers will not in any way be construed as derogating from the general powers of the FUND.
- 6.8.2 Subject to the provisions of RULE 14.1, 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 sixty-five percent of the value of the property on the date of the advance.
- 6.8.3 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 written terms and conditions as they may specify, to:
- (a) a subcommittee of such of their number as they nominate; and/or
 - (b) a long-term insurer registered in terms of the Long-term Insurance Act, 1998; and/or

- (c) a bank registered under the Banks Act, 1990; and/or
- (d) a nominee company approved by the FSCA; or
- (e) a person approved in terms of the Financial Advisory and Intermediary Services Act, 2002; or
- (f) a person approved by the FSCA, or who is a member of a category of persons approved by the FSCA.

- 6.8.4 The BOARD will not be liable for the negligence, dishonesty or fraud of an institution or person referred to in RULE 6.8.3 above.
- 6.8.5 The BOARD may grant a loan to a MEMBER of the FUND or furnish a guarantee in favour of a person other than the FUND in respect of a loan granted or to be granted by such other person to a MEMBER for the purposes set out in Section 19 of the ACT.
- 6.8.6 The BOARD may reinsure with a REGISTERED INSURER any benefits provided by the FUND to its MEMBERS.
- 6.8.7 The BOARD may 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.
- 6.8.8 The BOARD may 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, and the INCOME TAX ACT.
- 6.8.9 The BOARD may amend the RULES, provided that no amendment affecting the financial obligation of an EMPLOYER will be made without the prior approval of the EMPLOYER.

- 6.8.10 The BOARD may make any arrangements for the administration of the FUND and in this regard to appoint an 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.
- 6.8.11 The BOARD will be entitled, in its absolute discretion, to appoint consultants, investment advisers, investment managers, legal advisers, and other service providers to assist the BOARD in performing its duties and functions where it considers such appointments necessary or prudent.
- 6.8.12 The BOARD may, in accordance with the provisions of Section 14 of the ACT, amalgamate any business continued by the FUND with any business continued 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.
- 6.8.13 The BOARD will have the power to take such steps as are, in its discretion, conducive to the attainment of the objects of the FUND.

6.9 Delegation of Powers by the Board

- 6.9.1 The BOARD may delegate any of its powers and/or duties and/or responsibilities to another person or a committee of the BOARD by means of a written mandate, provided that the delegation of the power of investments may only take place to a person or institution referred to in RULE 6.8.3. Any decision taken by a committee of the BOARD must be noted or ratified by the BOARD at the following BOARD meeting, depending on the mandate given to such person or committee.

- 6.9.2 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 6.9.1 above, unless the context clearly indicates otherwise.

6.10 **Principal Officer**

- 6.10.1 The BOARD shall appoint the PRINCIPAL OFFICER. The appointment of the PRINCIPAL OFFICER shall be subject to approval by the FSCA at the date of appointment, and always thereafter during the term of the appointment. Any such appointment may be changed by the BOARD in its sole discretion.
- 6.10.2 The BOARD shall notify the FSCA, in writing, of the name of the PRINCIPAL OFFICER and shall furnish the FSCA with the prescribed information in respect of the PRINCIPAL OFFICER within thirty (30) days of the appointment of the PRINCIPAL OFFICER.
- 6.10.3 If the PRINCIPAL OFFICER is absent from the Republic of South Africa for a period exceeding thirty (30) days or is otherwise unable to perform their duties, the BOARD will appoint a PRINCIPAL OFFICER in advance.
- 6.10.4 The FSCA may object to the appointment if they, subject to the provisions of the Promotion of Administrative Justice Act, 2000, believe that the PRINCIPAL OFFICER is not, or is no longer, a fit and proper person to hold that office, or if it is not in the public interest that the PRINCIPAL OFFICER holds or continues to hold such office. The FSCA must, in the circumstances, state the grounds of their objection and provide those to the Chairperson and the PRINCIPAL OFFICER.
- 6.10.5 If the FSCA objects to the appointment of the PRINCIPAL OFFICER in terms of RULE 6.10.4 above, the BOARD must terminate the appointment within thirty (30) days of the FSCA informing the

BOARD of the finalisation of the processes and procedures provided for in the Promotion of Administrative Justice Act, 2000.

6.10.6 The FSCA may for purposes of assessing if the PRINCIPAL OFFICER is not, or is no longer, a fit and proper person in accordance with paragraph RULE 6.10.4 above, have regard to:

- (a) the competence and soundness of judgment of the person for the fulfilment of the responsibilities of the office and the type of fund;
- (b) the diligence with which the person concerned is likely to fulfil those responsibilities;
- (c) previous conduct and activities of the person in business or financial matters; and
- (d) any evidence that the person:
 - (i) after 27 April 1994 has been convicted in the Republic or elsewhere of theft, fraud, forgery or uttering a forged document, perjury, an offence under the Prevention and Combating of Corrupt Activities Act, 2004, an offence under the Prevention of Organised Crime Act, 1998, or any offence involving dishonesty;
 - (ii) has been convicted of an offence committed after the Constitution of the Republic of South Africa, 1993, took effect, and sentenced to imprisonment without the option of a fine;
 - (iii) has contravened the provisions of any law the object of which is the protection of the public against monetary loss;
 - (iv) is a former principal officer of an APPROVED FUND and whose actions contributed to that APPROVED FUND'S inability to pay its debts or caused monetary loss to its members, not attributable to investment market movements;

- (v) has taken part in any business practices that, in the opinion of the FSCA, were deceitful, prejudicial, or otherwise improper (whether unlawful or not) or which otherwise brought discredit to that person's methods of conducting business; or
- (vi) has taken part in or been associated with any other business practices, or conduct that casts doubt on their competence and soundness of judgement.

6.10.7 The FSCA may request any person to assist them in assessing whether a person is fit and proper to function as PRINCIPAL OFFICER of the FUND.

6.10.8 The PRINCIPAL OFFICER must perform all the functions required to fulfil their duties in terms of the ACT, the RULES, and the directions of the BOARD.

6.10.9 The PRINCIPAL OFFICER must within twenty-one (21) days:

- (a) of their appointment being terminated, other than in accordance with the conditions referred to in RULE 6.10.6 above, submit a written report to the FSCA detailing their perceived reasons for the termination; and
- (b) on becoming aware of any matter relating to the affairs of the FUND which, in their opinion, may prejudice the FUND or its MEMBERS, inform the FSCA thereof in writing.

7. REGISTRATION AND APPROVAL OF FUND

7.1 Registration and Approval

The BOARD shall apply for registration of the FUND in accordance with the provisions of the ACT and shall apply to the SARS for the approval of the FUND as a provident fund in terms of the INCOME TAX ACT.

7.2 Continued Approval

The BOARD must take such steps as the SARS may require for the continued approval of the FUND in terms of the INCOME TAX ACT.

8. CONFIDENTIALITY OF INFORMATION

The BOARD and all BOARD MEMBERS will be entitled to only such information from an EMPLOYER as the BOARD may require for the exercise of its duties in terms of the RULES. Such information will be used only for the purpose of the BOARD performing the duties in terms of the RULES and will not be disclosed to any person or body other than such office-bearer or employee of the FUND, the REGISTERED INSURERS which the FUND has entered into contracts with for the reinsurance of any benefits or the ADMINISTRATOR whose province it is to have such information. The BOARD further needs to ensure that the Fund Documents and all appointed service providers comply with the requirements of the Protection of Personal Information ACT.

9. ADMINISTRATION OF THE FUND

9.1 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 FSCA must be signed as prescribed.

9.2 Records and Safe Custody of Securities

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

9.2.2 All mortgage bonds, title deeds and other securities belong to or held by the FUND must, unless temporarily held in custody by another on behalf of the FUND, be stored in safe custody in the safe or strong room at the registered office of the FUND or with any registered financial institution approved by the FSCA.

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

10. FINANCIAL AND ACTUARIAL

10.1 Actuary and Actuarial Valuations

- 10.1.1 The BOARD shall appoint an ACTUARY, for such periods as they determine, and may withdraw any such appointment and make another appointment in its place.
- 10.1.2 The provisions of RULES 6.10.1, 6.10.2, 6.10.4, 6.10.5, 6.10.6, 6.10.7, 6.10.8 and 6.10.9 will apply *mutatis mutandis* to the ACTUARY.
- 10.1.3 The ACTUARY will be the valuator of the FUND in terms of the ACT and will, in addition to the function of valuator, perform such other functions as may be specified in the RULES.
- 10.1.4 The FUND will be valued by the ACTUARY at intervals not exceeding three years. Within six months of the valuation date the ACTUARY shall be required to submit a valuation report to the BOARD, who shall submit a copy thereof to the FSCA. A copy of the valuation report or a summary thereof in the prescribed format will be open for inspection by the EMPLOYERS and MEMBERS at the registered office of the FUND.
- 10.1.5 The BOARD must maintain such records as may be required by the ACTUARY to perform the valuation function referred to above.

10.2 Auditor and Financial Statements

- 10.2.1 The BOARD shall appoint an AUDITOR, for such periods as they determine, and may withdraw any such appointment and make another appointment in its place.

- 10.2.2 The BOARD shall, within thirty (30) days of the appointment of the AUDITOR, apply to the FSCA for approval of the appointment.
- 10.2.3 The provisions of RULES 6.10.1, 6.10.2, 6.10.4, 6.10.5, 6.10.6, 6.10.7, 6.10.8 and 6.10.9 will apply *mutatis mutandis* to the AUDITOR.
- 10.2.4 Where the AUDITOR is a partnership, the appointment of such 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 FSCA.
- 10.2.5 The AUDITOR has for the purpose of performing their functions and duties:
- (a) the right of access at all reasonable times to the accounting records and all books, vouchers, documents, and other property of the FUND;
 - (b) the right to require from the BOARD such information and explanations as they deem necessary;
 - (c) 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
 - (d) 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.
- 10.2.6 The BOARD must cause full and true accounts of the FUND to be kept in respect of each FINANCIAL YEAR. Such accounts must be

made up as at each FINANCIAL YEAR END, audited by the AUDITOR, and submitted to the FSCA, provided that all of the functions must be performed in accordance with the provisions of the ACT.

10.2.7 The AUDITOR must:

- (a) Within twenty-one (21) days of their appointment being terminated, other than in accordance with the conditions referred to in RULE 6.10.6, submit a written report to the FSCA detailing their perceived reasons for the termination;
- (b) if they, but for the termination referred to in RULE 10.2.7(a) above, would have had reason to submit a report contemplated in Section 45(3) of the Auditing Profession Act, 2005, submit such a report to the FSCA; and
- (c) on becoming aware of any matter relating to the affairs of the FUND which, in their opinion, may prejudice the FUND or its MEMBERS, inform the FSCA thereof in writing.

11. MEMBERSHIP

11.1 Member Eligibility and Admission

11.1.1 Subject to the provisions of RULE 11.1.2 below, membership of the FUND is a condition of service for every person who becomes an ELIGIBLE EMPLOYEE of an EMPLOYER. Each such ELIGIBLE EMPLOYEE, as advised to the FUND by the EMPLOYER will become a MEMBER of the FUND on the first day of the month coincident with or next following that in which such person became an ELIGIBLE EMPLOYEE of an EMPLOYER.

11.1.2 An ELIGIBLE EMPLOYEE who is in the service of an employer immediately prior to such employer becoming an EMPLOYER (other than in circumstances of a merger or amalgamation of another fund with the FUND in terms of RULE 17.15) may, on application made

within a period of not more than twelve (12) months after such employer becomes an EMPLOYER, become a MEMBER of the FUND. In the event of such ELIGIBLE EMPLOYEE waiving their right to join the FUND or electing not to join the FUND such ELIGIBLE EMPLOYEE will be permitted to join the FUND, under such conditions as specified by the Board, at the later date.

11.1.3 A MEMBER who becomes entitled to a disability income benefit in terms of the provisions of a separate disability income benefit scheme will be deemed, for the purposes of the FUND, to remain employed by their EMPLOYER while receiving such benefit, and while contributions continue to be paid to the Fund, and will remain a MEMBER of the FUND. Contributions by the MEMBER and the EMPLOYER will continue to be payable in terms of RULES 12.1, 12.2 and 12.3 by the REGISTERED INSURER and the MEMBER on behalf of the MEMBER.

11.1.4 If a MEMBER'S FUND CREDIT value is equal to zero, they will cease to be considered a MEMBER of the FUND.

11.2 **Absence**

11.2.1 Subject to the provisions of RULE 11.2.4, if a MEMBER is temporary absent from SERVICE with the consent of the EMPLOYER, and:

11.2.2 the full contributions are continued in terms of RULE 12, the maximum period of approved absence will be twenty-four (24) months and the MEMBER's membership of the FUND and the benefits payable in respect of the MEMBER will not be affected; provided that any such benefits which are insured with a REGISTERED INSURER will be subject to such limitations and conditions as the relevant REGISTERED INSURER may impose;

11.2.3 only partial contributions are made in terms of RULE 12, the maximum period of approved absence will be twenty-four (24) months and the MEMBER's membership of the FUND and the benefits payable in respect of the MEMBER will either not be

affected or will be reduced partially with respect to RISK BENEFITS; provided that any such benefits which are insured with a REGISTERED INSURER will be subject to such limitations and conditions as the relevant REGISTERED INSURER may impose;

11.2.4 the payment of contributions in terms of RULE 12 are suspended, the maximum period of approved absence will be twenty-four (24) months, no retirement benefits will accrue to the MEMBER in respect of such period of absence and the MEMBER'S FUND CREDIT will be reduced by expenses incurred by the FUND in the course of administration (including statutory taxes and levies), investment management, financial management, actuarial management and any other expenses as agreed to in writing by the BOARD and the cost of RISK BENEFITS in terms of RULE 16.8; provided that any such benefits which are insured with a REGISTERED INSURER will be subject to such limitations and conditions as the relevant REGISTERED INSURER may impose.

11.2.5 If a MEMBER is temporary absent from SERVICE for a period, up to a maximum period as stipulated by the EMPLOYER, due to the MEMBER'S participation in a lawful strike or due to the EMPLOYER'S right to lock-out striking EMPLOYEES in terms of Section 64 of the Labour Relations ACT, 66 of 1995, the EMPLOYER may exercise its right in terms of Section 67(3) of the Labour Relations ACT, 66 of 1995, and suspend payment of contributions in respect of the MEMBER for the duration of the lawful strike or lock-out and no retirement benefits will accrue to the MEMBER for the duration of the absence, up to the maximum period as stipulated by the EMPLOYER; provided that the contributions required in respect of the cost of RISK BENEFITS in terms of RULE 16.8 will continue to be payable by the EMPLOYER to the FUND for the duration of the lawful strike or lock-out, up to the maximum period as stipulated by the EMPLOYER; provided that any such benefits which are insured with a REGISTERED INSURER will be subject to such limitations and conditions as the relevant REGISTERED INSURER may impose.

11.2.6 If a MEMBER is temporary absent from SERVICE after the maximum period as stipulated by the EMPLOYER, referred to in RULE 11.2.5, or if a MEMBER is temporary absent from SERVICE, due to the MEMBER'S participation in an unlawful strike or without the consent of the EMPLOYER, the MEMBER does not qualify for RISK BENEFITS and will become entitled to the benefits provided for in terms of RULES 16.3, 16.4, 16.5 or 16.11 at the end of the period.

11.2.7 Notwithstanding any other provision to the contrary in RULE 11.2, no RISK BENEFIT is paid if the MEMBER's death –

- (a) is a direct or indirect consequence of active participation in:
 - (i) war, invasion, acts of foreign enemies, hostilities, warlike operations (whether war be declared or not), civil war, rebellion, revolution, military or usurped power, insurrection, civil commotion assuming the proportions of or amounting to an uprising; or
 - (ii) an act of terrorism; or
 - (iii) a riot; or
 - (iv) any other unlawful act or conduct of whatever nature during which lives are endangered, public or private property damaged, or an attempt or attempts are made to damage such property; or
- (b) is a direct or indirect consequence of the MEMBER's conduct in a strike (irrespective of whether the strike is lawful or unlawful) during which the person's conduct/behaviour gives rise to lives being endangered, public or private property being damaged, or an attempt or attempts are made to damage such property; or
- (c) is a direct or indirect consequence of:
 - (i) any radioactive contamination, including accidental radioactive contamination; or
 - (ii) the use of nuclear, biological, or chemical weapons; or

- (iii) attacks on or sabotage of facilities (including, but not limited to, nuclear power plants, reprocessing plants, final repository sites and research reactors) and storage depots, which lead to the release of radioactivity or nuclear, biological, or chemical warfare agents, irrespective whether any of the aforesaid has been performed with the specific use of information technology.

11.3 Termination of Membership

- 11.3.1 Unless specifically provided for in the RULES, no MEMBER may terminate membership of the FUND while the MEMBER remains in SERVICE.
- 11.3.2 A MEMBER who, for any reason, leaves SERVICE and has received the benefits due to them in terms of the RULES will forthwith cease to be a MEMBER, provided that in the period between leaving SERVICE and receiving their benefits, they will only be regarded as a MEMBER of the FUND for the purposes of the benefits that accrued on their termination of SERVICE and will not become entitled to any other benefits and will have no other rights in terms of the RULES, including the risk benefits.
- 11.3.3 A MEMBER who leaves SERVICE as a result of the transfer of their contract of employment to another employer in terms of Section 197 of the Labour Relations Act, 1995, may be permitted to remain a MEMBER of the FUND for such period and on such conditions as the BOARD may determine provided that, for that period, the employer of that MEMBER will be deemed to be an EMPLOYER as defined in the RULES.

- 11.3.4 Notwithstanding anything to the contrary contained elsewhere in these RULES, a MEMBER who leaves the SERVICE of one EMPLOYER to commence SERVICE with another EMPLOYER will be deemed to have remained in SERVICE and will not become entitled to any cash benefit in terms of these RULES.
- 11.3.5 When required by the BOARD, a MEMBER must produce a birth certificate or other satisfactory evidence of age in respect of them and of their DEPENDANTS and/or NOMINEES and must give the BOARD such other information as the BOARD may require for the purposes of the FUND.
- 11.3.6 If a MEMBER fails to comply with RULE 11.3.5 above, the BOARD may withhold payment of any benefit due to or in respect of them until the provisions are complied with.
- 11.3.7 The FUND will not be liable for any loss sustained by a BENEFICIARY or an EMPLOYER arising from any misstatements or errors or omissions in any information supplied by such BENEFICIARY or EMPLOYER in terms of the RULES.

12. CONTRIBUTIONS

12.1 Member Contributions

- 12.1.1 On a MEMBER'S commencement of their membership of the FUND and on subsequent dates as determined by the EMPLOYER, the FUND must ensure that a MEMBER elect one of the following MEMBER categories and MEMBER contribution rates as a percentage of their PENSIONABLE SALARY:

CATEGORY 1 MEMBER at five-point zero percent (5.0%);
 CATEGORY 2 MEMBER at five-point five percent (5.5%);
 CATEGORY 3 MEMBER at six-point zero percent (6.0%);
 CATEGORY 4 MEMBER at six-point five percent (6.5%);
 CATEGORY 5 MEMBER at seven-point zero percent (7.0%);

CATEGORY 6 MEMBER at seven-point five percent (7.5%);
 CATEGORY 7 MEMBER at eight-point zero percent (8.0%);
 CATEGORY 8 MEMBER at eight-point five percent (8.5%);
 CATEGORY 9 MEMBER at nine-point zero percent (9.0%);
 CATEGORY 10 MEMBER at nine-point five percent (9.5%);
 CATEGORY 11 MEMBER at ten-point zero percent (10.0%);
 CATEGORY 12 MEMBER at ten-point five percent (10.5%);
 CATEGORY 13 MEMBER at eleven-point zero percent (11.0%);
 CATEGORY 14 MEMBER at eleven-point five percent (11.5%);
 CATEGORY 15 MEMBER at twelve-point zero percent (12.0%);
 CATEGORY 16 MEMBER at twelve-point five percent (12.5%);
 CATEGORY 17 MEMBER at thirteen-point zero percent (13.0%);
 CATEGORY 18 MEMBER at thirteen-point five percent (13.5%);
 CATEGORY 19 MEMBER at fourteen-point zero percent (14.0%);
 CATEGORY 20 MEMBER at fourteen-point five percent (14.5%);
 CATEGORY 21 MEMBER at fifteen-point zero percent (15.0%);
 CATEGORY 22 MEMBER at fifteen-point five percent (15.5%);
 CATEGORY 23 MEMBER at sixteen-point zero percent (16.0%);
 CATEGORY 24 MEMBER at sixteen-point five percent (16.5%);
 CATEGORY 25 MEMBER at seventeen-point zero percent (17.0%);
 CATEGORY 26 MEMBER at seventeen-point five percent (17.5%);

12.1.2 If a new MEMBER fails to make an election within the time period set by the FUND, they will be regarded as having elected CATEGORY 1 MEMBER at five-point zero percent (5.0%) of their PENSIONABLE SALARY.

12.1.3 If an existing MEMBER fails to make an election as at the review date within the time period set by the FUND they will be regarded as not having elected any change to their MEMBER category and MEMBER contribution rate.

12.2 Member Additional Voluntary Contributions

12.2.1 MEMBERS may make regular monthly additional voluntary contributions to the FUND provided they are already at the maximum rate in terms of RULE 12.1.1 as agreed between the MEMBER and the EMPLOYER and the FUND from time to time.

12.2.2 MEMBERS may make ad hoc additional voluntary contributions as agreed between the MEMBER and the EMPLOYER and the FUND from time to time.

12.3 Employer Contributions

12.3.1 Up to 31 December 2021, the EMPLOYER contributes at a rate of 7.1% of a MEMBER'S PENSIONABLE SALARY towards their retirement savings.

12.3.2 With effect from 1 January 2022 onwards, the EMPLOYER contributes at a rate of 7.5% of a MEMBER'S PENSIONABLE SALARY towards their retirement savings.

12.3.3 In addition, the EMPLOYER contributes at a rate of 2.5% of a MEMBER'S PENSIONABLE SALARY towards the EXPENSE RESERVE ACCOUNT.

12.3.4 For a MEMBER who is in receipt of a disability income benefit the employer-contracted REGISTERED INSURER pays the employer contributions in terms of RULES 12.3.1 and 12.3.3 on behalf of such MEMBER to the FUND.

12.4 Employer Additional Voluntary Contributions

12.4.1 The EMPLOYER shall be entitled to make additional voluntary contributions, whether as a lump sum or recurring, if the EMPLOYER at its sole discretion deems it appropriate to do so.

12.5 Payment of Contributions

- 12.5.1 Contributions are payable to the FUND monthly in arrears.
- 12.5.2 The EMPLOYER must deduct the MEMBERS' contributions payable in terms of RULES 12.1 and 12.2 from the MEMBERS' remuneration at the end of each pay-period. The first deduction will be at the end of the pay-period during which the MEMBER became a MEMBER in terms of the RULES.
- 12.5.3 For a MEMBER who is in receipt of a disability income benefit the employer-contracted REGISTERED INSURER must deduct the MEMBERS' contributions payable in terms of RULES 12.1 and 12.2 from the MEMBERS' remuneration at the end of each pay-period. The first deduction will be at the end of the pay-period during which the MEMBER became eligible for a disability income benefit.
- 12.5.4 The MEMBERS' contributions payable in terms of RULE 12.1 and RULE 12.2 and the EMPLOYER'S contributions payable in terms of RULE 12.3 and RULE 12.4 must be paid over to the FUND within seven (7) days of the end of the month in respect of which the contributions in question are payable.
- 12.5.5 An amendment of the RULES relating to the reduction of contributions or the suspension or discontinuation of the payment of contributions will not affect any liability to pay any contributions which became payable at any time before the date of the resolution whereby the amendment was affected, irrespective of the date on which the amendment may take effect.
- 12.5.6 The BOARD must procure that the PRINCIPAL OFFICER or an authorised person as contemplated in Section 13A (6) of the ACT ensures that the provisions of Section 13A of the ACT are complied with, including but not limited to the payment of late payment interest as prescribed from time to time.

13. EXPENSES

13.1 Administration Expenses

13.1.1 ADMINISTRATION EXPENSES for MEMBERS will be paid from the EXPENSE RESERVE ACCOUNT to the service providers and creditors.

13.1.2 ADMINISTRATION EXPENSES for NON-CONTRIBUTING MEMBERS and PENSIONERS will be deducted from their respective INVESTMENT ACCOUNT(S) and IN-FUND LIVING ANNUITY ACCOUNT(S) and credited to the EXPENSE RESERVE ACCOUNT. Service providers and creditors will be paid from the EXPENSE RESERVE ACCOUNT.

13.2 Ad Hoc Expenses

13.2.1 AD HOC EXPENSES for MEMBERS will be paid from the EXPENSE RESERVE ACCOUNT.

13.2.2 AD HOC EXPENSES for NON-CONTRIBUTING MEMBERS and PENSIONERS will be deducted from their respective INVESTMENT ACCOUNT(S) and IN-FUND LIVING ANNUITY ACCOUNT(S) and credited to the EXPENSE RESERVE ACCOUNT. Service providers and creditors will be paid from the EXPENSE RESERVE ACCOUNT.

13.3 Risk Expenses

13.3.1 RISK EXPENSES for MEMBERS will be paid from the EXPENSE RESERVE ACCOUNT to the REGISTERED INSURER(S).

13.3.2 There are no RISK EXPENSES for NON-CONTRIBUTING MEMBERS and PENSIONERS.

13.4 Tracing Costs

13.4.1 If any costs are incurred by the BOARD to trace any NON-CONTRIBUTING MEMBER or PENSIONER for benefit payments, such reasonable costs may be deducted from the benefits payable to them and credited to the EXPENSE RESERVE ACCOUNT. Service providers and creditors will be paid from the EXPENSE RESERVE ACCOUNT.

13.4.2 The costs associated with such reasonable steps taken by the BOARD to give effect to the provisions of Section 37C of the ACT, having regard to the quantum of the benefits, may be deducted from the benefits payable to such BENEFICIARIES and credited to the EXPENSE RESERVE ACCOUNT. Service providers and creditors will be paid from the EXPENSE RESERVE ACCOUNT.

13.5 Expense Payments

13.5.1 The FUND will verify banking details and make payments in respect of any expenses under RULES 13.1, 13.2 13.3 and 13.4 directly to its service providers and creditors.

14. INVESTMENTS

14.1 Investment Policy and Principles Statement (IPPS)

14.1.1 The BOARD shall determine the IPPS of the Fund and review the IPPS from time to time.

14.1.2 The IPPS shall guide the FUND'S investment strategies, policies, and decisions.

14.1.3 The IPPS shall be a framework to guide the decisions required to achieve the FUND'S investment objectives.

- 14.1.4 The BOARD shall, in its sole discretion, select and appoint investment service providers with appropriate INVESTMENT PORTFOLIOS that are aligned with the FUND'S IPPS.
- 14.1.5 The BOARD shall, as set out in the IPPS, make available to the MEMBERS, PAID-UP MEMBERS, DEFERRED RETIREES and PENSIONERS of the FUND, the choice to invest their respective FUND CREDITS as well as the contributions made to the FUND by them in terms of RULES 12.1, 12.2, 12.3 and 12.4, and their respective IN-FUND LIVING ANNUITY ACCOUNTS in a specific portfolio or specific portfolios. In relation to a particular MEMBER or PENSIONER such an investment portfolio or portfolios will be referred to as SELECTED INVESTMENT PORTFOLIO(S).
- 14.1.6 The manner of exercising the choice referred to in RULE 14.1.5 above as well as the manner and costs involved in changing such choice will be determined and communicated by the BOARD.
- 14.1.7 The BOARD shall, in its sole discretion, select one or more of the INVESTMENT PORTFOLIOS as the DEFAULT PORTFOLIO(S) and shall ensure that the assets of the FUND in respect of which a choice has not been made as permitted in terms of RULE 14.1.5 are invested in one or more of the DEFAULT PORTFOLIO(S).
- 14.1.8 The IPPS shall set out the INVESTMENT PORTFOLIO target returns and cycles.
- 14.1.9 The BOARD shall prescribe the format of investment service provider reports to measure the achievement of the objectives set out in the INVESTMENT PORTFOLIO mandates and their investment returns against the agreed target returns.
- 14.1.10 The BOARD shall require, as set out in the IPPS, the full disclosure of all fees from the investment service providers.

14.2 Investment Accounts

14.2.1 For the determination of retirement benefits (in terms of RULES 16.3, 16.4 and 16.5), benefits payable following death benefits (in terms of RULES 16.8, 16.9 and 16.10) or withdrawal benefits (in terms of RULE 16.11), the following notional INVESTMENT ACCOUNT(S) will be opened and maintained for a MEMBER and a NON-CONTRIBUTING MEMBER:

14.2.2 INVESTMENT ACCOUNT 1 VESTED will consist of units in a specific SELECTED INVESTMENT PORTFOLIO(S) or DEFAULT INVESTMENT PORTFOLIO(S) which were purchased with:

- (a) MEMBER Contributions in terms of RULE 12.1 up to 28 February 2021; plus
- (b) MEMBER Contributions in terms of RULE 12.1 from 1 March 2021 onwards for a MEMBER AGED 55 ON 1 MARCH 2021; plus
- (c) the MEMBER Contributions portion of a MEMBER'S VESTED TRANSFER VALUE, (if any) in term of RULE 17.6; plus
- (d) any additional amounts allocated to this account by the BOARD from time to time; plus
- (e) positive INVESTMENT EARNINGS which could be reflected as additional units purchased with the reinvestment amounts or be reflected in the respective unit prices, or both, less possible unit reduction or otherwise for:
 - (i) ADMINISTRATION EXPENSES (if applicable); less
 - (ii) AD HOC EXPENSES (if applicable); less
 - (iii) INVESTMENT EXPENSES which could be reflected as a reduction of units or be reflected in the respective unit prices, or both; less

- (iv) negative INVESTMENT EARNINGS which would be reflected in the respective unit prices.

14.2.3 INVESTMENT ACCOUNT 2 VESTED will consist of units in a specific SELECTED INVESTMENT PORTFOLIO(S) or DEFAULT INVESTMENT PORTFOLIO(S) which were purchased with:

- (a) EMPLOYER Contributions in terms of RULE 12.3 up to 28 February 2021; plus
- (b) EMPLOYER Contributions in terms of RULE 12.3 from 1 March 2021 onwards for a MEMBER AGED 55 ON 1 MARCH 2021; plus
- (c) the EMPLOYER Contributions portion of a MEMBER'S VESTED TRANSFER VALUE, (if any) in term of RULE 17.6; plus
- (d) any additional amounts allocated to this account by the BOARD from time to time; plus
- (e) positive INVESTMENT EARNINGS which could be reflected as additional units purchased with the reinvestment amounts or be reflected in the respective unit prices, or both, less possible unit reduction or otherwise for:
 - (i) ADMINISTRATION EXPENSES (if applicable); less
 - (ii) AD HOC EXPENSES (if applicable); less
 - (iii) INVESTMENT EXPENSES which could be reflected as a reduction of units or be reflected in the respective unit prices, or both; less
 - (iv) negative INVESTMENT EARNINGS which would be reflected in the respective unit prices.

14.2.4 INVESTMENT ACCOUNT 3 VESTED will consist of units in a specific SELECTED INVESTMENT PORTFOLIO(S) or DEFAULT INVESTMENT PORTFOLIO(S) which were purchased with:

- (a) MEMBER Additional Voluntary Contributions in terms of RULE 12.2 up to 28 February 2021; plus
- (b) MEMBER Additional Voluntary Contributions in terms of RULE 12.2 from 1 March 2021 onwards for a MEMBER AGED 55 ON 1 MARCH 2021; plus
- (c) the MEMBER Additional Voluntary Contributions portion of a MEMBER'S VESTED TRANSFER VALUE, (if any) in term of RULE 17.6; plus
- (d) any additional amounts allocated to this account by the BOARD from time to time; plus
- (e) positive INVESTMENT EARNINGS which could be reflected as additional units purchased with the reinvestment amounts or be reflected in the respective unit prices, or both, less possible unit reduction or otherwise for:
 - (i) ADMINISTRATION EXPENSES (if applicable); less
 - (ii) AD HOC EXPENSES (if applicable); less
 - (iii) INVESTMENT EXPENSES which could be reflected as a reduction of units or be reflected in the respective unit prices, or both; less
 - (iv) negative INVESTMENT EARNINGS which would be reflected in the respective unit prices.

14.2.5 INVESTMENT ACCOUNT 4 VESTED will consist of units in a specific SELECTED INVESTMENT PORTFOLIO(S) or DEFAULT INVESTMENT PORTFOLIO(S) which were purchased with:

- (a) EMPLOYER Additional Voluntary Contributions in terms of RULE 12.4 up to 28 February 2021; plus
- (b) EMPLOYER Additional Voluntary Contributions in terms of RULE 12.4 from 1 March 2021 onwards for a MEMBER AGED 55 ON 1 MARCH 2021; plus
- (c) the EMPLOYER Additional Voluntary Contributions portion of a MEMBER'S VESTED TRANSFER VALUE, (if any) in term of RULE 17.6; plus
- (d) any additional amounts allocated to this account by the BOARD from time to time; plus
- (e) positive INVESTMENT EARNINGS which could be reflected as additional units purchased with the reinvestment amounts or be reflected in the respective unit prices, or both, less possible unit reduction or otherwise for:
 - (i) ADMINISTRATION EXPENSES (if applicable); less
 - (ii) AD HOC EXPENSES (if applicable); less
 - (iii) INVESTMENT EXPENSES which could be reflected as a reduction of units or be reflected in the respective unit prices, or both; less
 - (iv) negative INVESTMENT EARNINGS which would be reflected in the respective unit prices.

14.2.6 INVESTMENT ACCOUNT 5 NON-VESTED will consist of units in a specific SELECTED INVESTMENT PORTFOLIO(S) or DEFAULT INVESTMENT PORTFOLIO(S) which were purchased with:

- (a) MEMBER Contributions in terms of RULE 12.1 from 1 March 2021 onwards excluding those for a MEMBER AGED 55 ON 1 MARCH 2021; plus

- (b) the MEMBER Contributions portion of a MEMBER'S NON-VESTED TRANSFER VALUE, (if any) in term of RULE 17.6; plus
- (c) any additional amounts allocated to this account by the BOARD from time to time; plus
- (d) positive INVESTMENT EARNINGS which could be reflected as additional units purchased with the reinvestment amounts or be reflected in the respective unit prices, or both, less possible unit reduction or otherwise for:
 - (i) ADMINISTRATION EXPENSES (if applicable); less
 - (ii) AD HOC EXPENSES (if applicable); less
 - (iii) INVESTMENT EXPENSES which could be reflected as a reduction of units or be reflected in the respective unit prices, or both; less
 - (iv) negative INVESTMENT EARNINGS which would be reflected in the respective unit prices.

14.2.7 INVESTMENT ACCOUNT 6 NON-VESTED will consist of units in a specific SELECTED INVESTMENT PORTFOLIO(S) or DEFAULT INVESTMENT PORTFOLIO(S) which were purchased with:

- (a) EMPLOYER Contributions in terms of RULE 12.3 from 1 March 2021 onwards excluding those for a MEMBER AGED 55 ON 1 MARCH 2021; plus
- (b) the EMPLOYER Contributions portion of a MEMBER'S NON-VESTED TRANSFER VALUE, (if any) in term of RULE 17.6; plus
- (c) any additional amounts allocated to this account by the BOARD from time to time; plus

- (d) positive INVESTMENT EARNINGS which could be reflected as additional units purchased with the reinvestment amounts or be reflected in the respective unit prices, or both, less possible unit reduction or otherwise for:
 - (i) ADMINISTRATION EXPENSES (if applicable); less
 - (ii) AD HOC EXPENSES (if applicable); less
 - (iii) INVESTMENT EXPENSES which could be reflected as a reduction of units or be reflected in the respective unit prices, or both; less
 - (iv) negative INVESTMENT EARNINGS which would be reflected in the respective unit prices.

14.2.8 INVESTMENT ACCOUNT 7 NON-VESTED will consist of units in a specific SELECTED INVESTMENT PORTFOLIO(S) or DEFAULT INVESTMENT PORTFOLIO(S) which were purchased with:

- (a) MEMBER Additional Voluntary Contributions in terms of RULE 12.2 from 1 March 2021 onwards excluding those for a MEMBER AGED 55 ON 1 MARCH 2021; plus
- (b) the MEMBER Additional Voluntary Contributions portion of a MEMBER'S NON-VESTED TRANSFER VALUE, (if any) in term of RULE 17.6; plus
- (c) any additional amounts allocated to this account by the BOARD from time to time; plus
- (d) positive INVESTMENT EARNINGS which could be reflected as additional units purchased with the reinvestment amounts or be reflected in the respective unit prices, or both, less possible unit reduction or otherwise for:
 - (i) ADMINISTRATION EXPENSES (if applicable); less
 - (ii) AD HOC EXPENSES (if applicable); less

- (iii) INVESTMENT EXPENSES which could be reflected as a reduction of units or be reflected in the respective unit prices, or both; less
- (iv) negative INVESTMENT EARNINGS which would be reflected in the respective unit prices.

14.2.9 INVESTMENT ACCOUNT 8 NON-VESTED will consist of units in a specific SELECTED INVESTMENT PORTFOLIO(S) or DEFAULT INVESTMENT PORTFOLIO(S) which were purchased with:

- (a) EMPLOYER Additional Voluntary Contributions in terms of RULE 12.4 from 1 March 2021 onwards excluding those for a MEMBER AGED 55 ON 1 MARCH 2021; plus
- (b) the EMPLOYER Additional Voluntary Contributions portion of a MEMBER'S NON-VESTED TRANSFER VALUE, (if any) in term of RULE 17.6; plus
- (c) any additional amounts allocated to this account by the BOARD from time to time; plus
- (d) positive INVESTMENT EARNINGS which could be reflected as additional units purchased with the reinvestment amounts or be reflected in the respective unit prices, or both, less possible unit reduction or otherwise for:
 - (i) ADMINISTRATION EXPENSES (if applicable); less
 - (ii) AD HOC EXPENSES (if applicable); less
 - (iii) INVESTMENT EXPENSES which could be reflected as a reduction of units or be reflected in the respective unit prices, or both; less
 - (iv) negative INVESTMENT EARNINGS which would be reflected in the respective unit prices.

14.3 In-Fund Living Annuity Account

14.3.1 For the determination of monthly PENSION amounts (in terms of RULE 16.7.3), payable following the in-fund retirement of a MEMBER, PAID-UP MEMBER or DEFERRED RETIREE (in terms of RULES 16.3, 16.4 and 16.5), the following notional IN-FUND LIVING ANNUITY ACCOUNT will be opened and maintained for a PENSIONER:

14.3.2 IN-FUND LIVING ANNUITY ACCOUNT for a PENSIONER will consist of units in a specific SELECTED INVESTMENT PORTFOLIO(S) or DEFAULT INVESTMENT PORTFOLIO(S):

- (a) transferred from their respective FUND CREDIT at the ELECTION DATE, after any lump benefit payments in terms of RULE 16.7, to their IN-FUND LIVING ANNUITY ACCOUNT; plus
- (b) purchased with any discretionary amounts that could be allocated to their account by the BOARD from time to time; plus
- (c) positive INVESTMENT EARNINGS which could be reflected as additional units purchased with the reinvestment amounts or be reflected in the respective unit prices, or both; less
- (d) the monthly PENSION amounts payable to the PENSIONER; less
- (e) INVESTMENT EXPENSES which could be reflected as a reduction of units or be reflected in the respective unit prices, or both; less
- (f) negative INVESTMENT EARNINGS which would be reflected in the respective unit prices.

14.4 Value of Units

- 14.4.1 The INVESTMENT ACCOUNT(S) consists of units in an INVESTMENT PORTFOLIO(S). The value of a unit and the number of units in an INVESTMENT PORTFOLIO(S) will be determined by the supplier of the INVESTMENT PORTFOLIO(S).
- 14.4.2 The final value of a FUND benefit, wholly or proportionally based on the value of any one or more of a MEMBER'S INVESTMENT ACCOUNT(S), will only be determined after the units or appropriate number of units in the relevant accounts have indeed been realised; the final value will be the realised value or will be based on the realised value.
- 14.4.3 The realisation of INVESTMENT ACCOUNT(S) is subject to the conditions/stipulations in the contract(s) of the underlying INVESTMENT PORTFOLIO(S). Notwithstanding anything to the contrary contained in the RULES, the realisation for the payment of FUND benefits, can be influenced and/or postponed by the conditions for the realisation of underlying units of some or all of the underlying INVESTMENT PORTFOLIO(S), as specified in the applicable contract.

14.5 Investment Earnings

INVESTMENT EARNINGS shall generally be reflected in the unit prices of the respective INVESTMENT PORTFOLIO(S).

Some INVESTMENT EARNINGS could be reflected as a separate investment transaction of purchasing additional units in the respective INVESTMENT PORTFOLIO(S) referred to as reinvestments.

14.6 Investment Expenses

INVESTMENT EXPENSES are those expenses relating to INVESTMENT ACCOUNT(S) that accrue or are estimated from time to time, inter alia, for the following items:

- Statutory taxes and/or levies;
- Administration costs relating to INVESTMENT ACCOUNT(S);
- Fees charged by INVESTMENT service providers;
- Fees charged for investment advisory services; and/or
- Other similar expenses and/or fees.

Notwithstanding anything to the contrary, every INVESTMENT ACCOUNT will be reduced on a proportionate basis by INVESTMENT EXPENSE(S) according to the source of the expense, especially in relation to the INVESTMENT PORTFOLIO(S) as the source of the expense. The expenses to be deducted will either be the actual expense, or it will be estimated.

Adjustments will be made on a just/reasonable and proportional basis from time to time, should the actual expenses differ from the estimated expenses.

INVESTMENT EXPENSES can be reflected in the unit prices (net unit prices) or by a transaction reflecting a reduction in the units of an INVESTMENT PORTFOLIO(S).

14.7 Disinvestment of Monies Pending Payment

Notwithstanding anything to the contrary contained elsewhere in these RULES when a benefit accrues to or in respect of a MEMBER or as soon thereafter as is possible, other than a benefit in respect of which a scheme as envisaged in terms of Section 14 of the ACT applies, the ADMINISTRATOR shall disinvest the assets underlying the benefit. Interest, if any, will be calculated on the amount disinvested, between the date of disinvestment and date of benefit payment. Such interest will form part of the benefit.

14.8 Property of the Fund

The value(s), balance(s), units, and/or amounts relative to an INVESTMENT ACCOUNT(S) and IN-FUND LIVING ANNUITY ACCOUNT(S), and realised values thereof, where applicable, are terms solely used in these RULES to determine the accumulation and calculation of the FUND benefits to which MEMBERS, NON-CONTRIBUTING MEMBERS and PENSIONERS under the FUND are entitled to at the occurrence of specific events as described in the RULES.

All assets of the FUND, including INVESTMENT ACCOUNT(S) and IN-FUND LIVING ANNUITY ACCOUNT(S), will always remain the property of the FUND and do not belong to MEMBERS, NON-CONTRIBUTING MEMBERS and PENSIONERS.

14.9 Investment of Reserve Accounts

The BOARD will determine the investment policy and/or applicable INVESTMENT PORTFOLIO(S) in respect of the investments of the Expense Reserve Account, the Data Processing Error Reserve Account, and the Member Surplus Account.

15. RESERVE ACCOUNTS

15.1 Expense Reserve Account

15.1.1 An Expense Reserve Account will be established in the FUND.

15.1.2 The purpose of the Expense Reserve Account is to fund the cost of ADMINISTRATION EXPENSES, AD HOC EXPENSES and RISK EXPENSES.

15.1.3 The following credit transactions will be recorded in the Expense Reserve Account:

- (a) Amounts paid to the FUND by the EMPLOYER and REGISTERED INSURER(S) in terms of RULE 12.3.3; plus
- (b) Amounts deducted from the FUND CREDITS of NON-CONTRIBUTING MEMBERS and IN-FUND LIVING ANNUITY ACCOUNTS of PENSIONERS in respect of ADMINISTRATION EXPENSES in terms of RULE 13.1.2; plus
- (c) Amounts deducted from the FUND CREDITS of NON-CONTRIBUTING MEMBERS and IN-FUND LIVING ANNUITY ACCOUNTS of PENSIONERS in respect of AD HOC EXPENSES in terms of RULE 13.2.2; plus
- (d) Amounts transferred from a similar account of another APPROVED FUND after consultation with the ACTUARY and subject to the approval of the FSCA; plus
- (e) Positive INVESTMENT EARNINGS on the amount standing to the credit of the Expense Reserve Account from time to time.

15.1.4 The following debit transactions will be recorded in the Expense Reserve Account:

- (a) Amounts paid to any of the FUND'S service providers or creditors in respect of ADMINISTRATION EXPENSES, AD HOC EXPENSES, RISK EXPENSES and Tracing Costs in terms of RULE 13; plus
- (b) Negative INVESTMENT EARNINGS on the amount standing to the credit of the Expense Reserve Account from time to time; plus
- (a) Any allocations made to FUND CREDITS of MEMBERS and NON-CONTRIBUTING MEMBERS and IN-FUND LIVING ANNUITY ACCOUNTS of PENSIONERS by the BOARD from time to time.

15.2 Data Processing Error Reserve Account

15.2.1 A Data Processing Error Reserve Account is established in the Fund.

15.2.2 The Data Processing Error Reserve Account will be used as a measure of protection of the FUND'S financial position against mismatches that occur between the actual investment or disinvestment of monies and when they are deemed to have occurred in the calculation of benefits, as well as any other miscellaneous mismatches or data processing errors that may occur.

15.2.3 An amount deemed appropriate by the BOARD, after consultation with the ACTUARY, will be credited or debited to this account following the valuation of the FUND by the ACTUARY from time to time provided that the amount will comply with any guidelines issued by the FSCA.

15.2.4 The following credit transactions will be recorded in the Data Processing Error Reserve Account:

- (a) Amounts allocated from time to time by the BOARD following a valuation of the FUND as per RULE 10.1.4; plus
- (b) Amounts transferred from a similar account of another APPROVED FUND after consultation with the ACTUARY and subject to the approval of the FSCA; plus
- (c) Positive INVESTMENT EARNINGS on the amount standing to the credit of the Data Processing Error Reserve Account.

15.2.5 The following debit transactions will be recorded in the Data Processing Error Reserve Account:

- (a) Amounts debited from time to time by the BOARD following a valuation of the FUND as per RULE 10.1.4; plus
- (b) Negative INVESTMENT EARNINGS from time to time; plus

- (c) Any allocations made to FUND CREDITS of MEMBERS and NON-CONTRIBUTING MEMBERS and IN-FUND LIVING ANNUITY ACCOUNTS of PENSIONERS by the BOARD from time to time.

15.2.6 A balance, as advised by the Actuary, shall be maintained in the data Processing Error Reserve Account that attempts to avoid placing the FUND in deficit.

15.3 **Member Surplus Account**

15.3.1 A Member Surplus Account is established in the Fund.

15.3.2 The following credit transactions will be recorded in the Member Surplus Account:

- (a) Amounts allocated in terms of Section 15C (1) of the ACT; plus
- (b) Amounts transferred from a similar account of another APPROVED FUND after consultation with the ACTUARY and subject to the approval of the FSCA; plus
- (c) Positive INVESTMENT EARNINGS on the amount standing to the credit of the Member Surplus Account.

15.3.3 The following debit transactions will be recorded in the Member Surplus Account:

- (a) The amount standing to the credit of the Member Surplus Account may be used in the manner and for any of the purposes set out in the ACT; plus
- (b) Negative INVESTMENT EARNINGS from time to time; plus
- (c) Any allocations made to FUND CREDITS of MEMBERS and NON-CONTRIBUTING MEMBERS and PENSIONER IN-FUND LIVING ANNUITY ACCOUNTS by the BOARD from time to time.

16. BENEFITS

16.1 Notification of Retirement, Death or Withdrawal

- 16.1.1 A MEMBER and/or the MEMBER'S EMPLOYER are required to provide the FUND with written notice of a MEMBER'S retirement, death, or withdrawal.
- 16.1.2 The written notice must include the options elected by the MEMBER, in particular regarding the possible preservation of benefits in the FUND and consequently becoming a DEFERRED RETIREE or a PAID-UP MEMBER with their full benefit, or alternatively any portion of the benefit to be paid as a lump sum benefit, and/or an ANNUITY and/or an IN-FUND LIVING ANNUITY selected in terms of RULES 16.3, 16.4, or 16.5 as well as any other information which may be required by the BOARD and/or the ADMINISTRATOR from time to time.
- 16.1.3 Any MEMBER who does not provide the FUND with the required written notice within two (2) months after leaving the SERVICE of the EMPLOYER, automatically becomes a PAID-UP MEMBER if they are younger than the NORMAL RETIREMENT AGE, or a DEFERRED RETIREE if they are at NORMAL RETIREMENT AGE.
- 16.1.4 The FUND will be regarded as having been notified of a MEMBER'S retirement, death, or withdrawal on receipt by the ADMINISTRATOR of a validly completed Change of Member Status Form, the format of which must be agreed between the FUND and the EMPLOYER.

16.2 Notification of Election Date

- 16.2.1 A MEMBER, PAID-UP MEMBER, or a DEFERRED RETIREE and/or the EMPLOYER by whom the MEMBER was employed are required to provide the FUND with written notice of their ELECTION DATE of

receiving their benefits from the FUND in terms of RULES 16.3, 16.4, 16.5 or 16.9.

16.3 Normal Retirement

16.3.1 Subject to RULES 16.4 and 16.5 a MEMBER must retire at their NORMAL RETIREMENT DATE and will become entitled to the option becoming a DEFERRED RETIREE, a PENSIONER or become entitled to an ANNUITY or IN-FUND LIVING ANNUITY vesting on the following day, subject to the qualifying criteria.

16.3.2 Subject to the provisions of RULE 16.7, the amount of the ANNUITY or IN-FUND LIVING ANNUITY will be equal to that which may be purchased by the MEMBER'S FUND CREDIT.

16.3.3 The MEMBER'S FUND CREDIT will be calculated as at the ELECTION DATE.

16.4 Early Retirement

16.4.1 Subject to the written consent of the EMPLOYER a MEMBER may retire from SERVICE on the last day of any month once they attained the age of fifty-five (55) years, and will become entitled to become a DEFERRED RETIREE, a PENSIONER or to an ANNUITY or IN-FUND LIVING ANNUITY vesting on the following day.

16.4.2 A MEMBER who does not qualify for a disability income benefit in terms of a separate disability income benefit policy may, on production of medical evidence acceptable to the EMPLOYER, retire at any time before reaching NORMAL RETIREMENT AGE and will become entitled to become a DEFERRED RETIREE, a PENSIONER or to an ANNUITY or IN-FUND LIVING ANNUITY vesting on the following day, subject to the qualifying criteria.

16.4.3 Subject to the provisions of RULE 16.7, the amount of the ANNUITY or IN-FUND LIVING ANNUITY will be equal to that which may be purchased by the MEMBER'S FUND CREDIT.

16.4.4 The MEMBER'S FUND CREDIT will be calculated as at the ELECTION DATE.

16.5 **Late Retirement**

16.5.1 Subject to the written consent of the EMPLOYER a MEMBER who has reached their NORMAL RETIREMENT DATE may remain in SERVICE and retire at the last day of such month as may be advised to the FUND by the EMPLOYER. MEMBER and EMPLOYER Contributions on behalf of the MEMBER will continue until the date of such late retirement, but do not qualify for RISK BENEFITS after NORMAL RETIREMENT DATE. At the date of late retirement, the MEMBER will become entitled to become a DEFERRED RETIREE, a PENSIONER or to an ANNUITY or IN-FUND LIVING ANNUITY vesting on the following day, subject to the qualifying criteria.

16.5.2 Subject to the provisions of RULE 16.7, the amount of the ANNUITY or IN-FUND LIVING ANNUITY will be equal to that which may be purchased by the MEMBER'S FUND CREDIT.

16.5.3 The MEMBER'S FUND CREDIT will be calculated on the ELECTION DATE.

16.6 **Deferred Retirement**

16.6.1 A MEMBER may elect to become a DEFERRED RETIREE in terms of RULES 16.3, 16.4 or 16.5. A DEFERRED RETIREE does not qualify for further MEMBER and EMPLOYER Contributions to the FUND and does not qualify for RISK BENEFITS. A DEFERRED RETIREE retains their INVESTMENT ACCOUNTS and may continue making investment choices.

16.7 Lump Sum Benefit and Pension Options at Retirement

16.7.1 At the ELECTION DATE a retiring MEMBER or DEFERRED RETIREE may choose to receive a lump sum benefit up to the whole of their FUND CREDIT VESTED PORTION that becomes payable in terms of RULES 16.3, 16.4 or 16.5 whichever is applicable.

16.7.2 An ANNUITY which becomes payable in terms of RULES 16.3, 16.4 or 16.5 will be purchased in the MEMBER'S or DEFERRED RETIREE'S name from a REGISTERED INSURER(S). The terms and conditions applicable to such an ANNUITY, including options elected by the MEMBER or DEFERRED RETIREE, will be subject to the provisions of the ACT and SARS directives, and it must be set out in writing by the REGISTERED INSURER; provided that:

- (a) the ANNUITY will be purchased with the balance of the MEMBER'S or DEFERRED RETIREE'S FUND CREDIT after payment of any lump sum benefit;
- (b) on purchase of the ANNUITY in terms of RULES 16.3, 16.4 or 16.5, the MEMBER or DEFERRED RETIREE will cease to be a MEMBER of the FUND and the FUND will have no further liability to or in respect of such MEMBER or DEFERRED RETIREE, such liability resting with the REGISTERED INSURER(S) from which the ANNUITY was purchased;

The purchase of more than one ANNUITY will be subject to the requirements of the SARS.

16.7.3 An IN-FUND LIVING ANNUITY which becomes payable in terms of RULES 16.3, 16.4 or 16.5, will be subject to the provisions of the ACT, the RULES of the FUND and the terms and conditions set out in writing by the BOARD from time to time; provided that:

- (a) the IN-FUND LIVING ANNUITY will be purchased with the balance of the MEMBER'S or DEFERRED RETIREE'S FUND CREDIT, after payment of any lump sum benefit, and this balance will be transferred from the respective INVESTMENT ACCOUNT(S) to the respective IN-FUND LIVING ANNUITY ACCOUNT(S) at the ELECTION DATE;
- (b) on purchase of the IN-FUND LIVING ANNUITY in terms of RULES 16.3, 16.4 or 16.5, the MEMBER or DEFERRED RETIREE will become a PENSIONER of the FUND;
- (c) no further MEMBER and EMPLOYER Contributions to the FUND are accepted for a PENSIONER and they do not qualify for RISK BENEFITS in the FUND;
- (d) a PENSIONER may make ongoing investment choices between the available INVESTMENT PORTFOLIO(S) of the FUND.

16.8 Death of a Member

16.8.1 On the death of a MEMBER while in SERVICE prior to their retirement, an ANNUITY or IN-FUND LIVING ANNUITY as determined by the BOARD may become payable, provided that the amount of such ANNUITY or IN-FUND LIVING ANNUITY will be that which may be purchased with the deceased MEMBER'S FUND CREDIT plus their RISK BENEFIT. The deceased MEMBER'S FUND CREDIT and RISK BENEFIT will be calculated as at the date on which the FUND is regarded as having been notified of such MEMBER'S death in terms of RULE 16.1.

16.8.2 The provisions of RULE 16.7, apply mutatis mutandis to an ANNUITY or IN-FUND LIVING ANNUITY that becomes payable in terms of this RULE 16.8 and to the BENEFICIARY to whom that ANNUITY or IN-FUND LIVING ANNUITY is payable, except that a BENEFICIARY may choose to receive a lump sum benefit up to the whole of their allocated portion of the deceased MEMBER'S FUND CREDIT and RISK BENEFIT.

16.9 Death of a Paid-Up Member or Deferred Retiree

16.9.1 On the death of a PAID-UP MEMBER or DEFERRED RETIREE before the ELECTION DATE, an ANNUITY or IN-FUND LIVING ANNUITY as determined by the BOARD will become payable, provided that the amount of such ANNUITY or IN-FUND LIVING ANNUITY will be that which may be purchased with the deceased PAID-UP MEMBER'S or DEFERRED RETIREE'S FUND CREDIT. This FUND CREDIT will be calculated as at the date on which the FUND is regarded as having been notified of such PAID-UP MEMBER'S or DEFERRED RETIREE'S death in terms of RULE 16.1.

16.9.2 The provisions of RULE 16.7, apply mutatis mutandis to an ANNUITY or IN-FUND LIVING ANNUITY that becomes payable in terms of this RULE 16.9 and to the BENEFICIARY to whom that ANNUITY or IN-FUND LIVING ANNUITY is payable, except that a BENEFICIARY may choose to receive a lump sum benefit up to the whole of their allocated portion of the deceased PAID-UP MEMBER'S or DEFERRED RETIREE'S FUND CREDIT.

16.10 Death of a Pensioner

16.10.1 On the death of a PENSIONER an ANNUITY or IN-FUND LIVING ANNUITY as determined by the BOARD will become payable, provided that the amount of such ANNUITY or IN-FUND LIVING ANNUITY will be that which may be purchased with the deceased PENSIONER'S IN-FUND LIVING ANNUITY ACCOUNT. The deceased PENSIONER'S IN-FUND LIVING ANNUITY ACCOUNT will be calculated as at the date on which the FUND is regarded as having been notified of such PENSIONER'S death in terms of RULE 16.1.

16.10.2 The provisions of RULE 16.7, apply mutatis mutandis to an ANNUITY or IN-FUND LIVING ANNUITY that becomes payable in terms of this RULE 16.10 and to the BENEFICIARY to whom that ANNUITY or IN-FUND LIVING ANNUITY is payable, except that a BENEFICIARY may choose to receive a lump sum benefit up to the whole of their allocated portion of the deceased PENSIONER'S IN-FUND LIVING ANNUITY ACCOUNT.

16.11 **Withdrawal Benefits**

16.11.1 If a MEMBER resigns from SERVICE prior to their NORMAL RETIREMENT DATE or is dismissed for operational reasons, misconduct or incapacity prior to their NORMAL RETIREMENT DATE, they will become entitled to their MEMBER'S FUND CREDIT, which will be automatically preserved by remaining invested in the INVESTMENT PORTFOLIO(S) that they were invested in immediately prior to withdrawal or such INVESTMENT PORTFOLIO(S) selected by the MEMBER until the benefit is claimed by the MEMBER in terms of RULE 16.1 subject to the provisions of RULE 16.8.

16.11.2 If such a MEMBER does not claim their benefit within two (2) months after leaving the SERVICE of the EMPLOYER, they become a PAID-UP MEMBER until they decide to claim their benefit. A PAID-UP MEMBER may not have any further MEMBER and EMPLOYER Contributions to the FUND and does not qualify for RISK BENEFITS in the FUND from the date leaving the SERVICE of the EMPLOYER.

16.11.3 The MEMBER may elect to preserve their FUND CREDIT in the FUND. They will then become a PAID-UP MEMBER until they claim their benefit. A PAID-UP MEMBER may not have any further MEMBER and EMPLOYER Contributions to the FUND and does not qualify for RISK BENEFITS in the FUND.

16.11.4 The MEMBER may elect to receive their MEMBER'S FUND CREDIT, less any applicable tax, as a cash benefit, to transfer their MEMBER'S FUND CREDIT to another APPROVED FUND or,

subject to prevailing legislation, to receive part of their MEMBER'S FUND CREDIT as a lump sum benefit, less any applicable tax and transfer the balance to another APPROVED FUND.

16.11.5 In the event of the MEMBER electing to receive a cash benefit, or to transfer their benefit, or to receive a partial cash benefit and transfer the balance of their benefit, in terms of RULE 16.11.4 above, payment will take place within three months of the FUND receiving notification that the MEMBER has left SERVICE and receiving all the required documents, provided that in the event that the FUND has made application to SARS for a tax directive and through no fault of the FUND, has not received such document, the FUND may extend the payment period until such document has been received from SARS.

16.11.6 The MEMBER'S or the PAID-UP MEMBER'S FUND CREDIT will be calculated as at the ELECTION DATE.

16.12 Payment of Benefits

16.12.1 The BOARD is entitled to request any documentation prescribed by it as satisfactory proof as to the identity and right of a BENEFICIARY to a benefit, or as proof to give effect of Section 37C of the ACT, before payment of a benefit is made to such BENEFICIARY.

16.12.2 Whenever a benefit is payable to a BENEFICIARY, the payment thereof will be by means of an electronic bank transfer to their bank account, the details of which the BENEFICIARY will inform the BOARD in writing. However, at the request of the BENEFICIARY, the BOARD may agree to payment of the benefit in some other manner, provided that this will not include payment in cash or payment to another person, other than the BENEFICIARY or their caretaker.

16.12.3 Notwithstanding a contrary provision contained in the RULES, if the BOARD, in its absolute discretion, for some good reason deem it not advisable to make payment of a benefit, other than a benefit referred to in RULES 16.8, 16.9 or 16.10, in the manner elsewhere provided for in these RULES, the BOARD may pay the benefit to a BENEFICIARY in one of the following ways:

- (a) where a BENEFICIARY is a minor, to the guardian of such BENEFICIARY, for the benefit of such BENEFICIARY; and/or
- (b) where a BENEFICIARY is contractually incapacitated, to the curator of such BENEFICIARY, for the benefit of the BENEFICIARY.

16.12.4 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.

16.12.5 A payment made in terms hereof will not be made in a manner that conflicts with the ACT, the requirements of the SARS, or any other legislation.

16.13 Payment of Death Benefits

16.13.1 Where the FUND becomes aware of, or traces, a DEPENDANT/S, within twelve months of the death of a MEMBER the benefit will be paid to such DEPENDANT/S as may be deemed equitable by the BOARD. The BOARD may make the payments to one DEPENDANT or in such proportions, and in more than one payment, to some or all of the DEPENDANTS.

16.13.2 Where the FUND does not become aware of or cannot trace a DEPENDANT/S within twelve months of the MEMBER's death and the MEMBER has designated a NOMINEE who is not a DEPENDANT the benefit, or the portion of the benefit as specified in writing by the MEMBER to the FUND, will be paid to the NOMINEE. The payment to the NOMINEE will be made after the debts in their estate is settled. Where the MEMBER determined a maximum

amount, the payment to the NOMINEE will not exceed the maximum amount so determined.

16.13.3 Where the FUND identifies a DEPENDANT/S and the MEMBER also designated a NOMINEE as per RULE 16.13.2, the FUND will, within twelve months of the MEMBER's death, pay the benefit or such portion thereof to a DEPENDANT or NOMINEE in proportions that the BOARD may deem equitable. This RULE will not prohibit the FUND from paying the benefit, either to a DEPENDANT or NOMINEE, if there is more than one such DEPENDANT or NOMINEE, in proportions to any or all of those DEPENDANTS and NOMINEES.

16.13.4 Where the FUND does not become aware of or cannot trace a DEPENDANT within twelve months of the MEMBER's death and the MEMBER has not designated a NOMINEE, the remaining portion of the benefit will be paid into the estate of the MEMBER. Where the MEMBER designated a NOMINEE the benefit or the remaining portion of the benefit after payment to the designated NOMINEE will be paid into the estate of the MEMBER. Where the Master of the Supreme Court has not received an inventory in respect of the MEMBER in terms of Section 9 of the Estates Act, 1965, the benefit will be paid into the Guardian's Fund.

16.13.5 The BOARD may make payment to:

- (a) A trustee contemplated in the Trust Property Control Act, 1988, nominated by-
 - i. the MEMBER;
 - ii. a major DEPENDANT or NOMINEE, subject to RULE 16.13.7 below; or
 - iii. a person recognised in law or appointed by a Court as the person responsible for managing the affairs or

meeting the daily care needs of a minor DEPENDANT or NOMINEE, or a major DEPENDANT or NOMINEE not able to manage their affairs or meet their daily care needs;

- (b) a person recognised in law or appointed by a Court as the person responsible for managing the affairs or meeting the daily care needs of a DEPENDANT or NOMINEE; or
- (c) a BENEFICIARY FUND.

16.13.6 Any benefit payable in terms of this RULE, 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. The BOARD will determine the INVESTMENT OPTION/PORTFOLIOS in which the benefit is invested and will ensure that the appropriate returns are added to the outstanding balance at such times as the BOARD may determine. The balance owing to such a DEPENDANT or NOMINEE at the date on which they attain majority or dies, whichever occurs first, will be paid in full.

16.13.7 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:

- (a) the amount of the payments, intervals of payment, interest to be added and other terms and conditions are disclosed in a written agreement; and
- (b) the agreement may be cancelled by either party on written notice not exceeding ninety days.

16.13.8 If the agreement contemplated in RULE 16.13.7 above is cancelled, the full balance of the benefit will be paid to the DEPENDANT or NOMINEE.

16.14 **Benefits Inalienable**

16.14.1 Save to the extent permitted by the ACT, the INCOME TAX ACT, the Maintenance Act, 1998, the Divorce Act, 1979 and the Magistrates Court Act, 1944, no benefit or right thereto provided for in the RULES, or right in respect of contributions made by or on behalf of a 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 be capable of being taken into account in the determination of a MEMBER's financial position.

16.14.2 If a BENEFICIARY attempts to transfer, cede, pledge, or hypothecate a benefit or right, 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 they may determine.

16.14.3 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 their creditors, notwithstanding anything to the contrary in any law relating to insolvency.

16.15 **Deductions from Benefits**

16.15.1 Notwithstanding anything to the contrary contained elsewhere in these RULES, the FUND may deduct any amount due to the FUND in respect of a loan granted to a MEMBER in terms of Section 19(5) of the ACT or any amount for which the FUND may become liable under a guarantee furnished in respect of a MEMBER for a loan

granted by some other person to the MEMBER in terms of Section 19(5), from:

- (a) the amount of the benefit to which the MEMBER or other BENEFICIARY becomes entitled in terms of the RULES of the FUND; or
- (b) In the case of a transfer of the MEMBER to another APPROVED FUND, the amount of the benefit which the FUND must transfer, if the BOARD is satisfied that it is not otherwise reasonably possible to negotiate the repayment or to transfer the loan or the guarantee; or
- (c) in the case of default on the repayment of any such loan by the MEMBER concerned in circumstances where their membership of the FUND is not terminated, the amount of the benefit which the MEMBER would have received on termination of membership on the date of default, if such a deduction is only affected as a last resort after the BOARD of the FUND is satisfied that no other arrangement for the required repayment can be made.

Provided that for the purpose of RULE 16.15.1 above the amounts so deducted will be deemed to be a benefit to which the MEMBER becomes entitled on termination of their membership of the FUND for reasons other than as a result of retirement or death arising at the date of the transfer or the default.

16.15.2 Notwithstanding anything to the contrary contained elsewhere in these RULES the FUND may deduct any amount due by a MEMBER to their EMPLOYER on the date on which they cease to be a MEMBER of the FUND, in respect of:

- (a) a loan granted by the EMPLOYER to the MEMBER for any purpose referred to in Section 19(5)(a) of the ACT; or
- (b) any amount for which the EMPLOYER is liable under a guarantee furnished in respect of a loan by some other

person to the MEMBER for any purpose referred to in Section 19(5)(a) of the ACT,

up to an amount not exceeding the amount which in terms of the Income Tax Act, 1962, may be taken by the MEMBER or BENEFICIARY as a lump sum benefit as defined in the Second Schedule to the Income Tax Act, 1962.

16.15.3 Notwithstanding anything to the contrary contained elsewhere in these RULES the FUND may also deduct any amount due by a MEMBER to their EMPLOYER on the date on which they cease to be a MEMBER of the FUND, in respect of compensation (including any legal costs recoverable from the MEMBER) in respect of any damage caused to the EMPLOYER by reason of theft, dishonesty, fraud or misconduct by the MEMBER, and in respect of which:

- (a) the MEMBER has in writing admitted liability to the EMPLOYER; or
- (b) judgment for damages has been obtained against the MEMBER in any court, including a magistrate's court,

from any benefit payable in respect of the MEMBER or a BENEFICIARY in terms of the RULES of the FUND and pay such amount to the employer.

16.15.4 At the request of an EMPLOYER, the BOARD will have the right to withhold payment of benefits in terms of the RULES if the termination of a MEMBER'S SERVICE with the EMPLOYER is, in the opinion of the BOARD and the EMPLOYER, due to theft, fraud or dishonesty and where the EMPLOYER has instituted legal proceedings in a court of law and/or initiated criminal charges against the MEMBER concerned for compensation in respect of damage caused to the EMPLOYER as contemplated in Section 37D of the ACT, provided that:

- (a) the BOARD is satisfied that the EMPLOYER has made out a *prima facie* case against the MEMBER concerned; and
- (b) the BOARD is satisfied that the EMPLOYER is not at any stage of the proceedings responsible for any undue delay in the prosecution of the proceedings; and
- (c) the amount withheld does not exceed the value of the EMPLOYER'S claim against the MEMBER; and
- (d) the amount withheld must be invested in the DEFAULT PORTFOLIO or such other INVESTMENT PORTFOLIO as agreed by the BOARD from time to time; and
- (e) once the proceedings have been determined, settled, or formally withdrawn, any benefit to which the MEMBER is entitled, is paid forthwith.

16.15.5 Notwithstanding anything to the contrary in these RULES and subject to the provisions of the ACT and the INCOME TAX ACT, a FUND may make deductions from a MEMBER'S FUND CREDIT. It includes maintenance order amounts payable as defined in Section 1 of the Maintenance Act, 1998 and amounts assigned to a NON-MEMBER SPOUSE in terms of a decree granted under Section 7(8)(a) of the Divorce Act, 1979 plus the tax liability, if any, in respect of such assigned amount.

16.16 Unclaimed Benefits

16.16.1 UNCLAIMED BENEFITS will remain in the FUND and the MEMBER'S FUND CREDIT will be maintained until such time as payment is made, provided that the BOARD may transfer such UNCLAIMED BENEFITS to a fund which is registered as an UNCLAIMED BENEFITS FUND.

16.16.2 The BOARD will, in its sole discretion, invest the UNCLAIMED BENEFITS in the DEFAULT PORTFOLIO or in another INVESTMENT PORTFOLIO of its choice.

16.17 Final Payment and Cessation of Liability

16.17.1 Upon the full utilisation or payment of benefits in respect of a MEMBER or PENSIONER and their BENEFICIARIES in terms of the RULES of the FUND, the liability of the FUND towards a MEMBER or PENSIONER and their BENEFICIARIES ceases entirely.

16.18 Claim against Beneficiary in the Case of False Information

16.18.1 Should it become known, after the payment of a benefit to a BENEFICIARY, that the decision to allocate benefits was based on false information about the respective BENEFICIARY, the BENEFICIARY will be required to refund the benefit to the FUND. The benefit will then be re-allocated based on correct information.

17. GENERAL PROVISIONS

17.1 Currency

The FUND transacts in the currency of the Republic of South Africa.

17.2 Monetary Benefit

The EMPLOYERS, BOARD and the ADMINISTRATOR will not derive a monetary benefit from the assets or monies paid to or from the FUND and no assets of the FUND will become the property of any of the aforementioned, other than specifically provided for in the RULES.

17.3 Disputes

- 17.3.1 To address disputes between the FUND and a MEMBER or BENEFICIARY or PENSIONER regarding the interpretation of the RULES, the administration of the FUND, the payment of a benefit, a decision of the BOARD or any FUND matter, the MEMBER or BENEFICIARY or PENSIONER may lodge a written complaint with the PRINCIPAL OFFICER.
- 17.3.2 The complaint must set out the reason for the dispute, with supporting information, sufficient to initiate an investigation, and the PRINCIPAL OFFICER will, subject to the provisions of RULE 17.3.5, deliver the complaint and the results from their initial investigation to the Chairperson.
- 17.3.3 The Chairperson or their delegate will in their sole discretion refer the dispute to:
- (a) the BOARD or an appropriate committee of the BOARD for consideration and decision; or
 - (b) an appropriate officer or employee of the FUND.
- 17.3.4 If a dispute is referred to the BOARD, the BOARD will deal with the dispute as it would with any other decision in terms of RULES 6.5.8 and 6.5.9.
- 17.3.5 If a dispute is referred to an employee or officer of the FUND, such employee or officer will attempt to resolve the dispute and if unsuccessful, will advise the Chairperson or their delegate. The PRINCIPAL OFFICER will, unless the matter is resolved and, subject to the provisions of the ACT, inform the MEMBER or BENEFICIARY or PENSIONER in writing of the decision taken on behalf of the FUND in terms of this RULE.
- 17.3.6 If the MEMBER or BENEFICIARY or PENSIONER 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.

17.4 Claims against the Fund and Employers

17.4.1 The FUND will not be liable to A MEMBER or BENEFICIARY or PENSIONER for claims in respect of the *bona fide* investment of the assets of the FUND.

17.4.2 No claims against the FUND or the BOARD or an EMPLOYER, whatsoever, will be considered if it falls outside the RULES.

17.4.3 The RULES will not in any way be interpreted as restricting the right of an EMPLOYER to terminate the employment of a MEMBER lawfully and will not grant the MEMBER any additional rights.

17.5 Indemnity and Fidelity Insurance

17.5.1 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.

17.5.2 The BOARD shall insure the FUND against loss which may arise due to the negligence, dishonesty, or fraud of any of the officials of the FUND, including a BOARD MEMBER.

17.6 Transfers from Other Funds

The BOARD may, after consultation with the ACTUARY and subject to the provisions of the RULES of the FUND and Section 14 of the ACT, if applicable, approve the transfer of benefit entitlements in respect of a MEMBER or PENSIONER or a category of MEMBERS or PENSIONERS who will, on completion of the transfer, become MEMBERS or PENSIONERS of the FUND.

17.7 Right to obtain Copies of or to inspect Certain Documents

17.7.1 The FUND will deliver to any MEMBER or PENSIONER on request from such MEMBER or PENSIONER and on payment of an amount to cover photocopying, printing and related costs, a copy of the RULES of the FUND or a copy of the latest revenue account and balance sheet.

17.7.2 A MEMBER or PENSIONER is entitled to inspect, without charge, and upon reasonable notice, at the registered office of the FUND, a copy of any of the documents referred to in RULE 17.7.1 above, as well as the latest valuation report prepared by the ACTUARY and any other document referred to in Section 35 of the ACT.

17.8 Amendments to the RULES

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

- (a) the value of a MEMBER'S or PENSIONER'S FUND CREDIT prior to such amendment will not be reduced;
- (b) the amendment is consistent with the provisions of the ACT and of the INCOME TAX ACT;
- (c) the amendment will not be made if the effect would be that the liabilities of one or more of the EMPLOYERS will be increased and such EMPLOYERS have not consented to the amendment, except where the amendment is in terms of legislation;

provided further that an amendment to the RULES affecting the financial basis of the FUND will be referred to the ACTUARY for their comment before being adopted.

17.8.2 Within sixty (60) days of the passing of a resolution effecting an amendment to the RULES, the PRINCIPAL OFFICER will submit the resolution to the FSCA and SARS together with the particulars prescribed.

17.8.3 An amendment to the RULES will only apply from the date that it is registered by the FSCA unless specifically specified that the amendment be effective retrospectively.

17.9 **Binding Power of Rules**

The provisions of the RULES will be binding on the MEMBERS, BENEFICIARIES, PENSIONERS, the FUND and its officials, service providers to the FUND, a person who institutes a claim against the FUND and any person whose claim against the FUND is derived from that person.

17.10 **Termination of the Fund**

17.10.1 The FUND may be wound up if:

- (a) the BOARD resolves that it should be wound up; or
- (b) a competent court determines that it be wound up; or
- (c) all the EMPLOYERS decide unanimously that it be wound up, subject to six (6) months' notice to the BOARD;
- (d) if the PRINCIPAL EMPLOYER should for any reason cease to operate; provided that if the PRINCIPAL EMPLOYER ceases to operate for the purposes of reconstruction or amalgamation, such reconstructed or amalgamated organisation shall have the right to replace the PRINCIPAL EMPLOYER in the FUND, in which event the FUND shall not otherwise be affected.

17.10.2 If the FUND is wound up in any of the circumstances referred to above, the BOARD will appoint a liquidator, subject to the approval of the FSCA.

17.10.3 The liquidator shall allocate the assets of the FUND to each MEMBER and PENSIONER in proportion to the MEMBER'S FUND

CREDIT and PENSIONER'S IN-FUND LIVING ANNUITY ACCOUNT at the time. Such amount shall be invested in an APPROVED FUND.

17.10.4 If the FUND is terminated or dissolved under Section 28 of the ACT, all monies remaining unclaimed for a period of six (6) months from the date on which payment of benefits commenced after completion of all necessary formalities, will be paid into the fund referred to in RULE 16.16.1. Failing that, the liquidator will make payment to the Guardians Fund for the benefit of the BENEFICIARIES concerned. Thereafter there shall be no claim against the FUND or the EMPLOYER. The liquidator must stipulate in their final liquidation account the amount thus paid and shall simultaneously comply with all FSCA liquidation requirements. An FSCA approved auditor shall certify the accounts.

17.10.5 If the FUND is wound up under Section 29 of the ACT, and the winding up order does not specifically apply Section 410 of the Companies Act, 1973, or direct otherwise regarding unclaimed monies, the provisions of RULE 17.10.4 above shall apply.

17.10.6 The provisions of Section 30 of the ACT will apply to FUND liquidations.

17.11 **Withdrawal of an Employer**

If an EMPLOYER terminates its participation in the FUND through written notice to the BOARD, or the EMPLOYER is wound up, whether voluntarily or not, or ceases to continue business, then, unless a reconstructed company or organisation takes the place of such EMPLOYER, the provisions of RULE 17.10 will apply *mutatis mutandis*. If the EMPLOYER wishes to participate in another APPROVED FUND, the provisions of RULE 17.16 will apply *mutatis mutandis*.

17.12 Transfer or Amalgamation of an Employer

17.12.1 If the operation of an EMPLOYER is transferred to or amalgamated with that of another organisation, such other organisation may:

- (a) continue contributions to the FUND in respect of the existing MEMBERS at the time of such transfer or amalgamation, subject to the conditions imposed by the BOARD, in which case the FUND will not be affected; or
- (b) withdraw from the FUND in terms of RULE 17.11.

17.13 Reclassification of a Member

17.13.1 If a MEMBER is reclassified in terms of their conditions of SERVICE and is required, as a result thereof, to transfer to another APPROVED FUND, the MEMBER will, subject to the provisions of Section 14 of the ACT, be permitted to transfer.

17.14 Transfer of a Member or Group of Members

17.14.1 In the event of the transfer of the contract(s) of employment of a MEMBER or group of MEMBERS to another employer in terms of Section 197 of the Labour Relations Act of 1995, RULE 16.11 will apply to the computation and payment of the benefits, except where the RULES regarding cash payments applies.

17.15 Amalgamation of Fund with Another Fund

17.15.1 The BOARD may amalgamate the FUND with another APPROVED FUND, subject to the provisions of Section 14 of the ACT. On completion of such amalgamation the FUND will cease to exist, and the BOARD must arrange for the FUND to be deregistered in terms of Section 27 of the ACT.

17.16 New Fund or Scheme

17.16.1 If an EMPLOYER decides to establish a new fund or scheme for the principal purpose of providing retirement benefits for its employees or for certain of its employees, or to participate in another fund or scheme for this purpose, the BOARD will, notwithstanding anything to the contrary in the RULES, apply the following RULES. Each MEMBER'S FUND CREDIT and PENSIONER'S IN-FUND LIVING ANNUITY ACCOUNT will be applied to obtain benefits for the MEMBERS and PENSIONERS concerned under the new fund or scheme. The BOARD will apply the individual FUND CREDITS after consultation with the ACTUARY and with the approval of the FSCA, and subject to the provisions of Section 14 of the ACT.

17.17 Default Annuity Strategy

17.17.1 The BOARD determines the DEFAULT ANNUITY STRATEGY from time to time. Amongst others, it will set out the manner in which a MEMBER'S retirement savings may be applied to purchase an ANNUITY from an external provider on their behalf. The purchase will be made with the MEMBER'S consent, and the ANNUITY will be purchased in the MEMBER'S NAME. The BOARD will also determine the conditions for MEMBER'S who select an IN-FUND LIVING ANNUITY from the FUND, or a combination of an ANNUITY and an IN-FUND LIVING ANNUITY and which all complies with the requirements of regulation 39 of the ACT.

17.18 Retirement Benefit Counselling

17.18.1 The BOARD makes available from time-to-time RETIREMENT BENEFIT COUNSELLING, in the format or on the platform determined by the BOARD, upon a MEMBER contemplating leaving or retiring from the FUND. The BOARD will appoint a registered financial advisor, but will not be responsible for any losses suffered due to the advice so given.