

REVISED RULES

OF THE

MINEWORKERS PROVIDENT FUND

(Registration No.: 12/8/23053)

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RULES OF THE MINeworkERS PROVIDENT FUND

1 GENERAL

1.1 Establishment and Name of Fund

On 14 June 1989, (herein referred to as “the COMMENCEMENT DATE”), a provident fund known as the Mineworkers Provident Fund (hereinafter referred to as “the FUND”) was established as a defined contribution fund.

1.2 Registered Office

The registered office of the FUND is at No. 26 Ameshoff Street, Braamfontein, 2001.

1.3 Object of the Fund

The main object of the FUND shall be to provide retirement and ancillary benefits for MEMBERS or for the dependants of MEMBERS who die while in SERVICE.

1.4 Legal Status

The FUND is a juristic person capable of suing and being sued in its own name and of executing all such actions as may be necessary for or incidental to the exercise of its powers or the performance of its functions in terms of the RULES.

1.5 Effective Date of Rules

1.5.1 With effect from 31 December 2012 in respect of Rules 5.2 and 5.4 and with effect from 1 March 2021 in respect of the entire set of Revised Rules, the RULES of the FUND were revised in order to consolidate the amendments to the RULES, to update the governance provisions, to update the RISK BENEFITS and to generally update the RULES in accordance with the latest legislation and best practice.

1.5.2 These revised RULES shall replace the rules of the FUND in force prior to the registration of these revised RULES and all rule amendments (rule amendments 1 to 7) to those Rules.

2 DEFINITIONS

2.1 The headings of the RULES are for ease of reference and shall not be taken into account in the interpretation of the RULES.

2.2 In these RULES, words and expressions defined in the ACT and not in the RULES shall have the meanings assigned to them in the ACT and, unless inconsistent with the context or a contrary intention appears, words and expressions signifying the singular shall be deemed to convey the plural and *vice versa*, words and expressions implying the masculine gender shall be deemed to convey the feminine gender, cognate expressions shall have corresponding meanings and the following words and expressions shall have the meanings assigned to them below:-

ACT means the Pension Funds Act, 1956 and the regulations promulgated in terms of the Pensions Fund Act, 1956, including any amendments or replacement legislation which may be effective from time to time, as well as any subordinate legislation applicable to the Pension Funds Act, 1956 or any replacement legislation.

ACTUARY means a natural person appointed as the valuator of the FUND by the BOARD in terms of these RULES and approved by the AUTHORITY to act as a valuator of the FUND.

ADJUDICATOR means the Pension Funds Adjudicator appointed in terms of the ACT.

ADMINISTRATOR means an entity appointed in terms of the RULES to attend to the day-to-day administration of the FUND in the event that the FUND is not self-administered, provided that such entity must be approved by the AUTHORITY in terms of section 13B of the ACT.

APPROVED FUND means a fund registered in terms of the ACT and approved as a pension fund or provident fund by the COMMISSIONER in terms of the INCOME TAX ACT.

APPROVED PRESERVATION FUND means a fund registered in terms of the ACT and approved as a provident preservation fund or pension preservation fund by the COMMISSIONER in terms of the INCOME TAX ACT.

APPROVED RETIREMENT ANNUITY FUND means a fund registered in terms of the ACT and approved as a retirement annuity fund by the COMMISSIONER in terms of the INCOME TAX ACT.

AUDITOR means the auditor appointed by the BOARD in terms of these RULES who must be registered under the Auditing Profession Act, 2005.

AUTHORITY means the Authority established in terms of section 56 of the Financial Sector Regulation Act, 2017.

BENEFICIARY means a DEPENDANT or NOMINEE of a MEMBER and/or any person entitled to a benefit under the FUND by virtue of a MEMBER'S membership of the FUND.

BENEFICIARY FUND means an APPROVED PRESERVATION FUND, registered in terms of the ACT for purposes of holding benefits payable to BENEFICIARIES in terms of section 37C of the ACT.

BOARD means the board of management of the FUND as constituted in terms of these RULES.

CASH FUND means an account with a banking institution registered in terms of the Banks Act, 1990, a money market account or similar type portfolio.

CATEGORY 1 MEMBER means a MEMBER in respect of whom his EMPLOYER has agreed that the total contribution to the FUND in respect of him will be at the rate of twelve percent (12%) of PENSIONABLE SALARY, as advised to the FUND in writing by the EMPLOYER.

CATEGORY 2 MEMBER means a MEMBER in respect of whom his EMPLOYER has agreed that the total contribution to the FUND in respect of him will be at the rate of thirteen percent (13%) of PENSIONABLE SALARY, as advised to the FUND in writing by the EMPLOYER.

CATEGORY 3 MEMBER means a MEMBER in respect of whom his EMPLOYER has agreed that the total contribution to the FUND in respect of him will be at the rate of fourteen percent (14%) of PENSIONABLE SALARY, as advised to the FUND in writing by the EMPLOYER.

CATEGORY 4 MEMBER means a MEMBER in respect of whom his EMPLOYER has agreed that the total contribution to the FUND in respect of him will be at the rate of fifteen percent (15%) of PENSIONABLE SALARY, as advised to the FUND in writing by the EMPLOYER.

CATEGORY 5 MEMBER means a MEMBER in respect of whom his EMPLOYER has agreed that the total contribution to the FUND in respect of him will be at the rate of sixteen percent (16%) of PENSIONABLE SALARY, as advised to the FUND in writing by the EMPLOYER.

CATEGORY 6 MEMBER means a MEMBER in respect of whom his EMPLOYER has agreed that the total contribution to the FUND in respect of him will be at the rate of seventeen percent (17%) of PENSIONABLE SALARY, as advised to the FUND in writing by the EMPLOYER.

CATEGORY 7 MEMBER means a MEMBER in respect of whom his EMPLOYER has agreed that the total contribution to the FUND in respect of him will be at the rate of eighteen percent (18%) of PENSIONABLE SALARY, as advised to the FUND in writing by the EMPLOYER.

CATEGORY 8 MEMBER means a MEMBER in respect of whom his EMPLOYER has agreed that the total contribution to the FUND in respect of him will be at the rate of nineteen percent (19%) of PENSIONABLE SALARY, as advised to the FUND in writing by the EMPLOYER.

CATEGORY 9 MEMBER means a MEMBER in respect of whom his EMPLOYER has agreed that the total contribution to the FUND in respect of him will be at the rate of twenty percent (20%) of PENSIONABLE SALARY, as advised to the FUND in writing by the EMPLOYER.

CATEGORY 10 MEMBER means a MEMBER in respect of whom his EMPLOYER has agreed that the total contribution to the FUND in respect of him will be at the rate of twenty-one percent (21%) of PENSIONABLE SALARY, as advised to the FUND in writing by the EMPLOYER.

CATEGORY 11 MEMBER means a MEMBER in respect of whom his EMPLOYER has agreed that the total contribution to the FUND in respect of him will be at the rate of twenty-two percent (22%) of PENSIONABLE SALARY, as advised to the FUND in writing by the EMPLOYER.

CATEGORY 12 MEMBER means a MEMBER in respect of whom his EMPLOYER has agreed that the total contribution to the FUND in respect of him will be at the rate of twenty-three percent (23%) of PENSIONABLE SALARY, as advised to the FUND in writing by the EMPLOYER.

CATEGORY 13 MEMBER means a MEMBER in respect of whom his EMPLOYER has agreed that the total contribution to the FUND in respect of him will be at the rate of twenty-four percent (24%) of PENSIONABLE SALARY, as advised to the FUND in writing by the EMPLOYER.

CATEGORY 14 MEMBER means a MEMBER in respect of whom his EMPLOYER has agreed that the total contribution to the FUND in respect of him will be at the rate of twenty-five percent (25%) of PENSIONABLE SALARY, as advised to the FUND in writing by the EMPLOYER.

CATEGORY 15 MEMBER means a MEMBER in respect of whom his EMPLOYER has agreed that the total contribution to the FUND in respect of him will be at the rate of twenty-six percent (26%) of PENSIONABLE SALARY, as advised to the FUND in writing by the EMPLOYER.

CATEGORY 16 MEMBER means a MEMBER in respect of whom his EMPLOYER has agreed that the total contribution to the FUND in respect of him will be at the rate of twenty-seven and a half percent (27,5%) of PENSIONABLE SALARY, as advised to the FUND in writing by the EMPLOYER.

CHAIRPERSON means the chairperson appointed in terms of Rule 11.2.

COMMENCEMENT DATE means 14 June 1989.

COMMISSIONER means the Commissioner for the South African Revenue Service as defined in the INCOME TAX ACT.

COMPLAINT means a complaint, as defined in the ACT.

COMPLAINANT means a complainant, as defined in the ACT.

CONTRIBUTION BREAK means any period commencing after 1 April 2020, which may be extended from time to time by the BOARD, but shall not exceed six uninterrupted months, for which the BOARD resolves that due to an external, unforeseen and unavoidable event beyond the control of a participating EMPLOYER that has a material interruption on the operations of a participating EMPLOYER which may, without limitation include a disaster as declared in terms of the Disaster Management Act, 2002, as may be amended from time to time, the EMPLOYER and MEMBER may cease to pay contributions for retirement funding to the FUND. A CONTRIBUTION BREAK must be communicated to affected MEMBERS within thirty (30) days of being decided on.

COUNCIL means the Minerals Council South Africa, an industry employer association registered in terms of the Labour Relations Act, 1995.

DATA ERROR RESERVE ACCOUNT means the contingency reserve account maintained in terms of Rule 5.4.4.

DEFAULT ANNUITY means an annuity which complies with the requirements of the COMMISSIONER, as reflected in the relevant General Note or any replacement thereof, selected by the BOARD as a default option for retiring MEMBERS and provided by an INSURER also selected by the BOARD.

DEPENDANT means, in relation to a MEMBER: -

- (a) a person in respect of whom the MEMBER is legally liable for maintenance;
- (b) a person in respect of 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 in fact dependent on the MEMBER for maintenance;
 - (ii) is the SPOUSE of the MEMBER;
 - (iii) is a child of the MEMBER, including a posthumous child, an adopted child or a child born out of wedlock;
- (c) a person in respect of whom the MEMBER would have become legally liable for maintenance, had the MEMBER not died.

DISABLED means a MEMBER is: -

- (a) Permanently unfit to continue in or to resume employment in the category of work on which he has been employed in the SERVICE of the EMPLOYER; and
- (b) Permanently unfit to continue in or to resume employment in any other category of work for which the COUNCIL minimum annual basic Wages are greater than or equal to those for the category of work in which he has been so employed.

DISABLEMENT will have a corresponding meaning with **DISABLED**.

DIVORCE ACT means the Divorce Act, 1979.

ELIGIBLE EMPLOYEE means any employee who is in SERVICE of an EMPLOYER and who belongs to the class of employees in respect of whom the EMPLOYER has elected to participate in the FUND in terms of Rule 3.1.1.

EMPLOYER means a company or entity whose participation in the FUND has been approved by the BOARD.

EXPENSE RESERVE ACCOUNT means the contingency reserve account maintained in terms of Rule 5.4.2.

FUND means the Mineworkers Provident Fund.

FUND YEAR means each successive twelve-month period commencing on 1 January and ending on 31 December of the same calendar year.

FUND YEAR END means 31 December in each year.

INCOME TAX ACT means the Income Tax Act, 1962, and the regulations thereunder, as amended from time to time.

INDEPENDENT TRUSTEE means an independent TRUSTEE appointed by the BOARD in terms of Rule 11.2, provided that such person may not be employed by any of the EMPLOYERS, be a member of a UNION, nor be a MEMBER of the FUND.

INSURED RISK BENEFIT means a RISK BENEFIT or part of a RISK BENEFIT in respect of which the FUND has insured its liability by way of a policy of insurance issued to the FUND by an INSURER in terms of Rule 7.3.2.

INSURER means an insurer registered under the Long-term Insurance Act, 1998, or licensed under the Insurance Act, 2017, to transact long-term insurance business.

INVESTMENT MANAGER means a financial institution referred to in the Financial Institutions (Protection of Funds) Act, 2001 or the Financial Markets Act, 2012 that is appropriately registered and is appointed by the BOARD in terms of the RULES, to manage the FUND'S investments.

INVESTMENT PORTFOLIO means any investment portfolio managed by an INVESTMENT MANAGER or an INSURER and includes a CASH FUND, as selected by the BOARD from time to time for investment of the FUND assets.

LATE PAYMENT INTEREST means the interest calculated as envisaged in Rule 5.2.4.

MEMBER means an ELIGIBLE EMPLOYEE who has been admitted to membership of the FUND and who has not ceased to be a MEMBER.

MEMBER INVESTMENT ACCOUNT means, in relation to a MEMBER at any time, the number of UNITS held in respect of a MEMBER, multiplied by the applicable UNIT PRICE at the date of calculation, plus NET INVESTMENT RETURN from the date on which the UNITS are realized until date of payment, provided that the MEMBER'S SHARE ACCOUNT shall be subject to a minimum value of the MEMBER'S MINIMUM INDIVIDUAL RESERVE. The MEMBER INVESTMENT ACCOUNT shall be maintained by the FUND in respect of the MEMBER in terms of Rule 5.2.

MINIMUM INDIVIDUAL RESERVE means the minimum amount, as defined in the ACT, payable to a MEMBER or other person entitled to a benefit, on a MEMBER'S retirement, death or on his leaving SERVICE for any reason, prior to retirement, other than on liquidation or partial liquidation of the FUND.

MONITORING PERSON means the person appointed by the BOARD to perform the duties of the monitoring person as envisaged in section 13A of the ACT with regard to compliance with that section, provided that in the absence of such appointment, the PRINCIPAL OFFICER will be the MONITORING PERSON.

NET INVESTMENT RETURN means, in relation to any assets held by the FUND, the net investment gain or loss made by the FUND in the INVESTMENT PORTFOLIO as determined periodically in which those assets are held, taking into account any:-

- (a) statutory taxes and levies payable in respect of the assets held in that INVESTMENT PORTFOLIO;
- (b) interest, dividends and other investment income received by the FUND in respect of investments held in that INVESTMENT PORTFOLIO;
- (c) capital gains and losses made by the FUND on the disposal of investments in that INVESTMENT PORTFOLIO;
- (d) unrealised growth or depreciation in the value of investments in that INVESTMENT PORTFOLIO.

NOMINEE means a person, whether a DEPENDANT of the MEMBER or not, who has been nominated by the MEMBER in writing and notified to the FUND, to receive the death benefits payable on the MEMBER'S death in terms the RULES.

NON-CONTRIBUTORY MEMBER means a MEMBER who remains in SERVICE but is no longer a contributory MEMBER, as described in Rule 3.2.4.3.

NON-MEMBER SPOUSE in relation to a MEMBER means a person who is no longer the SPOUSE of the MEMBER, as a result of the dissolution or confirmation of dissolution of their union by court order and to whom the court ordering or confirming the dissolution of the union has granted a share of the pension interest of the MEMBER.

NON-RISK BENEFIT MEMBER means a MEMBER, who is not a PAID-UP MEMBER or a NON-CONTRIBUTORY MEMBER, in respect of whom the EMPLOYER has not elected to participate in the provision of RISK BENEFITS in terms of Rule 3.1.3.

NON-VESTED BENEFIT means the benefit as more fully described in Rule 5.3.1.

NON-VESTED BENEFIT ACCOUNT means the account of the FUND as envisaged to operate in accordance with Rule 5.3.2.

NORMAL RETIREMENT AGE means:-

- (a) In the case of an UNDERGROUND MEMBER, the age of sixty (60) years; and
- (b) In the case of any other MEMBER, the age of sixty-three (63) years;

Provided that should an EMPLOYER so advise the FUND in respect of a MEMBER or a group of MEMBERS, it will be sixty-three (63) years or sixty-five (65) years, as applicable and further,

Provided that the RETIREMENT DATE of a PAID-UP MEMBER is that age elected by him or her which is 55 (fifty-five) years or older.

NUM means the National Union of Mineworkers.

OPERATIONAL FUND EXPENSES means the expenses related to the general management and operation of the FUND, as set out in Rule 5.4.2.5.

PAID-UP BENEFIT means the benefit that became due on termination of SERVICE of a MEMBER in terms of Rule 8.1, but which remained paid-up in the FUND as a result of an election by the MEMBER in terms of Rule 8.2.1.2 or as a result of the operation of the default provisions described in Rule 8.2.2.

PAID-UP MEMBER means a MEMBER who has left SERVICE and who is entitled to a PAID-UP BENEFIT.

PARTICIPATION DATE means the date of commencement of an EMPLOYER'S participation in the FUND in respect of a particular class of ELIGIBLE EMPLOYEES, as agreed between the BOARD and the EMPLOYER, as contemplated in Rule 3.1.1.

PENSIONABLE SALARY means the basic salary of a MEMBER, as advised to the FUND by the EMPLOYER, provided that variable pay may be included in PENSIONABLE SALARY and, in such a case, this must be advised to the FUND by the EMPLOYER.

PRINCIPAL OFFICER means the person appointed in terms of the RULES to fulfil the function of principal officer as set out in the ACT and the RULES.

PROCESSING ERROR RESERVE ACCOUNT means the contingency reserve account maintained in terms of Rule 5.3.3.

RESERVE ACCOUNTS means the accounts maintained in terms of Rule 5.4.

RESPONSIBLE PERSON means an employee of the FUND whose function includes receipt of contributions from the EMPLOYERS.

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

- (a) The terms of the FUND's annuity strategy;
- (b) The terms and process by which the FUND handles preserved benefits in terms of Regulation 38 to the ACT; and
- (c) Any other options made available to MEMBERS.

RETIREMENT DATE means the date on which a MEMBER elects to retire from the FUND and becomes entitled to an annuity and/or lump sum benefit on or subsequent to becoming entitled to retire in terms of these RULES or the date on which the MEMBER becomes permanently incapable of carrying on his occupation due to sickness, accident, injury or incapacity through infirmity of mind or body.

RISK BENEFIT means the benefit expressed as a multiple of RISK SALARY which is funded from the RISK RESERVE ACCOUNT and payable on the death or DISABLEMENT of a RISK BENEFIT MEMBER in terms of Rule 7.

RISK BENEFIT MEMBER means a MEMBER, who is not a PAID-UP MEMBER or a NON-CONTRIBUTORY MEMBER, and in respect of whom the EMPLOYER has elected to participate in the provision of RISK BENEFITS in terms of Rule 3.1.3.

RISK RESERVE ACCOUNT means the contingency reserve account maintained in terms of Rule 5.4.1.

RISK SALARY means a RISK BENEFIT MEMBER'S basic monthly salary which is used to calculate the RISK BENEFIT MEMBER'S RISK BENEFITS and the contributions made towards the RISK BENEFITS, as advised to the FUND by the EMPLOYER.

RULES mean these Rules of the FUND, as registered by the AUTHORITY, including any amendments to such Rules that have been registered by the AUTHORITY.

SERVICE means employment on the permanent staff of the EMPLOYER.

SPOUSE means, in relation to a MEMBER, a person who is 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, 1997, or the Civil Union Act, 2006, or the tenets of a religion.

TRUSTEE means, for the purposes of the FUND, a member of the BOARD.

UNDERGROUND MEMBER means a MEMBER whose EMPLOYER has identified him to the FUND as an UNDERGROUND MEMBER.

UNION means a trade union that has members who are MEMBERS of the FUND.

UNIT means the measurement used by the ACTUARY to determine the value of FUND assets held under each MEMBER INVESTMENT ACCOUNT.

UNIT PRICE means the price of a UNIT as determined from time to time.

UNCLAIMED BENEFIT means:-

- (a) any benefit, other than a benefit referred to in (b), (c) or (d) below, not paid by the FUND to a MEMBER, former MEMBER or other beneficiary within twenty-four (24) months of the date on which it in terms of the RULES, became legally due and payable; or

- (b) 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; or
- (c) any benefit that remains unclaimed or unpaid to a MEMBER, former MEMBER or other BENEFICIARY in the event that 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) any amount that remained unpaid or unclaimed to a NON-MEMBER SPOUSE within twenty-four (24) months of the deduction contemplated in section 37D(4)(a)(ii) of the ACT,

Excluding a benefit due to be transferred as part of a transfer of business in terms of section 14 of the ACT or where an annuity is purchased.

UNCLAIMED BENEFITS FUND means a fund that is established for the receipt of UNCLAIMED BENEFITS contemplated in the definitions of a pension preservation fund and a provident preservation fund in section 1 of the INCOME TAX ACT.

VESTED BENEFIT means the benefit as more fully described in Rule 5.3.3.

VESTED BENEFIT ACCOUNT means the account of the FUND as envisaged to operate in accordance with Rule 5.3.4.

3 MEMBERSHIP

3.1 Membership Conditions

- 3.1.1 An EMPLOYER which elects to participate in the FUND in respect of a particular class of employees, in terms of an agreement concluded between the EMPLOYER and that class of employees or their representatives, shall notify the BOARD of its election to participate in the FUND in respect of that class of employees, in which case such employees in its SERVICE will be ELIGIBLE EMPLOYEES and shall become MEMBERS of the FUND on the effective date of participation agreed upon between the BOARD and the EMPLOYER ("the PARTICIPATION DATE"), provided that an ELIGIBLE EMPLOYEE who is on authorised leave of absence on the PARTICIPATION DATE, shall only become a MEMBER on the day on which he returns to work.
- 3.1.2 Each ELIGIBLE EMPLOYEE who enters SERVICE on or after the PARTICIPATION DATE shall as a condition of SERVICE join the FUND with effect from the date of commencement of his SERVICE.
- 3.1.3 An EMPLOYER who has notified the FUND in writing of its election to participate in the FUND in terms of Rule 3.1.1, shall have the option to elect that MEMBERS in its SERVICE participate in the RISK BENEFITS provided for in Rule 7.1.2.10 and Rule 7.2.1.1, in which case the MEMBERS in SERVICE of that EMPLOYER shall be classified as RISK BENEFIT MEMBERS. Any election by an EMPLOYER to participate in the provision of RISK BENEFITS for MEMBERS in its SERVICE shall be irrevocable, but should an EMPLOYER elect not to participate in the provision of RISK BENEFITS for MEMBERS in its SERVICE, the EMPLOYER may elect to participate in the provision of RISK BENEFITS at a later date in accordance with such procedures as may be prescribed by the FUND from time to time in which case the MEMBERS in its SERVICE will be re-classified as RISK BENEFIT MEMBERS.
- 3.1.4 An EMPLOYER shall ensure that all ELIGIBLE EMPLOYEES are admitted as MEMBERS of the FUND. An ELIGIBLE EMPLOYEE shall not be considered a MEMBER until his EMPLOYER has notified the FUND in writing of the event giving rise to the eligibility of the ELIGIBLE EMPLOYEE for membership. Relevant details of every ELIGIBLE

EMPLOYEE shall be provided in the manner prescribed by the FUND from time to time.

3.1.5 When a MEMBER is on leave with full pay, the contributions in respect of the MEMBER shall continue in accordance with Rule 4.1 and all benefits under the FUND in respect of him shall be maintained.

3.1.6 When a person becomes a MEMBER, the FUND must:

3.1.6.1 Within 4 (four) months thereof, request from him in a manner as may be prescribed by the AUTHORITY a list of all Paid-Up Membership certificates in respect of his retirement savings;

3.1.6.2 Request him for each Paid-Up Membership certificate, in a manner which the AUTHORITY may prescribe, whether he wishes to allow the retirement savings held in respect of each Paid-Up membership certificate to be transferred to the FUND; and

3.1.6.3 If such MEMBER elects to transfer to the FUND his retirement savings, arrange on his behalf, in respect of each Paid-Up Membership certificate that he specifies, the transfer of the retirement savings in respect thereof into the FUND without levying a fee for such transfer.

3.2 Termination of Membership

3.2.1 Subject to the provisions of Rule 3.2.4 below, a MEMBER shall not be permitted to withdraw from membership while he remains in SERVICE.

3.2.2 A MEMBER who has left SERVICE for any reason and who has received all the benefits which may be due to him in terms of these RULES shall immediately cease to be a MEMBER.

3.2.3 If the employment of a MEMBER is transferred to a new employer in terms of section 197 of the Labour Relations Act, 1995, or in the event of the liquidation of his EMPLOYER, the following will apply, subject to the provisions of section 14 of the ACT: -

3.2.3.1 Where the new employer participates in an APPROVED FUND, the MEMBER INVESTMENT ACCOUNT will be transferred to that APPROVED FUND in which the new

employer participates, in which case the provisions of Rule 9.2 shall apply; or

3.2.3.2 If the new employer does not participate in an approved FUND, the MEMBER may elect for his MEMBER INVESTMENT ACCOUNT to be retained in the FUND in which case the MEMBER shall become a PAID-UP MEMBER or for his MEMBER INVESTMENT ACCOUNT to be transferred to an APPROVED PRESERVATION FUND or an APPROVED RETIREMENT ANNUITY FUND of the MEMBER'S choice.

3.2.4 A MEMBER who remains in the SERVICE of an EMPLOYER, but who is also eligible for membership of another APPROVED FUND in which the EMPLOYER participates, may elect to:-

3.2.4.1 Remain a MEMBER of the FUND and continue to pay or have contributions in respect of him continue to be paid to the FUND; or

3.2.4.2 Cease contributions in terms of Rule 4.1 for purposes of participation in the other retirement fund in which his EMPLOYER participates, in which case the MEMBER INVESTMENT ACCOUNT shall be transferred to such other APPROVED FUND in terms of Rule 9.2 and on completion of such transfer he will cease to be a MEMBER; or

3.2.4.3 Cease contributions in terms of Rule 4.1 but retain his MEMBER INVESTMENT ACCOUNT in the FUND in which case he will be regarded as a NON-CONTRIBUTORY MEMBER,

provided that in the event that any TRUSTEE produces evidence that the MEMBER'S election to transfer out of the FUND was not made voluntarily, but as a result of alleged coercion, intimidation or deliberate misinformation, the BOARD shall arrange for the circumstances surrounding such election to be investigated and if the BOARD finds, on a balance of probabilities, that the election was made as a result of alleged coercion, intimidation or deliberate misinformation, the application for withdrawal or transfer out of the FUND by the MEMBER shall be declined

and the MEMBER'S membership of the FUND shall continue uninterrupted.

3.2.5 The EMPLOYER shall advise the FUND of a MEMBER'S decision to withdraw from membership in terms of Rule 3.2.4, subject to the conditions stated in that Rule.

3.2.6 If a MEMBER who remains in the SERVICE of an EMPLOYER, but who is also eligible for membership of another APPROVED FUND in which the EMPLOYER participates takes no action and makes no election, he will continue as a MEMBER of the FUND.

3.3 Binding force of the Rules

3.3.1 All MEMBERS shall be bound by these RULES and it shall be deemed that MEMBERS have given permission to their EMPLOYER to deduct from their remuneration any contributions that are payable by them.

3.3.2 Admission to membership of the FUND shall be regarded as an acknowledgement by a MEMBER that he agrees that these RULES, including any amendment to these RULES, shall be binding on him and on any person claiming to derive a benefit under the FUND by virtue of his membership.

3.3.3 No person shall have any claim concerning the FUND against the FUND, the BOARD or any other appointed official of the FUND or the EMPLOYERS, except in accordance with these RULES. No person shall have a claim against the FUND in respect of any investment made by the BOARD in good faith in terms of the RULES.

4 CONTRIBUTIONS

4.1 Member and Employer Contributions

4.1.1 The total monthly contributions payable by and on behalf of each RISK BENEFIT MEMBER or NON-RISK BENEFIT MEMBER in SERVICE shall be as follows:-

- 4.1.1.1 In respect of a CATEGORY 1 MEMBER, twelve percent (12%) of the MEMBER'S monthly PENSIONABLE SALARY less the premium required for purposes of the provision of benefits not provided by the RULES of the FUND but effected under an insurance policy separate from the FUND;
- 4.1.1.2 In respect of a CATEGORY 2 MEMBER, thirteen percent (13%) of the MEMBER'S monthly PENSIONABLE SALARY less the premium required for purposes of the provision of benefits not provided by the RULES of the FUND but effected under an insurance policy separate from the FUND;
- 4.1.1.3 In respect of a CATEGORY 3 MEMBER, fourteen percent (14%) of the MEMBER'S monthly PENSIONABLE SALARY less the premium required for purposes of the provision of benefits not provided by the RULES of the FUND but effected under an insurance policy separate from the FUND;
- 4.1.1.4 In respect of a CATEGORY 4 MEMBER, fifteen percent (15%) of the MEMBER'S monthly PENSIONABLE SALARY less the premium required for purposes of the provision of benefits not provided by the RULES of the FUND but effected under an insurance policy separate from the FUND;
- 4.1.1.5 In respect of a CATEGORY 5 MEMBER, sixteen percent (16%) of the MEMBER'S monthly PENSIONABLE SALARY less the premium required for purposes of the provision of benefits not provided by the RULES of the FUND but effected under an insurance policy separate from the FUND;
- 4.1.1.6 In respect of a CATEGORY 6 MEMBER, seventeen percent (17%) of the MEMBER'S monthly PENSIONABLE SALARY less the premium required for purposes of the provision of

- benefits not provided by the RULES of the FUND but effected under an insurance policy separate from the FUND;
- 4.1.1.7 In respect of a CATEGORY 7 MEMBER, eighteen percent (18%) of the MEMBER'S monthly PENSIONABLE SALARY less the premium required for purposes of the provision of benefits not provided by the RULES of the FUND but effected under an insurance policy separate from the FUND;
- 4.1.1.8 In respect of a CATEGORY 8 MEMBER, nineteen percent (19%) of the MEMBER'S monthly PENSIONABLE SALARY less the premium required for purposes of the provision of benefits not provided by the RULES of the FUND but effected under an insurance policy separate from the FUND;
- 4.1.1.9 In respect of a CATEGORY 9 MEMBER, twenty percent (20%) of the MEMBER'S monthly PENSIONABLE SALARY less the premium required for purposes of provision of the benefits not provided by the RULES of the FUND but effected under an insurance policy separate from the FUND;
- 4.1.1.10 In respect of a CATEGORY 10 MEMBER, twenty-one percent (21%) of the MEMBER'S monthly PENSIONABLE SALARY less the premium required for purposes of the provision of benefits not provided by the RULES of the FUND but effected under an insurance policy separate from the FUND;
- 4.1.1.11 In respect of a CATEGORY 11 MEMBER, twenty-two percent (22%) of the MEMBER'S monthly PENSIONABLE SALARY less the premium required for purposes of the provision of benefits not provided by the RULES of the FUND but effected under an insurance policy separate from the FUND;
- 4.1.1.12 In respect of a CATEGORY 12 MEMBER, twenty-three percent (23%) of the MEMBER'S monthly PENSIONABLE SALARY less the premium required for purposes of the provision of benefits not provided by the RULES of the FUND but effected under an insurance policy separate from the FUND;

- 4.1.1.13 In respect of a CATEGORY 13 MEMBER, twenty-four percent (24%) of the MEMBER'S monthly PENSIONABLE SALARY less the premium required for purposes of the provision of benefits not provided by the RULES of the FUND but effected under an insurance policy separate from the FUND;
 - 4.1.1.14 In respect of a CATEGORY 14 MEMBER, twenty-five percent (25%) of the MEMBER'S monthly PENSIONABLE SALARY less the premium required for purposes of the provision of benefits not provided by the RULES of the FUND but effected under an insurance policy separate from the FUND;
 - 4.1.1.15 In respect of a CATEGORY 15 MEMBER, twenty-six percent (26%) of the MEMBER'S monthly PENSIONABLE SALARY less the premium required for purposes of the provision of benefits not provided by the RULES of the FUND but effected under an insurance policy separate from the FUND; and
 - 4.1.1.16 In respect of a CATEGORY 16 MEMBER, twenty-seven and a half percent (27,5%) of the MEMBER'S monthly PENSIONABLE SALARY less the premium required for the purposes of provision of benefits not provided by the RULES of the FUND but effected under an insurance policy separate from the FUND.
- 4.1.2 A RISK BENEFIT MEMBER or a NON-RISK BENEFIT MEMBER may, subject to such conditions as the BOARD may from time to time determine, pay additional voluntary contributions to the FUND, as arranged between the MEMBER and the EMPLOYER and confirmed in writing to the FUND by the EMPLOYER.
- 4.1.3 That part of the contributions referred to in Rule 4.1.1 which are in excess of the amount required for OPERATIONAL FUND EXPENSES plus the amount required for RISK BENEFITS (which amount will be determined as a percentage of a RISK BENEFIT MEMBER'S RISK SALARY) shall be applied towards retirement funding.
- 4.1.4 The portion of the contributions payable in terms of Rule 4.1.1 to be paid by a RISK BENEFIT MEMBER or NON-RISK BENEFIT MEMBER shall be in accordance with the agreement entered into between the

EMPLOYER and the MEMBERS, as contemplated in Rule 3.1.1, and the balance of such contributions shall be paid by the EMPLOYER.

- 4.1.5 Notwithstanding anything to the contrary contained elsewhere in the RULES, the amount allocated towards OPERATIONAL FUND EXPENSES and the cost of RISK BENEFITS, where applicable, shall not be greater than seven percent (7%) of a MEMBER'S monthly PENSIONABLE SALARY. If such amount is to be greater than seven percent (7%) of a MEMBER'S monthly PENSIONABLE SALARY, the BOARD shall ensure that the RISK BENEFITS are reduced accordingly and payment of such RISK BENEFITS in terms of the RULES will be subject to the aforementioned reduction and or the BOARD may reduce OPERATIONAL FUND EXPENSES.
- 4.1.6 The FUND will act as a conduit for the premiums paid in respect of the insurance benefits effected under an insurance policy separate from the FUND. Those premiums will not become the property of the FUND, the FUND merely acts as an agent of the EMPLOYER to make the payments to the relevant INSURER.

4.2 Payment of Contributions to the Fund

- 4.2.1 The contributions payable by each RISK BENEFIT MEMBER or NON-RISK BENEFIT MEMBER shall be deducted by the EMPLOYER from his PENSIONABLE SALARY and paid to the FUND, together with the contribution due by the EMPLOYER, within seven (7) days after the end of the month in respect of which the contributions are made, in accordance with the provisions of section 13A of the ACT.
- 4.2.2 The EMPLOYER shall ensure that the minimum information prescribed in Regulation 33 to the ACT with regard to payment of contributions is submitted to the FUND within the prescribed period.
- 4.2.3 Should the EMPLOYER fail to pay the contributions as required in terms of Rule 4.2.1 above, the following shall apply:-
- 4.2.3.1 The EMPLOYER shall be liable to pay LATE PAYMENT INTEREST on the outstanding amount at the rate prescribed in terms of the ACT. Such LATE PAYMENT INTEREST will be allocated to the MEMBER INVESTMENT ACCOUNTS of

the MEMBERS in respect of whom contributions were paid late.

- 4.2.3.2 The FUND shall not be liable for payment of any benefit payable in terms of these RULES that would have been secured by the contributions not transmitted to the FUND, provided that the BOARD shall take all reasonable steps to ensure that contributions are paid to the FUND and the interests of MEMBERS are protected in terms of the ACT, any other legislation and these RULES.
- 4.2.3.3 The RESPONSIBLE PERSON shall report outstanding contributions and non-transmission of the minimum information to the MONITORING PERSON within the period prescribed in the ACT.
- 4.2.3.4 The MONITORING PERSON shall then, in writing, report the matter to the BOARD within seven (7) days after receipt of the report from the RESPONSIBLE PERSON.
- 4.2.3.5 Within such reasonable period as determined by the BOARD, after receipt of the report from the MONITORING PERSON, the BOARD shall report the matter to the MEMBERS who have been affected by non-payment of contributions.
- 4.2.3.6 Where the EMPLOYER has not paid contributions for a period of ninety (90) days the MONITORING PERSON shall report the matter in detail, within fourteen (14) days of the expiration of such ninety (90) day period, to the Director of Public Prosecutions and inform the AUTHORITY accordingly.
- 4.2.3.7 The EMPLOYER shall provide the FUND with a monthly reconciliation of MEMBERS for whom contributions were paid in terms of the RULES and the amount contributed in respect of each MEMBER.

4.3 Manner in which Contributions will be applied

- 4.3.1 Subject to the provisions of Rule 4.1.5, a portion of the contributions, as determined by the ACTUARY in terms of Rule 5.5.2, shall be allocated to

the EXPENSE RESERVE ACCOUNT to cover OPERATIONAL FUND EXPENSES.

- 4.3.2 A further portion of the contributions determined as a percentage of the RISK BENEFIT MEMBERS' RISK SALARIES will be allocated to the RISK RESERVE ACCOUNT to cover the cost of RISK BENEFITS.
- 4.3.3 The balance of the contributions shall be applied towards retirement funding for the benefit of the RISK BENEFIT MEMBERS and NON-RISK BENEFIT MEMBERS.
- 4.3.4 The FUND shall be entitled to withhold the investment process referred to in Rule 4.3.3 until such time as the contributions are received and reconciled to the EMPLOYER'S written instruction as envisaged in Rule 4.2. Where investing is withheld, the contribution net of the costs referred to in Rule 4.3.1 and Rule 4.3.2 shall remain in the bank account and attract NET INVESTMENT RETURN earned in the FUND'S bank account.

4.4 Contribution Break

- 4.4.1 The BOARD may resolve on a CONTRIBUTION BREAK, provided the EMPLOYER continues to pay the contributions required to provide for the premiums payable towards RISK BENEFITS schemes, which are operated outside of the FUND and subject to Rule 4.4.2, and a portion or all the contributions necessary to provide for the RISK BENEFITS AND OPERATIONAL FUND EXPENSES.
- 4.4.2 Should the BOARD decide that an EMPLOYER may, or should an EMPLOYER wish to pay a reduced portion or none of the amount required for the provision of RISK BENEFITS and OPERATIONAL FUND EXPENSES over any period of the CONTRIBUTION BREAK;
 - 4.4.2.1 The EMPLOYER shall first obtain, in the form indicated by the BOARD, consent (for which the EMPLOYER is solely responsible for) of the MEMBERS on the level or amount of RISK BENEFITS and OPERATIONAL FUND EXPENSES thereof that shall be funded from the MEMBER INVESTMENT ACCOUNT, as advised by the ACTUARY;

4.4.2.2 The BOARD decision on the payment of reduced contributions or none of those contributions necessary for the provision of RISK BENEFITS and OPERATIONAL FUND EXPENSES over any period of the CONTRIBUTION BREAK shall be by resolution of the BOARD passed at the meeting of the BOARD and must be recorded in the FUND'S minute book; and

4.4.2.3 A resolution signed by way of round robin by all the BOARD members (for which purpose an alternate may sign in the absence of the TRUSTEE for whom he or she is an alternate), shall be of the same force and effect as a resolution passed at a meeting of the BOARD.

5 ADMINISTRATION AND FINANCIAL PROVISIONS

5.1 General Administration

- 5.1.1 The FUND shall be administered in accordance with the RULES and the ACT and any other applicable laws. In this regard the BOARD may appoint an ADMINISTRATOR or, alternatively, it may appoint employees of the FUND, subject to compliance with any relevant legislation, to administer the FUND.
- 5.1.2 If the BOARD appoints employees of the FUND to administer the FUND, it must conclude employment contracts with those employees setting out the terms and conditions of their appointment. The employees will be entitled to such remuneration as may be decided by the BOARD from time to time, as set out in the contracts.
- 5.1.3 The FUND shall maintain a bank account with a banking institution, as contemplated in the Banks Act, 1990. All moneys received in respect of the FUND must be deposited in the FUND'S banking account.
- 5.1.4 The BOARD shall have the power, subject to the provisions of section 19 of the ACT, to invest in immovable property and otherwise invest, lend, put out at interest, place on deposit, make advances of, or otherwise deal with all the moneys of the FUND, upon such securities and in such a manner as they from time to time determine, and to dispose of immovable property and realise, vary, reinvest, or otherwise deal with such securities and other investments as they from time to time determine.
- 5.1.5 The power of the BOARD to make investments and to realise, vary, reinvest or otherwise deal with the securities concerned, may be delegated by the BOARD, on such terms and conditions as they may specify, to a sub-committee of such of their number as they nominate, a financial institution as defined in the Financial Institutions (Investment of Funds) Act, 1984; or person approved in terms of section 4(1)(a) of the Stock Exchange Act, 1985 provided that the BOARD shall not be liable for the negligence, dishonesty or fraud of the institution referred to in this clause provided further that the BOARD have received confirmation that the institution has arranged insurance cover of an amount satisfactory to the BOARD in respect of any liability which may be incurred by such person or institution in respect of the FUND'S investments.

- 5.1.6 Any amount advanced on mortgage of immovable property except to a MEMBER shall 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 75% of the value of the property on the date of advance.
- 5.1.7 The FUND may make a loan to a MEMBER to buy or improve immovable property subject to the limits and conditions prescribed in the ACT.
- 5.1.8 Investments in immovable property shall be subject to the conditions laid down by the AUTHORITY.
- 5.1.9 The BOARD may obtain an overdraft from a bank, or borrow from an EMPLOYER or any other party, on such terms as they think fit, such sum as they approve for the purpose of completing any investment or meeting any temporary unforeseen cash shortage, and for this purpose may give such security as they decide.
- 5.1.10 Every document of title shall be registered in the name of the FUND or of a nominee company approved by the AUTHORITY. Every document of title belonging to or to be held by the FUND shall be kept in the safes or strong rooms at the registered office of the FUND or in the banking institutions, as decided by the BOARD.
- 5.1.11 Subject to the consent of the AUTHORITY in terms of section 19(6) of the ACT, share in the capital of or debentures issued by an EMPLOYER of subsidiary of an EMPLOYER may be purchased, provided such shares or debentures are listed on the Johannesburg Stock Exchange.
- 5.1.12 The FUND shall have the power to bind itself to guarantee and/or stand surety in favour of one or more recognised financial institutions in respect of housing loans granted by such recognised financial institutions to MEMBERS. The FUND shall guarantee such loans to MEMBERS subject to the following conditions:
- 5.1.12.1 The loans must be for the purpose of housing and in accordance with the requirements stipulated in section 19(5) of the ACT.
- 5.1.12.2 The amount in respect of which the guarantee is furnished shall not exceed 60 per cent of an amount equal to the minimum individual reserve (as defined in the Act) in respect

of a MEMBER in SERVICE on the date of application for the said loan.

- 5.1.12.3 The MEMBER must sign all the necessary forms required by the administrators, the financial institutions or the EMPLOYER from time to time.
- 5.1.12.4 On the retirement or death of a MEMBER in SERVICE, or the termination of his SERVICE, the FUND shall be entitled to deduct from his minimum individual reserve (as defined in the Act) the amount due to the said recognised financial institution in respect of the said loan, together with interest, as advised by the FUND in writing by the said institution, but not exceeding the total amount of the guarantee given by the FUND in respect of that loan.
- 5.1.12.5 In the event that a MEMBER remaining in SERVICE defaults in repayments on a housing loan granted by a recognised financial institution and guaranteed by the FUND in terms of the RULES, and such institution demands from the FUND payment of the full outstanding amount of the housing loan granted to the MEMBER, the FUND shall be entitled, after due consideration by the BOARD of all available alternatives for repayment of the loan by the MEMBER, to direct as a last resort that the amount of the loan, together with any interest or tax which may be payable on such amount, be recovered from the benefit to which the MEMBER would have been entitled had he resigned from SERVICE on the date on which the BOARD authorises payment of the housing loan amount to such institution, provided that, in the event that the amount to be recovered exceeds the MEMBER's benefit, the BOARD may, at its sole discretion, deduct such amount from the MEMBER's full benefit as at the date on which the BOARD authorises payment of the housing loan amount to such institution. The MEMBER INVESTMENT ACCOUNT shall be adjusted accordingly.

5.1.13 The EMPLOYERS shall from time to time furnish to the FUND, in respect of those ELIGIBLE EMPLOYEES who are MEMBERS, all necessary particulars affecting their benefits or their entitlement to benefits. The FUND shall be entitled to act upon such particulars without further enquiry and shall not be responsible to any MEMBER or to the EMPLOYER or to any other person or body whatsoever for any misstatements or errors or omissions which may be contained in such particulars.

5.1.14 The FUND shall keep a complete record of all necessary particulars of the MEMBERS and all persons entitled to benefits and all other matters essential to the operation of the FUND.

5.2 Value of MEMBER INVESTMENT ACCOUNT

5.2.1 The FUND shall on a periodic basis revalue the UNIT PRICE, having regard to:-

5.2.1.1 NET INVESTMENT RETURNS, whether positive or negative, earned in the FUND in the preceding period;

5.2.1.2 mismatching profits and losses, as determined by the ACTUARY.

5.2.2 The number of UNITS held under the MEMBER INVESTMENT ACCOUNT maintained in respect of each MEMBER, shall be determined as the sum of the following:

5.2.2.1 As credits:-

5.2.2.1.1 the UNITS purchased with that part of the contributions made by the MEMBER and EMPLOYER in terms of Rule 4.1 (including voluntary contributions paid by the MEMBER in terms of Rule 4.1.2) towards retirement funding, including any interest paid on late contributions in terms of Rule 4.2.3.1;

5.2.2.1.2 the UNITS purchased with any amounts (if any) transferred to the FUND in terms of Rule 9.1.1;

- 5.2.2.1.3 the UNITS purchased with any allocation of actuarial surplus in terms of Rule 5.7;
- 5.2.2.1.4 the UNITS purchased with any allocation from the reserve accounts.
- 5.2.2.2 As debits:-**
 - 5.2.2.2.1 the UNITS redeemed to meet the cost of the expenses referred to in Rule 5.5.3;
 - 5.2.2.2.2 the UNITS sold to pay any benefit in terms of Rule 6, 7 or Rule 8;
 - 5.2.2.2.3 the UNITS sold to transfer an amount from the FUND in terms of Rule 9.2;
 - 5.2.2.2.4 the UNITS sold to effect a deduction from the MEMBER'S MINIMUM INDIVIDUAL RESERVE in terms of Rule 10;
 - 5.2.2.2.5 in the case of a PAID-UP MEMBER, a NON-CONTRIBUTORY MEMBER or an UNCLAIMED BENEFIT, the UNITS sold to meet the proportionate amount of OPERATIONAL FUND EXPENSES, as determined by the ACTUARY in accordance with the provisions of Rule 5.5.2 which amounts will be transferred to the EXPENSE RESERVE ACCOUNT;
 - 5.2.2.2.6 in the case of an UNCLAIMED BENEFIT, the units sold on transfer to another fund in terms of Rule 12.7;
 - 5.2.2.2.7 the UNITS sold in order to effect a transfer to the DATA ERROR RESERVE ACCOUNT or the PROCESSING ERROR RESERVE ACCOUNT in terms of Rule 5.6.3.
- 5.2.3 A MEMBER INVESTMENT ACCOUNT shall at all times be represented by the number of UNITS held in the MEMBER INVESTMENT ACCOUNT, multiplied by the UNIT PRICE at date of realization of the UNITS.

- 5.2.4 It is specifically provided that the value of a MEMBER INVESTMENT ACCOUNT shall be determined by the result of the calculation in Rule 5.2.3 on the date on which the FUND realizes the UNITS for purposes of a benefit payment or transfer in terms of the RULES, which shall not be earlier than the MEMBER'S RETIREMENT DATE, death or, in the case of early withdrawal, the date of receipt by the FUND of a written instruction from the EMPLOYER of a MEMBER'S termination of membership, including clear instructions as to any election made by the MEMBER in terms of Rule 8.2.1. After realization of the UNITS representing the MEMBER INVESTMENT ACCOUNT, the value of the benefit or transfer value shall be held in a CASH FUND and will accrue NET INVESTMENT RETURN and LATE PAYMENT INTEREST in the CASH FUND until date of payment.

5.3 Division of MEMBER INVESTMENT ACCOUNT

With effect from 1 March 2021, the MEMBER INVESTMENT ACCOUNT shall be divided into 2 parts, namely, the NON-VESTED BENEFIT ACCOUNT and the VESTED BENEFIT ACCOUNT.

- The NON-VESTED BENEFIT ACCOUNT shall hold the MEMBER'S NON-VESTED BENEFIT calculated from 1 March 2021 and at retirement, the MEMBER shall be entitled to commute the NON-VESTED BENEFIT in accordance with the provisions of Rule 6.1.2.
- the VESTED BENEFIT ACCOUNT shall hold the MEMBER'S VESTED BENEFIT calculated as at 28 February 2021. At retirement, the MEMBER shall be entitled to commute the VESTED BENEFIT in accordance with the provisions of Rule 6.1.1.

5.3.1 The NON-VESTED BENEFIT shall mean:

5.3.1.1 in respect of a MEMBER of this FUND, who is aged under 55 years on 1 March 2021, the value of that MEMBER'S NON-VESTED BENEFIT ACCOUNT portion of the MEMBER INVESTMENT ACCOUNT, accumulated from 1 March 2021 until the date of his retirement;

5.3.1.2 in respect of a person who was a member of an APPROVED FUND or APPROVED PRESERVATION FUND, including a member who was aged 55 years or older on 1 March 2021 and who transferred into the FUND on or after 1 March 2021; the value of that MEMBER'S NON-VESTED BENEFIT ACCOUNT portion of the MEMBER INVESTMENT

ACCOUNT, accumulated from 1 March 2021 until the date of retirement;

5.3.1.3 in respect of a person who joins the FUND as a new MEMBER on or after 1 March 2021, the value of that MEMBER'S NON-VESTED BENEFIT ACCOUNT accumulated from the date of joining the FUND until the date of retirement.

5.3.2 (a) A NON-VESTED BENEFIT ACCOUNT is hereby established and shall operate as a sub-account of the FUND set up for the exclusive purpose of housing a MEMBER'S NON-VESTED BENEFIT.

(b) The NON-VESTED BENEFIT ACCOUNT shall be credited with such proportion of NET INVESTMENT RETURN as may be determined to have accrued to the account from time to time.

5.3.3 The VESTED BENEFIT shall mean:

5.3.3.1 in respect of a MEMBER of this FUND who is aged under 55 years on 1 March 2021, the value of the MEMBER'S VESTED BENEFIT ACCOUNT portion of the MEMBER INVESTMENT ACCOUNT calculated in the FUND as at 28 February 2021;

5.3.3.2 in respect of a MEMBER of the FUND who is aged 55 years or older on 1 March 2021 and who remains within the FUND until retirement, the VESTED BENEFIT ACCOUNT of the MEMBER which is represented by the total value of the MEMBER INVESTMENT ACCOUNT.

5.3.3.3 in respect of a person who was a member of an APPROVED FUND or APPROVED PRESERVATION FUND, including a member who was aged 55 years or older on 1 March 2021 and who transferred into the FUND on or after 1 March 2021, the value of that MEMBER'S VESTED BENEFIT ACCOUNT

portion (if any) of the MEMBER INVESTMENT ACCOUNT, calculated as at 28 February 2021;

- 5.3.4 (a) A VESTED BENEFIT ACCOUNT is hereby established and shall operate as a sub-account of the FUND set up for the exclusive purpose of housing a MEMBER'S VESTED BENEFIT.
- (b) The VESTED BENEFIT ACCOUNT shall be credited with such proportion of NET INVESTMENT RETURN as may be determined to have accrued to the account from time to time.

5.4 Reserve Accounts

The remaining assets held by the FUND and not representing MEMBER INVESTMENT ACCOUNTS shall be maintained in the following accounts: the RISK RESERVE ACCOUNT, the EXPENSE RESERVE ACCOUNT, the PROCESSING ERROR RESERVE ACCOUNT and the DATA ERROR RESERVE ACCOUNT.

- 5.4.1 The RISK RESERVE ACCOUNT to provide for RISK BENEFITS. The following transactions shall be recorded in the account:

Credits:

- 5.4.1.1 contributions paid to the FUND by each EMPLOYER in terms of Rule 4.1;
- 5.4.1.2 contributions paid to the FUND by each MEMBER in terms of Rule 4.1;
- 5.4.1.3 payments to the FUND by a registered insurer with whom the FUND may have effected an insurance policy on the lives of MEMBERS for RISK BENEFITS;
- 5.4.1.4 positive NET INVESTMENT RETURN earned on the assets in the RISK RESERVE ACCOUNT; and

5.4.1.5 An amount determined by the ACTUARY as at each FINANCIAL YEAR END as may be transferred from other FUND accounts.

Debits:

5.4.1.6 payments of premiums to an INSURER or INSURERS with whom the FUND may have effected an insurance policy for RISK BENEFITS;

5.4.1.7 transfers to MEMBERS INVESTMENT ACCOUNTS in terms of the RULES;

5.4.1.8 negative NET INVESTMENT RETURN earned on the assets in the RISK RESERVE ACCOUNT; and

5.4.1.9 An amount determined by the ACTUARY as at each FINANCIAL YEAR END as may be a transfer to other FUND accounts.

5.4.2 The EXPENSE RESERVE ACCOUNT to meet OPERATIONAL FUND EXPENSES related to the management and administration of the FUND and to meet any unforeseen contingencies. The following transactions shall be recorded in this account:

Credits:

5.4.2.1 A portion of contributions as determined by the ACTUARY to meet OPERATIONAL FUND EXPENSES in terms of Rule 5.5.2;

5.4.2.2 Proceeds of realization of UNITS to meet OPERATIONAL FUND EXPENSES in terms of Rule 5.5.2;

5.4.2.3 Positive NET INVESTMENT RETURN earned on the assets in the EXPENSE RESERVE ACCOUNT; and

5.4.2.4 An amount determined by the ACTUARY as at each FINANCIAL YEAR END as may be transferred from other FUND accounts.

Debits:

- 5.4.2.5 Payment for OPERATIONAL FUND EXPENSES in terms of Rule 5.4;
 - 5.4.2.6 Negative NET INVESTMENT RETURN earned on the assets in the EXPENSE RESERVE ACCOUNT; and
 - 5.4.2.7 An amount determined by the ACTUARY as at each FINANCIAL YEAR END as may be a transfer to other FUND accounts.
- 5.4.3 With effect from 31 December 2012, the PROCESSING ERROR RESERVE ACCOUNT to provide for mismatching and timing differences in the investment, disinvestments and allocation of the assets of the FUND as well as financial losses as a result of errors that may be made in the processing of the FUND'S payments. The following transactions shall be recorded in the PROCESSING ERROR RESERVE ACCOUNT:

Credits:

- 5.4.3.1 Mismatching profits arising in the FUND from time to time;
- 5.4.3.2 Positive NET INVESTMENT RETURN earned on the assets in the PROCESSING ERROR RESERVE ACCOUNT; and
- 5.4.3.3 An amount determined by the ACTUARY as at each FINANCIAL YEAR END as may be transferred from other FUND accounts.

Debits:

- 5.4.3.4 Mismatching losses arising in the FUND from time to time;
- 5.4.3.5 Negative NET INVESTMENT RETURN earned on the assets in the PROCESSING ERROR RESERVE ACCOUNT; and
- 5.4.3.6 An amount determined by the ACTUARY as at each FINANCIAL YEAR END as may be a transfer to other FUND accounts.

5.4.4 With effect from 31 December 2012, a DATA ERROR RESERVE ACCOUNT to protect the FUND against data errors which could arise from time to time. The following transactions shall be recorded in the DATA ERROR RESERVE ACCOUNT:

Credits:

5.4.4.1 Positive NET INVESTMENT RETURN earned on the assets in the DATA ERROR RESERVE ACCOUNT; and

5.4.4.2 An amount determined by the ACTUARY as at each FINANCIAL YEAR END as may be transferred from other FUND accounts.

Debits:

5.4.4.3 Losses due to data errors that may arise in the FUND from time to time;

5.4.4.4 Negative NET INVESTMENT RETURN earned on the assets in the DATA ERROR RESERVE ACCOUNT; and

5.4.4.5 An amount determined by the ACTUARY as at each FINANCIAL YEAR END as may be a transfer to other FUND accounts.

5.5 Fund Expenses

5.5.1 The OPERATIONAL FUND EXPENSES shall be paid from the EXPENSE RESERVE ACCOUNT and shall include all expenses incurred by the FUND in connection with, or incidental to, the management and operation of the FUND, including but not limited to, the following:

5.5.1.1 Expenses related to the administration of the FUND, including the cost of the administration of housing loans;

5.5.1.2 Fees payable to any financial services provider acting as benefit or investment consultants of the FUND;

- 5.5.1.3 Audit fees, actuarial fees and legal fees;
 - 5.5.1.4 Statutory taxes and levies payable by the FUND, including fees and levies payable to the AUTHORITY;
 - 5.5.1.5 Fees and expenses of the officers of the FUND;
 - 5.5.1.6 Premiums payable in respect of any fidelity guarantee and professional indemnity insurance cover taken out by the FUND.
- 5.5.2 The BOARD shall, in consultation with the ACTUARY, determine annually, the estimated amount required to cover OPERATIONAL FUND EXPENSES and shall then determine the monthly amount to be deducted from the contributions payable in terms of Rule 4.1 and to be debited against the MEMBER INVESTMENT ACCOUNTS of PAID-UP MEMBERS, NON-CONTRIBUTORY MEMBERS or MEMBER INVESTMENT ACCOUNTS held in respect of UNCLAIMED BENEFITS, in order to cover such expenses. In the event that the balance in the EXPENSE RESERVE ACCOUNT exceeds the budgeted amount of OPERATIONAL FUND EXPENSES for the following year, the BOARD shall manage the excess in the EXPENSE RESERVE ACCOUNT in consultation with the ACTUARY.
- 5.5.3 Any expense, other than OPERATIONAL FUND EXPENSES or premiums payable in respect of INSURED RISK BENEFITS, incurred in relation to a specific MEMBER, group of MEMBERS or UNCLAIMED BENEFITS may be discharged against the relevant MEMBER'S or group of MEMBERS' MEMBER INVESTMENT ACCOUNT or against the UNCLAIMED BENEFITS in such manner as the BOARD may decide, acting on the advice of the ACTUARY.

5.6 Actuarial Valuations

- 5.6.1 The financial condition of the FUND shall be investigated and reported on by the ACTUARY as at each FUND YEAR END. At least once every three (3) years a valuation report shall be furnished to the BOARD and the AUTHORITY within twelve (12) months of the date to which the valuation relates as required in terms of section 16 of the ACT.
- 5.6.2 If, as a result of the actuarial valuation, the ACTUARY is of the opinion that the balances held in the FUND'S accounts exceed the amounts required in order to maintain the financial soundness of the FUND, the actuarial surplus so arising shall be applied as set out in Rule 5.77.
- 5.6.3 If, as a result of the actuarial valuation, the ACTUARY is of the opinion that the balance held in any RESERVE ACCOUNT is insufficient in order to fulfil the purpose for which the account was created, then the BOARD needs to implement some remedial actions that are equitable and ensure that the provision of member benefits will not be placed at risk.

5.7 Actuarial Surplus

Any actuarial surplus arising in the FUND shall be determined by the ACTUARY at each actuarial valuation. Such actuarial surplus shall be allocated to the MEMBERS on such basis as may be determined by the BOARD after consultation with the ACTUARY.

6 RETIREMENT BENEFITS

6.1 Benefit on Retirement

The benefit payable to a RISK BENEFIT MEMBER, NON-RISK BENEFIT MEMBER or NON-CONTRIBUTORY MEMBER on his retirement in terms of this Rule 6 shall, subject to Rule 6.5, be paid as follows:

- 6.1.1 In the case of a VESTED BENEFIT ACCOUNT portion of the MEMBER INVESTMENT ACCOUNT, that portion may be commuted in full for a cash lump sum;
- 6.1.2 In the case of a NON-VESTED BENEFIT ACCOUNT portion of the MEMBER INVESTMENT ACCOUNT, only up to 1/3rd of the total value may be commuted for a cash lump sum and the remaining 2/3rd of the benefit must be used to purchase the DEFAULT ANNUITY or another annuity from an INSURER for the MEMBER; provided that the MEMBER may elect to commute the total value of the NON-VESTED ACCOUNT for a cash lump sum, if it does not exceed such amount as may be determined or adjusted by the Minister from time to time, which is presently R247 500.00.
- 6.1.3 Where a MEMBER purchases the DEFAULT ANNUITY or an annuity, the provisions of Rule 6.6.2 shall apply.

6.2 Retirement at Normal Retirement Age

- 6.2.1 A RISK BENEFIT MEMBER, NON-RISK BENEFIT MEMBER or NON-CONTRIBUTORY MEMBER who has attained the NORMAL RETIREMENT AGE shall retire from SERVICE; provided that he may, with the agreement of his EMPLOYER continue in the SERVICE for a further period in which case the provisions of Rule 6.4 will apply. The MEMBER will become entitled to the benefit referred to in Rule 6.1 above at his NORMAL RETIREMENT AGE, which will accrue to him on his RETIREMENT DATE.
- 6.2.2 A RISK BENEFIT MEMBER, NON-RISK BENEFIT MEMBER or NON-CONTRIBUTORY MEMBER who has attained the NORMAL RETIREMENT AGE must, before his benefit is paid, acknowledge that he or she has had access to RETIREMENT BENEFIT COUNSELLING.

6.3 Voluntary Early Retirement

Should a RISK BENEFIT MEMBER, NON-RISK BENEFIT MEMBER or NON-CONTRIBUTORY MEMBER'S retire from SERVICE on or after his 55th birthday, the MEMBER will receive a retirement benefit payable and calculated in accordance with RULE 6.1. The benefit will accrue to him on his RETIREMENT DATE.

6.4 Early Retirement due to Ill-Health

If the BOARD, after considering medical evidence acceptable to it, is satisfied that a RISK BENEFIT MEMBER who is not DISABLED, a NON-RISK BENEFIT MEMBER or a NON-CONTRIBUTORY MEMBER has, due to ill-health, become permanently incapable of continuing in SERVICE in the category of work in which he was employed by the EMPLOYER, the BOARD may agree to his retirement at any time prior to reaching his NORMAL RETIREMENT AGE. Such a MEMBER shall thereupon become entitled to a benefit calculated and payable in accordance with Rule 6.1. The benefit will accrue to him on his RETIREMENT DATE.

6.5 Late Retirement

In the case of a RISK BENEFIT MEMBER, NON-RISK BENEFIT MEMBER or NON-CONTRIBUTORY MEMBER who remains in SERVICE after reaching his NORMAL RETIREMENT AGE with the agreement of the EMPLOYER, the MEMBER may continue to contribute to the FUND and the EMPLOYER may agree to continue its contributions in terms of Rule 4.1. On such MEMBER'S eventual retirement, the MEMBER shall become entitled to a benefit calculated and payable in accordance with Rule 6.1. The benefit will accrue to the MEMBER on his RETIREMENT DATE.

6.6 Payment of Benefit and Options

6.6.1 On the retirement of a MEMBER, the benefit due is determined in terms of Rule 6.1 above, provided that the MEMBER elects in writing to the FUND to receive part or the whole of such benefit as a purchase of either as a pension from the FUND, or an annuity or annuities in his name from an INSURER.

6.6.2 The MEMBER may request that the DEFAULT ANNUITY is purchased in his name. Notwithstanding anything to the contrary contained elsewhere in these RULES, if the DEFAULT ANNUITY is purchased, the retiring

MEMBER INVESTMENT ACCOUNT will not be disinvested at RETIREMENT DATE, and the FUND will effect an *in specie* transfer to the INSURER if the DEFAULT ANNUITY is provided outside of the FUND. On the purchase of an annuity or the payment of a lump-sum benefit in terms of this RULE, the FUND shall have no further liability in respect of the retiring MEMBER, such liability resting with the INSURER from whom the annuity is purchased.

- 6.6.3 The terms and conditions applicable to an annuity, other than the DEFAULT ANNUITY, purchased in the name of a MEMBER shall be agreed between such MEMBER and the INSURER.

7. DEATH AND DISABILITY BENEFITS

7.1 Benefit on Death in Service

- 7.1.1 If a MEMBER dies whilst in the SERVICE of his EMPLOYER prior to retirement, the FUND shall pay to the BENEFICIARIES of the MEMBER:-
- 7.1.2 In the case of a RISK BENEFIT MEMBER:-
- 7.1.2.1 A RISK BENEFIT equal to thirty-six (36) times the MEMBER'S RISK SALARY as at the date immediately preceding his death, subject to the provisions of Rule 7.5; and
- 7.1.2.2 the MEMBER INVESTMENT ACCOUNT.
- 7.1.3 In the case of a NON-RISK BENEFIT MEMBER, a PAID-UP MEMBER or a NON-CONTRIBUTORY MEMBER, the MEMBER INVESTMENT ACCOUNT only.

7.2 Benefit on Disablement in Service

- 7.2.1 If a RISK BENEFIT MEMBER becomes DISABLED whilst in the SERVICE of his EMPLOYER prior to reaching his NORMAL RETIREMENT AGE, he shall retire from SERVICE and will become entitled to:-
- 7.2.1.1 A RISK BENEFIT lump-sum amount as a multiple on the MEMBER'S RISK SALARY as at the date immediately preceding his DISABLEMENT as the BOARD shall determine from time to time, subject to the provisions of Rule 7.5; and
- 7.2.1.2 the MEMBER INVESTMENT ACCOUNT.

7.3 Funding and Insurance of Risk Benefits

- 7.3.1 The RISK BENEFITS payable in terms of Rule 7.1.2.1 or Rule 7.2.1.1 above shall be funded from the RISK RESERVE ACCOUNT and shall, on receipt of a written notification of the death or DISABLEMENT of the MEMBER by the FUND from the EMPLOYER, become payable from the RISK RESERVE ACCOUNT.
- 7.3.2 The BOARD may insure part or all of a RISK BENEFIT with an INSURER, in which case the premium payable in respect of the policy of insurance issued to the FUND by the relevant INSURER shall be met from the RISK RESERVE ACCOUNT.

7.3.3 The FUND may, where so required by the INSURER underwriting the INSURED RISK BENEFIT, request a MEMBER to be examined at the INSURER'S expense by a medical practitioner appointed by the INSURER.

7.3.4 Acting on the results of this examination, the FUND may decide that the RISK BENEFIT or part thereof shall be restricted in such manner as decided in consultation with the INSURER.

7.4 Payment of Death Benefit

7.4.1 In the event of the death of a MEMBER any benefit payable shall not form part of the assets in his estate but, subject to the provisions of Rule 10, shall be distributed in accordance with the provisions of section 37C of the ACT.

7.4.2 The BENEFICIARIES may elect to receive part or all of the benefit payable in terms of Rule 7.1 allocated to them as an annuity in which case the provisions of Rule 6.5.1 and 6.5.3 will apply, *mutatis mutandis*, to the purchase of an annuity. In the absence of notification by the BENEFICIARY of an INSURER from which the annuity should be purchased and completion of all documentation required to complete the purchase, the benefit will be paid as a lump sum.

7.4.3 The BOARD may, at its sole discretion, having regard to the circumstances surrounding each case, decide to pay a benefit for the benefit of a BENEFICIARY to:-

7.4.3.1 The legal guardian or caregiver of a minor BENEFICIARY; or

7.4.3.2 A BENEFICIARY FUND; or

7.4.3.3 A trust registered in terms of the Trust Property Control Act, 1988 that had been nominated by the MEMBER or by the BENEFICIARY or, in the event of a minor BENEFICIARY, by his or her legal guardian or caregiver.

7.5 Limitation of Benefits

7.5.1 Payment of a RISK BENEFIT is subject to the provisions of Rule 4.1.5.

7.5.2 Payment of that part of a RISK BENEFIT that constitutes an INSURED RISK BENEFIT is subject to the INSURER underwriting the INSURED

RISK BENEFIT admitting the claim and making payment to the FUND and will not be paid if the INSURER does not admit the claim and make payment to the FUND or will only be partially paid if the INSURER makes a partial payment to the FUND. Notwithstanding the afore-going, the BOARD may, in its absolute discretion, under unique and exceptional circumstances, decide to admit the claim.

- 7.5.3 Furthermore, payment of that part of a RISK BENEFIT that constitutes an INSURED RISK BENEFIT is subject to any restriction that may exist as a result of the provisions of Rule 7.3.4.

8. TERMINATION OF SERVICE

8.1 Withdrawal Benefit

8.1.1 If the SERVICE of a MEMBER is terminated prior to his NORMAL RETIREMENT AGE as a result of his resignation, dismissal, retrenchment, redundancy or reorganisation of staff by the EMPLOYER, the MEMBER shall become entitled to a cash benefit equal to his MEMBER INVESTMENT ACCOUNT, subject to the provisions of Rule 8.2.1 and Rule 10.

8.1.2 A MEMBER shall be deemed to remain in SERVICE and the assets underlying the MEMBER INVESTMENT ACCOUNT shall remain invested in the INVESTMENT PORTFOLIOS in which such assets were held whilst the MEMBER was a contributing MEMBER, until such time as the FUND receives written notification of termination of the MEMBER'S SERVICE and the reasons for such termination, in writing from the EMPLOYER.

The BOARD shall, for the purposes of this RULE, be entitled to act without further enquiry on particulars given to it by the EMPLOYER of the reasons for termination of the MEMBER'S SERVICE.

8.2 Payment of Benefit

8.2.1 A MEMBER in respect of whom Rule 8.1 applies may, within six (6) months of cessation of his SERVICE elect by way of written notification to the FUND, to:

8.2.1.1 transfer the whole benefit to an APPROVED FUND, an APPROVED RETIREMENT ANNUITY FUND or an APPROVED PRESERVATION FUND, provided that all transfers will be subject to the requirements and any restrictions imposed by the INCOME TAX ACT from time to time; or

8.2.1.2 if the amount of the benefit is equal to or more than the minimum amount determined by the BOARD for purposes of remaining paid-up in the FUND from time to time, retain his benefit in the FUND in which case the MEMBER shall become a PAID-UP MEMBER entitled to a PAID-UP BENEFIT and the provisions of Rule 8.3 shall apply.

- 8.2.2 With effect from the effective date of any amendment to the Regulations to the ACT providing for default paid-up provisions, the following will apply:-
- 8.2.2.1 If a MEMBER does not take a cash benefit in terms of Rule 8.1.1 or transfer his benefit in terms of Rule 8.2.1.1 within the time period prescribed in terms of Rule 8.2.1 or within such other time period prescribed in terms of the Regulations to the ACT, he will automatically become a PAID-UP MEMBER entitled to a PAID-UP BENEFIT;
- 8.2.2.2 The provisions of Rule 8.3 will apply, provided that where the provisions of Rule 8.3 are contrary to the amended Regulations, the amended Regulations will be applicable, provided further that if option(s) are included in the Regulations that are not included in Rule 8.3, including but not limited the option to receive the benefit as a cash sum at a later date, a PAID-UP MEMBER will be entitled to elect that/those option(s).
- 8.2.3 Any amount to be transferred to another APPROVED FUND, APPROVED RETIREMENT ANNUITY FUND or APPROVED PRESERVATION FUND in terms of Rule 8.2.1.1 shall be transferred to such other fund within sixty (60) days of receipt by the FUND of the MEMBER'S written instruction, indicating that he has elected to transfer his benefit to such other fund, provided that such transfer is permissible in terms of the ACT and the INCOME TAX ACT. Interest, at a rate prescribed in terms of section 13A of the ACT from time to time, compounded daily, shall be paid to such other fund on any benefit transferred after the aforementioned sixty (60) day period and shall be calculated from the expiry of the sixty (60) day period until date of payment to such other fund.

8.3 Provisions relating to Paid-Up Members

- 8.3.1 Notwithstanding any provisions to the contrary in the RULES, in the event that a PAID-UP MEMBER'S benefit is retained in the FUND in terms of Rule 8.2.1.2 or Rule 8.2.2, the following shall apply:-
- 8.3.1.1 Contributions, including risk premiums for any RISK BENEFITS, by and in respect of the PAID-UP MEMBER shall cease, provided that a proportionate amount of OPERATIONAL FUND EXPENSES may be debited against the PAID-UP MEMBER INVESTMENT ACCOUNT each month;
- 8.3.1.2 On reaching the NORMAL RETIREMENT AGE, the PAID-UP MEMBER shall retire and become entitled to a benefit in terms of Rule 6.1;
- 8.3.1.3 The provisions of Rule 6.3 will apply *mutatis mutandis* to the PAID-UP MEMBER;
- 8.3.1.4 No RISK BENEFITS shall be payable on the death or disability of the PAID-UP MEMBER and in the event of the death of the PAID-UP MEMBER, the benefit specified in Rule 7.1.3 shall be paid in accordance with the provisions of Rule 7.4;
- 8.3.1.5 The BOARD may, at the request of a MEMBER and subject to the provisions of these RULES, agree to the transfer of the MEMBER'S benefit in terms of Rule 9.2 or to the transfer of the PAID-UP MEMBER'S benefit to an APPROVED RETIREMENT ANNUITY FUND in which case the provisions of Rule 9.2 will apply to such transfer *mutatis mutandis*.

9. TRANSFER OF BENEFITS

9.1 Transfers into the Fund

- 9.1.1 The FUND shall receive such amounts as become payable to the FUND by another APPROVED FUND as a result of the transfer of any portion of the business of such entity to the FUND. The assets transferred in respect of each MEMBER shall be applied for the MEMBER'S benefit under his MEMBER INVESTMENT ACCOUNT. The provisions of section 14 of the ACT will apply.
- 9.1.2 If a MEMBER who was a member of an APPROVED FUND or an APPROVED PRESERVATION FUND prior to becoming a member of the FUND, chooses to transfer the benefit to which he is entitled on leaving that fund into the FUND, the amount so transferred shall be credited to the MEMBER INVESTMENT ACCOUNT. Similarly, if a MEMBER became a member of an APPROVED PRESERVATION FUND on or after he became a MEMBER of the FUND, he may, subject to the provisions of section 14 of the ACT, transfer his benefit in that fund to the FUND in which case it will be credited to the MEMBER INVESTMENT ACCOUNT.

9.2 Transfers from the Fund

- 9.2.1 The BOARD may agree to the transfer of a MEMBER INVESTMENT ACCOUNT or to the transfer of a group of MEMBERS INVESTMENT ACCOUNTS to another APPROVED FUND under the following circumstances:
- 9.2.1.1 If the MEMBER becomes eligible for membership of such fund as a result of the transfer of the MEMBER'S employment contract to another entity in terms of section 197 of the Labour Relations Act, 1995 as contemplated in Rule 3.2.3;
- 9.2.1.2 If the MEMBER so elects in terms of Rule 3.2.4;
- 9.2.1.3 If the MEMBER(S) become eligible for membership of such fund as a result of a decision by the EMPLOYER to establish a new APPROVED FUND for the benefit of its employees; or
- 9.2.1.4 If the MEMBER(S) become eligible for membership of such fund as a result of an agreement between the BOARD, the EMPLOYER and another entity that group of employees of

the EMPLOYER or any portion of the business of the FUND shall be transferred to or amalgamated with the business of such other entity;

9.2.1.5 In the case of a PAID-UP MEMBER, the MEMBER wishes to have the benefit transferred to the APPROVED FUND in which his new employer participates, to an APPROVED PRESERVATION FUND or to an APPROVED RETIREMENT ANNUITY FUND;

in which case the assets and liabilities in respect of the MEMBERS so transferred shall be transferred to the other APPROVED FUND, subject to the provisions of Section 14 of the ACT and the INCOME TAX ACT, after which the MEMBER so transferred will have no further claim against the FUND.

9.2.2 If the assets and liabilities in relation to a MEMBER are transferred to another APPROVED FUND as contemplated in Rule 9.2.1, then it is specifically provided that with effect from the date on which he becomes a member of such fund, contributions in terms of Rule 4.1 shall cease in respect of that MEMBER(S) and no RISK BENEFITS shall be paid by and in respect of such MEMBER(S).

10. DEDUCTIONS FROM BENEFITS

- 10.1 Notwithstanding any provision to the contrary in these RULES, the BOARD shall have the right to make such deductions from a MEMBER INVESTMENT ACCOUNT or from any benefit to which a MEMBER or other BENEFICIARY is entitled in terms of the RULES, as are permitted in terms of section 37D of the ACT.
- 10.2 The provisions of Rule 10.1 shall be subject to any other claims, in order of preference as prescribed in the ACT, which may be required to be paid in terms of the INCOME TAX ACT and any court orders which have been granted against the MEMBER specifically in connection with a divorce order and/or a maintenance order and/or any damages claims by the EMPLOYER in terms of the ACT.
- 10.3 In the event that the FUND receives a valid court order in terms of which a portion of a MEMBER'S pension interest, as defined in the DIVORCE ACT, is awarded to the MEMBER'S NON-MEMBER SPOUSE in terms of section 7(8)(a) of the DIVORCE ACT, then the following shall apply:-
- 10.3.1 For purposes of giving effect to the court order only, the amount of the MEMBER INVESTMENT ACCOUNT as represents the MEMBER'S pension interest shall be deemed to accrue to the MEMBER as at the date of the court order, provided that in the event of a court order issued prior to 13 September 2007, the amount awarded to the NON-MEMBER SPOUSE shall be deemed to have accrued on 13 September 2007;
- 10.3.2 The FUND shall, on receipt of the court order and on receipt of a written request from the NON-MEMBER SPOUSE, deduct the amount awarded to the NON-MEMBER SPOUSE from the MEMBER INVESTMENT ACCOUNT or from any benefit that becomes payable to the MEMBER or his BENEFICIARIES in terms of these RULES, after which the MEMBER INVESTMENT ACCOUNT or the benefit, as the case may be, shall be reduced by the amount awarded to the NON-MEMBER SPOUSE and, if applicable, any income tax payable on such award in terms of the INCOME TAX ACT;
- 10.3.3 The NON-MEMBER SPOUSE shall not acquire the rights of a MEMBER or BENEFICIARY in terms of the RULES;
- 10.3.4 The NON-MEMBER SPOUSE shall within such period as prescribed in the ACT, be notified by the FUND of the option to elect, by way of a written request to the FUND, that the amount assigned to him or her be paid to

- him or her in cash or that such amount be transferred to another APPROVED FUND, APPROVED RETIREMENT ANNUITY FUND or APPROVED PRESERVATION FUND on his or her behalf, which cash payment or transfer, less any tax payable on the amount (if applicable), shall be effected within sixty (60) days of receipt by the FUND of the NON-MEMBER SPOUSE'S request;
- 10.3.5 In the event that the NON-MEMBER SPOUSE fails to exercise the option in terms of Rule 10.3.4 within the time period stipulated in the ACT, the amount assigned to the NON-MEMBER SPOUSE shall be paid to him or her in cash, less any tax to be deducted on the amount to be paid in cash (if applicable);
- 10.3.6 The NON-MEMBER SPOUSE shall not be entitled to any form of interest on the amount assigned to him or her, other than NET INVESTMENT RETURN on that amount over the period from the date of receipt by the FUND of his instruction in terms of Rule 10.3.4 and the date of actual payment or transfer, as the case may be.
- 10.4 In respect of a claim that has been lodged in writing with the BOARD within such reasonable time of the event giving rise to the benefit as the BOARD may from time to time set for making such claims, the BOARD may, notwithstanding the provisions of these RULES, where an EMPLOYER has instituted civil legal proceedings in a court of law and/or laid a criminal charge against the MEMBER concerned for compensation in respect of damage caused to the EMPLOYER as contemplated in section 37D of the ACT, withhold payment of the benefit until such time as the matter has been finally determined by a competent court of law or has been settled or formally withdrawn provided that:-
- 10.4.1 the amount withheld shall not exceed the amount that may be deducted in terms of section 37D(b)(ii) of the ACT;
- 10.4.2 the BOARD in their reasonable discretion are satisfied that the EMPLOYER has made a *prima facie* case against the MEMBER concerned and there is reason to believe that the EMPLOYER has a reasonable chance of success in the proceedings instituted;
- 10.4.3 the BOARD has requested the MEMBER in writing, to provide his side of the version as alleged by the EMPLOYER against him and the BOARD is

satisfied that the EMPLOYER is still entitled to the withholding of the MEMBER'S benefit;

- 10.4.4 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;
- 10.4.5 once the proceedings have been determined, settled or withdrawn, any benefit to which the MEMBER is entitled shall be paid forthwith;
- 10.4.6 the BOARD, with the express written consent of the MEMBER whose benefit is withheld, may, if practical and applicable, permit the value of the MEMBER'S benefit as at the time of such request be protected, in whatever manner they believe appropriate, from the possibility of a decrease as a result of poor investment performance.

11. GOVERNANCE AND MANAGEMENT OF THE FUND

11.1 The Board

The FUND shall be administered and controlled, subject to the provisions of the ACT and these RULES, by nineteen (19) BOARD members, of whom:

- 11.1.1 Nine shall be known as the MEMBERS TRUSTEES; and
- 11.1.2 Nine shall be known as the EMPLOYERS TRUSTEES; and
- 11.1.3 One shall be an INDEPENDENT TRUSTEE, who will be the CHAIRPERSON of the BOARD in addition of being a TRUSTEE.

11.2 Independent Trustee and Chairperson

The BOARD members referred to in Rule 11.1.1 and Rule 11.1.2 will appoint the INDEPENDENT TRUSTEE and his alternate by consensus, provided that if there is a deadlock in respect of the appointment of the INDEPENDENT TRUSTEE and/or the alternate, such a deadlock shall be dealt with in terms of Rule 11.12.8.

- 11.2.1 The INDEPENDENT TRUSTEE will also be the CHAIRPERSON of the BOARD.
- 11.2.2 The INDEPENDENT TRUSTEE will hold office for a term of three (3) years, unless he resigns or is removed from office in terms of these RULES.
- 11.2.3 On the expiry of his term of office, the INDEPENDENT TRUSTEE may be reappointed for a further term/s.
- 11.2.4 In the event that the INDEPENDENT TRUSTEE is unable to fulfil his term duties in terms of these RULES, whether on a temporary or a permanent basis, the alternate INDEPENDENT TRUSTEE will fill the position on a temporary basis or for the balance of the term, as determined by the circumstances, and subject to the provisions of these RULES.
- 11.2.5 The INDEPENDENT TRUSTEE may at any time resign from office.
- 11.2.6 The INDEPENDENT TRUSTEE may at any time be removed from office by the BOARD members referred to in Rule 11.1.1 and Rule 11.1.2 in the event of a breach of his fiduciary duties to the FUND, provided that a hearing must be held and the INDEPENDENT TRUSTEE must be given the opportunity to state his case. A decision by 75% of the BOARD

members, other than the INDEPENDENT TRUSTEE, will be sufficient for the removal of the INDEPENDENT TRUSTEE.

- 11.2.7 If the INDEPENDENT TRUSTEE ceases to be a TRUSTEE of the FUND, he shall cease to be the CHAIRPERSON of the BOARD, and in such an event the alternate to the INDEPENDENT TRUSTEE shall be appointed as the CHAIRPERSON of the BOARD.

11.3 Member Trustees

- 11.3.1 With effect from 18 March 2011 and subject to Rule 11.3.4 and 11.3.5, NUM shall appoint nine (9) MEMBERS TRUSTEES and alternates to act in their absence as required in terms of the sub-rule from time to time. To the extent that these RULES limit the appointment of TRUSTEES by NUM, any such other appointment shall be made by the other registered UNION/S in proportion to their MEMBERS in the FUND, but subject to the maximum number of nine (9) MEMBERS TRUSTEES.
- 11.3.2 Subject to the provisions of Rule 11.3.7, a MEMBERS TRUSTEE or alternate appointed in terms of Rule 11.3.1 shall cease to hold office on the day immediately preceding the first appointment date after the establishment of the FUND. A MEMBERS TRUSTEE or alternate who has ceased to hold office in terms of this Rule shall be eligible for reappointment in terms of this Rule.
- 11.3.3 With effect from the first appointment date after the establishment of the FUND and with effect from every subsequent appointment date, MEMBERS TRUSTEES and alternates shall be appointed as provided for in Rule 11.3.4 and Rule 11.3.9.
- 11.3.4 If on any appointment date the number of MEMBERS who are MEMBERS of the NUM is not less than the number of MEMBERS who are MEMBERS of any other UNION, the NUM shall, with effect from that date, appoint a MEMBER TRUSTEE or MEMBERS TRUSTEES and an alternate or alternatives to act during their absence depending on the percentage of MEMBERS who are MEMBERS of the NUM as follows:

Percentage of Members who are Members of the NUM	Number of Members' Trustees to be appointed by the NUM	Number of alternates to be appointed by the NUM
Less than 20%	2	2

At least 20% but less than 40%	4	4
At least 40% but less than 60%	5	5
At least 60% but less than 80%	7	7
At least 80% but less than 100%	9	9

- 11.3.5 If on any appointment date the number of MEMBERS who are MEMBERS of the NUM is less than the number of MEMBERS who are MEMBERS of any other registered trade UNION but it is at least 10% of the total number of MEMBERS, the NUM shall with effect from that date appoint a MEMBER TRUSTEE or MEMBERS TRUSTEES and an alternative or alternates to act during their absence, depending on the percentages of MEMBERS who are MEMBERS of the NUM as follows:

Percentage of Members who are Members of the NUM	Number of Members' Trustees to be appointed by the NUM	Number of alternates to be appointed by the NUM
At least 10% but less than 18.75%	2	2
At least 18.75% but less than 30%	3	3
At least 30% but less than 31.25%	3	3
At least 31.25% but less than 43.75%	4	4
At least 43.75%	4	4

- 11.3.6 If a MEMBER TRUSTEE or alternate appointed in terms of Rule 11.3.4 or Rule 11.3.5 ceases to hold office before the day referred to in Rule 11.3.10, the NUM shall appoint a MEMBER TRUSTEE to replace him.
- 11.3.7 For the purposes of this Rule each number referred to in this Rule shall be determined at such date and by such methods as the BOARD may determine and each number so determined shall apply to the next succeeding appointment date.
- 11.3.8 If according to numbers determined in terms of Rule 11.3.7, the number of MEMBERS TRUSTEES that will be required to be appointment by the NUM in terms of this Rule at the next succeeding appointment date is less than five (5), the other MEMBERS TRUSTEES and alternates to act

during their absence, shall be appointed or elected with effect from that date by such method and subject to such conditions, including conditions relating to removal and resignation, as the BOARD may determine; provided that if the BOARD is unable to reach a decision with regard to the determination of such method it shall be referred to arbitration; provided further that the total number of alternates appointed or elected in terms of this Rule shall be equal to eight (8).

- 11.3.9 If a MEMBER TRUSTEE or alternate appointed or elected in terms of Rule 11.3.8 ceases to hold office before the day referred to in Rule 11.3.10, a MEMBER TRUSTEE or alternate as the case may be shall be appointed or elected by the method and subject to the conditions determined in term of that Rule, or by such other method as, subject to the provisos to Rule 11.3.8, the BOARD may determine, to replace him.
- 11.3.10 Subject to the provisions of Rule 11.5, a MEMBER TRUSTEE or alternate appointed or elected in terms of Rule 11.3.4, Rule 11.3.5, Rule 11.3.6, Rule 11.3.6, Rule 11.3.8 or Rule 11.3.9 shall cease to hold office on the third anniversary of his appointment date. A MEMBER TRUSTEE or alternate who ceased to hold office in terms of this Rule shall be eligible for reappointment or re-election in terms of this Rule.
- 11.3.11 The NUM may at any time deploy a MEMBER TRUSTEE or an alternate appointed by it in terms of this Rule.
- 11.3.12 A MEMBER TRUSTEE appointed by the NUM in terms of this Rule may resign at any time on giving one (1) month's written notice to the NUM and the BOARD.

11.4 Employer Trustees

- 11.4.1 The COUNCIL shall appoint nine (9) EMPLOYERS TRUSTEES as required in terms of this Rule from time to time, and alternates to act in their absence, and may at any time remove an EMPLOYERS TRUSTEE or alternate.
- 11.4.2 Subject to the provisions of Rule 11.5, an EMPLOYERS TRUSTEE or alternate appointed in terms of this Rule on or before the day immediately preceding the first appointment date after the establishment of the FUND shall cease to hold office on that day and an EMPLOYERS TRUSTEE or alternate appointed in terms of this Rule after that day shall cease to hold

office on the day immediately preceding the third anniversary of his appointment date next following the date with effect from which he was appointed. An EMPLOYERS TRUSTEE or alternate who has ceased to hold office in terms of this Rule shall be eligible for reappointment in terms of this Rule.

- 11.4.3 An EMPLOYERS TRUSTEE or alternate appointment in terms of this Rule may resign at any time on giving one (1) month's written notice to the COUNCIL and the BOARD.

11.5 Termination of Office of Trustees

A TRUSTEE or alternate shall cease to hold office if:

- 11.5.1 He is redeployed or resigns or his term of office expires in accordance with these RULES;
- 11.5.2 He becomes insane or otherwise incapable of performing his duties as a TRUSTEE;
- 11.5.3 His estate is sequestrated or surrendered or assigned for the benefit of his creditors;
- 11.5.4 He is removed by a court of law on account of misconduct from any office of trust;
- 11.5.5 He is convicted of theft, fraud, forgery or uttering of a forged document or perjury; or
- 11.5.6 He has been convicted and sentenced either to imprisonment without the option of a fine or a fine exceeding R100.00 for one of the following: theft; fraud; forgery or uttering a forged document, perjury, an offence under the Corruption Act, 2004, any offence involving dishonesty or any offence in connection with the promotion, formation or management of a company.

11.6 Meetings of the Board

The BOARD shall meet at such interval as they may decide, but shall meet not less than four (4) times during the course of any one calendar year. A meeting of the BOARD shall be called by the PRINCIPAL OFFICER at any time at the instruction of the CHAIRPERSON or at the written request of any three (3) BOARD members. Unless otherwise agreed by each TRUSTEE, a meeting so called shall be convened within fourteen (14) days but not within seven (7) days after it has been so called.

11.7 Quorum and Voting

- 11.7.1 At any meeting of the BOARD eight (8) TRUSTEES plus the CHAIRPERSON will form a quorum, provided that at least four (4) EMPLOYERS TRUSTEES and four (4) MEMBERS TRUSTEES are present at the meeting. Each TRUSTEE, including the CHAIRPERSON, will be entitled to one vote and the CHAIRPERSON will have a casting vote in the event of a deadlock. In the event of a difference of opinion the decision of the majority of those TRUSTEES present shall be the decision of the BOARD. Decisions of the BOARD shall be taken on a show of hands or, if so required by any TRUSTEE present at the meeting and agreed by the BOARD, by ballot.
- 11.7.2 Should the CHAIRPERSON be unavailable to attend a meeting due to incapacity or another reason acceptable to the BOARD, the alternate INDEPENDENT TRUSTEE shall serve as CHAIRPERSON for that meeting or for as long as the CHAIRPERSON is unavailable or incapacitated to serve in this capacity.
- 11.7.3 If a quorum is not present at any meeting of the BOARD within forty-five (45) minutes after the time fixed for its commencement, the meeting shall stand adjourned for seven (7) days. At such adjourned meeting the TRUSTEES present shall form a quorum.
- 11.7.4 A resolution in writing signed by all the TRUSTEES (for which purpose an alternate may sign in the absence of the TRUSTEE for whom he is an alternate) shall be of the same force and effect as a resolution passed at a meeting of the BOARD and must be recorded in the FUND'S minute book.

11.8 Remuneration of the Chairperson

The CHAIRPERSON shall be entitled to such remuneration as the BOARD members referred to in Rule 11.1.1 and Rule 11.1.2 shall determine from time to time.

11.9 Adjournment of Meeting

Where, in the opinion of the CHAIRPERSON presiding at the meeting of the BOARD, an important question of principle is involved, and not all the BOARD members referred to in Rule 11.1.1 and Rule 11.1.2 are present, the discussion of the question shall stand over and the matter shall be considered at a special meeting

of the BOARD to be held on a day not less than seven (7) days later. At such a special meeting the TRUSTEES present shall form a quorum.

11.10 Minutes

The BOARD shall cause minutes of their proceedings and of all meetings to be recorded and such minutes when signed by the CHAIRPERSON shall be *prima facie* evidence of the correctness of the matters therein recorded.

11.11 Indemnity and Fidelity Guarantee

11.11.1 Each TRUSTEE and all officers of the FUND, including employees appointed in terms of the RULES shall be indemnified by the FUND against all claims, proceedings, costs and expenses made against, or incurred by them, by reason of any act or omission occurring in the course of the exercise of their powers and functions as BOARD members, provided such does not arise from their gross negligence, wilful misconduct, dishonesty or fraud.

11.11.2 The BOARD must ensure that the indemnity and fidelity cover is obtained and maintained to such an amount as it regards as being sufficient protection against any loss resulting from the negligence, dishonesty or fraud of any of its TRUSTEES, officers (including employees appointed in terms of the RULES or any other person to whom they have delegated their powers or functions. This indemnity is to be provided by way of a policy of insurance or in such other manner as the AUTHORITY may approve.

11.12 Board's Discretion and Duties

11.12.1 The BOARD shall be entitled, in its absolute discretion, to make any arrangements and regulations for the administration of the FUND, and to do anything not inconsistent with the provision of these RULES, as amended from time to time, that, in their opinion, is for the benefit and protection of MEMBERS and BENEFICIARIES.

11.12.2 Subject to the provisions of Rule 11.12.6, the decision of the BOARD as to the meaning of or interpretation of these RULES or of any particular Rule or part thereof shall be final and binding on the EMPLOYERS, MEMBERS, or former MEMBERS and every person claiming to be entitled to a BENEFIT under these RULES, subject to Section 30A of the ACT.

- 11.12.3 Any question that may arise with regard to a claim by any competent person under these RULES shall be decided by the BOARD, subject to the provision of Section 30A of the ACT.
- 11.12.4 In deciding on any question of fact, the BOARD shall act upon such evidence as they deem adequate and shall not be bound by the rules of evidence applicable in a court of law.
- 11.12.5 In arriving at a decision, the BOARD shall not be obliged to afford a hearing to any person affected by their decision, but may receive representations orally or in writing in such a manner and on such terms as they may determine.
- 11.12.6 If any person affected by a decision of the BOARD in terms of Rule 11.12.3 is dissatisfied with the decision, he shall have the right to lodge a written complaint as envisaged in Section 30A of the ACT. If such person remains dissatisfied with the FUND'S response, he may lodge his complaint with the ADJUDICATOR appointed in terms of the ACT which shall be dealt with in accordance with Section 30D to 30P of the ACT.
- 11.12.7 In the event of a difference of opinion, other than in respect of the appointment of the CHAIRPERSON in terms of Rule 11.2, the decision of the majority of those present shall be the decision of the BOARD; provided that each TRUSTEE including the INDEPENDENT CHAIRPERSON, shall have one vote. The CHAIRPERSON shall not have a casting vote in the event of a deadlock. Decisions of the BOARD shall be taken on a show of hands, unless where required by any TRUSTEE present at the meeting, by ballot and agreed upon by the BOARD.
- 11.12.8 The BOARD must make a reasonable effort to obtain a majority. However, where no majority can be obtained on any matter, the following procedure shall apply:
- 11.12.8.1 The BOARD shall decide whether to defer the matter in question to the following meeting of the BOARD or to a special meeting of the TRUSTEES to be convened within fifteen (15) days for the specific purpose of reconsidering the matter under dispute.
- 11.12.8.2 If the meeting referred to in Rule 11.12.8.1 above remains in dispute, then:

11.12.8.2.1 The BOARD can agree that the dispute be mediated by a mediator agreed to by the BOARD. The cost of the mediation is to be borne by the FUND, or

11.12.8.2.2 The BOARD can agree that the matter instead be referred by the BOARD to an expert, the identity of whom must be agreed by the BOARD. The expert shall, at the cost of the FUND, submit a written recommendation on the matter to the BOARD at a meeting at which the issue will be considered.

11.12.8.2.3 If the dispute is not resolved at that meeting, the matter shall, at the cost of the FUND, be referred to an arbitrator agreed by the BOARD. The arbitrator's decision shall be regarded as a decision made by the BOARD and shall be binding on all parties.

11.12.9 Any person who has a complaint or a dispute in fact or in law shall, notwithstanding anything to the contrary in the RULES, have the right in invoke the complaint procedures in terms of the ACT.

11.13 Appointment of Sub-Committees

The BOARD may, at its discretion, appoint one or more sub-committees to deal with specific issues delegated to such sub-committee on behalf of the BOARD. A sub-committee shall consist of a number of TRUSTEES as determined by the BOARD, and the sub-committee's authority shall be set out in the terms of reference, and be subject to such limitations set by the BOARD. Should a sub-committee be authorised to make decisions on behalf of the BOARD, any such decisions taken by the sub-committee shall be referred to the BOARD for ratification at the next meeting of the BOARD.

11.14 Auditor, Actuary and other Advisers

11.14.1 The BOARD shall appoint an AUDITOR in terms of Section 9 of the ACT, to perform the duties required from an auditor in terms of the Act, subject to such requirements of the AUTHORITY as may be prescribed in the

ACT, and may withdraw the appointment of the auditor at any time, and appoint a new AUDITOR.

- 11.14.2 The BOARD shall appoint an ACTUARY to the FUND to perform the duties required of a valuator in terms of the ACT, unless the FUND has applied for, and has been granted an exemption from the requirement. The appointment of the ACTUARY shall be subject to such requirements as may be prescribed by the AUTHORITY in terms of the ACT, and the BOARD may withdraw the appointment at any time and appoint a new ACTUARY.
- 11.14.3 The AUDITOR and ACTUARY may resign or withdraw from the respective appointments at any time.
- 11.14.4 The BOARD may appoint such other advisers as they consider necessary from time to time.

11.15 Appointment of Officers

The BOARD shall appoint a PRINCIPAL OFFICER and may appoint other officers of the FUND for such periods as they determine and may withdraw any such appointment and make another appointment in its place. The BOARD shall determine the scope of the officers' duties and their emoluments, if any.

11.16 Powers and Duties of the Board

Without in anyway derogating from the other common law and statutory duties, the BOARD shall, in administering the FUND in terms of RULES:

- 11.16.1 Take all reasonable steps to ensure that the interests of MEMBERS in terms of the RULES and the ACT are protected at all times;
- 11.16.2 Act with due care, diligence and good faith;
- 11.16.3 Disclose and promptly manage conflict of interest where they arise;
- 11.16.4 Act with impartiality in respect of all MEMBERS and BENEFICIARIES;
- 11.16.5 Obtain expert advice on matters in respect of which the BOARD may lack sufficient expertise;
- 11.16.6 Procure that any contributions or other monies received by the FUND, shall, pending investment or application thereof in accordance with the RULES, be deposited into the banking account not later than the first business day following the day on which the FUND received the contributions and other monies;
- 11.16.7 Operate a banking account opened in the name of the FUND with a bank registered in terms of the Banks Act, 1990 (Act No. 94 of 1990);

- 11.16.8 Procure that every cheque, contract or other document pertaining to the FUND shall be signed by such persons as the BOARD by resolution appoint;
- 11.16.9 Institute effective control and risk management measures in respect of the investments of the FUND and ensure compliance with its investment policy and strategy;
- 11.16.10 Review all valid divorce orders that have properly been issues in terms of the Divorce Act, 70 of 1979 and authorise the deduction of any amount due to the NON-MEMBER SPOUSE in terms of the divorce order from the MEMBER'S deemed BENEFIT or from any BENEFIT due in respect of the MEMBER in terms of the RULES, as the case may be, and authorise payment of such amount to the NON-MEMBER SPOUSE in accordance with the ACT and the relevant income tax in accordance with the Income Tax Act, 1962 (Act No. 58 of 1962);
- 11.16.11 Review any claims in respect if a maintenance order granted against a MEMBERS in accordance with the Maintenance Act, 1998;
- 11.16.12 Furthermore, the BOARD must specifically ensure that:
 - 11.16.12.1 Proper control systems are employed;
 - 11.16.12.2 Proper registers, books and records of the operation of the FUND are kept, including proper minutes of all resolutions passed by the BOARD and a register of registers envisaged in Regulation 31 to the ACT;
 - 11.16.12.3 Adequate and appropriate information is communicated to the MEMBERS informing them of their rights, benefits and duties in terms of the RULES;
 - 11.16.12.4 Contributions are paid timeously to the FUND in accordance with the provisions of the ACT;
 - 11.16.12.5 The RULES and the operation and administration of the FUND comply with the provisions of the ACT, all other applicable laws, any ruling laid down by the AUTHORITY and the Revenue Authorities and any other applicable laws;

- 11.16.12.6 The investments shall be made in accordance with the sound financial principles and an investment policy and strategy developed by the BOARD;
- 11.16.12.7 The investment policy and strategy shall have due regard to the income needs and long term interests of the FUND and its MEMBERS and shall include guidelines on the investment objectives of the FUND, the nature of the investments appropriate to the liabilities of the FUND, the type of investments permitted or not permitted and provision for appropriate performance reviews;
- 11.16.12.8 Every title deed and other documents which proves that the FUND is the owner of a particular property is kept in a secure environment as was approved by the BOARD at the registered office of the FUND;
- 11.16.12.9 The only persons who sign cheques, contracts or other documentation on behalf of the BOARD, or who authorise electronic payments, are those who have the authority, in terms of a resolution passed by the BOARD where necessary, and who are largely able to do so.
- 11.16.13 The BOARD must establish and review from time to time the FUND'S arrangements in respect of RETIREMENT BENEFITS COUNSELLING.
- 11.16.14 The BOARD must develop and review an annuity strategy as referred to and in compliance with Regulation 39 to the ACT which must be communicated to the MEMBERS in SERVICE and the PAID-UP MEMBERS.

12. MISCELLANEOUS PROVISIONS

12.1 Amendments to the Rules

12.1.1 The BOARD may amend these RULES by making new RULES and altering or rescinding any existing RULE; provided that every proposed amendment shall be referred to the COUNCIL and the UNIONS for approval, and no amendment shall be adopted without the concurrence of the COUNCIL and the UNIONS.

12.1.2 Every proposed amendment to these RULES affecting the financial basis of the FUND shall be reported upon by the ACTUARY before being adopted.

12.1.3 The BOARD shall notify the AUTHORITY and the Revenue Authorities of each amendment to these RULES within the period prescribed in terms of section 12(2) of the ACT and of the INCOME TAX ACT.

12.2 Access to Information

12.2.1 Subject to such fee as the BOARD may determine, a MEMBER shall, on application be entitled to, a copy of the following documents:-

12.2.1.1 the RULES; and

12.2.1.2 the last revenue account and the last balance sheet prepared in terms of the ACT;

12.2.1.3 if applicable, a copy of the latest valuation report.

12.2.2 Every MEMBER shall be entitled to inspect without charge at the registered office of the FUND, any of the documents referred to in section 35 of the ACT and to make copies thereof.

12.3 Proof of Identity

Each MEMBER must produce proof of identity acceptable to the FUND and must also give such other information as may reasonably be required for the purposes of the FUND.

12.4 Manner of Payment

Payment of each benefit in terms of these RULES shall be made to the person entitled thereto by electronic transfer at the registered office of the FUND. Payment other than by electronic transfer at the registered office of the FUND may be made at the request of the BENEFICIARY in a manner agreed to by the BENEFICIARY and the FUND. Payment in terms of this RULE shall constitute full and final settlement of all claims to the benefit against the FUND and the FUND, the BOARD or its agent shall have no further liability for the benefit to any person.

12.5 Protection of Benefits

All benefits and rights to benefits in terms of these RULES shall be subject to the prohibitions contained in sections 37A and 37B of the ACT.

12.6 Effect on Conditions of Employment

These RULES are not conditions of employment and shall in no way restrict the right of an EMPLOYER to terminate the employment of any MEMBER or affect any agreement between an EMPLOYER and an ELIGIBLE EMPLOYEE in regard to conditions of SERVICE.

12.7 Unclaimed Benefits

12.7.1 Unpaid benefits and UNCLAIMED BENEFITS will be retained in the FUND and the MEMBERS' MEMBER INVESTMENT ACCOUNTS will be maintained. Subject to the provisions of the ACT, unpaid benefits and UNCLAIMED BENEFITS shall be dealt with in the manner set out below:-

12.7.1.1 If a potential BENEFICIARY approaches the FUND at any stage the BOARD shall consider his claim and if the circumstances so warrant, shall pay to the BENEFICIARY the amount standing to the credit of the MEMBER INVESTMENT ACCOUNT; or

12.7.1.2 If so decided by the BOARD, UNCLAIMED BENEFITS may be transferred to an UNCLAIMED BENEFITS FUND.

12.7.2 The BOARD shall have the power to agree with any service provider as the BOARD may decide, on suitable measures to trace any person entitled to an unpaid benefit or UNCLAIMED BENEFIT and any reasonable costs that are incurred and which are agreed by the BOARD in tracing a person entitled to a benefit under these RULES shall be off-set against the benefit payable to such person.

13. TERMINATION PROVISIONS

13.1 Termination of the Fund

- 13.1.1 Should the FUND be terminated in terms of an order of court of competent jurisdiction, the termination of the FUND shall be effected in accordance with the provisions of Section 29 of the ACT.
- 13.1.2 Alternatively, the FUND may be terminated if the BOARD decide to terminate the FUND, subject to prior consultation with the COUNCIL and the UNIONS.
- 13.1.3 If the FUND is terminated in either of the circumstances referred to above, the termination of the FUND shall be effected in accordance with the provisions of Section 28 of the ACT, in which case the BOARD shall appoint a liquidator approved by the AUTHORITY and the date of approval by the AUTHORITY of the liquidator's appointment shall be the liquidation date of the FUND.
- 13.1.4 In accordance with the instructions of the liquidator, the total assets available under the FUND after payment of all expenses incurred in the liquidation shall be applied to provide benefits for all MEMBERS on an equitable basis as decided by the liquidator, provided that such benefit shall not be less than a MEMBER'S MINIMUM INDIVIDUAL RESERVE.
- 13.1.5 The procedure in terms of Rule 13.1.4 shall be in accordance with the ACT and shall be subject to the following provisions:-
- 13.1.5.1 the amount available for a MEMBER under Rule 13.1.4, shall, as directed by the liquidator:-
- 13.1.5.1.1 be transferred for his benefit to another APPROVED FUND, APPROVED RETIREMENT ANNUITY FUND or APPROVED PRESERVATION FUND or if liquidator so decides, be paid to him as a cash lump sum benefit;
- 13.1.5.1.2 if a person to whom an amount is payable cannot be traced, the amount shall be disposed of in terms of the scheme of arrangement for the liquidation of the FUND

and may be paid to an UNCLAIMED BENEFITS FUND;

13.1.5.2 in making such apportionment, the liquidator shall take into consideration every former MEMBER who left SERVICE during the twelve (12) months prior to the liquidation date, provided that a former MEMBER'S apportionment shall be reduced by the amount of the benefit which he has already received when he left SERVICE;

13.1.5.3 any UNCLAIMED BENEFIT shall be transferred to an UNCLAIMED BENEFITS FUND.

13.1.6 On the liquidation of the FUND, MEMBERS shall be treated as deferred creditors of the FUND and their claims shall not be met until the claims of ordinary creditors have been paid.

13.2 Partial Termination

13.2.1 If any EMPLOYER is, for any reason whatsoever, to cease its participation as an EMPLOYER in the FUND, then, if the BOARD and the EMPLOYER do not agree that the provisions of Rule 9.2 shall apply, the provisions of Rule 13.1.3 to Rule 13.1.6 shall apply, with the necessary changes, provided that that part of the FUND that is to be liquidated in terms of this RULE shall be limited to the total assets and liabilities attributable to the MEMBERS related to the withdrawing EMPLOYER as determined by the liquidator.

13.2.2 When all payments have been made in terms of Rule 13.2.1 the EMPLOYER shall then cease to be an EMPLOYER and its MEMBERS shall cease to be MEMBERS and shall have no further claim against the FUND.

RESOLUTION AND CERTIFICATION

Extract from the minutes of a meeting of the Board of the Mineworkers Provident Fund (“**the Fund**”) held at Johannesburg, with effect from **6 October 2021**.

RESOLVED THAT:

A. With effect from **31st December 2012**, the Rules of the Fund shall be amended in order to align the existing practice of the Fund, with the Rules:

1. By providing for the discontinuance of the Investment Reserve to smooth investment returns.
2. By making allowance for negative investment returns to all accounts.
3. By establishing the Processing Error and Data Error Reserve Accounts and regulating the use thereof.

These changes to the Rules are made primarily to enable the approval of the 2018 statutory actuarial valuation. Since the matter of amending the Rules in order to reflect the reserve accounts of the Fund was raised following the 2012 statutory actuarial valuation, the Fund had been hoping to submit a new set of rules that will comprehensively deal with the Fund’s reserve accounts. Due to the delays in finalising these Revised Rules, the Fund decided to incorporate the changes in these Revised Rules.

B. With effect from the **1st March 2021**, the Rules of the Fund shall be amended:

1. To be in line with the amendments to the Act insofar as they relate to the Fund.
2. To consolidate Rule Amendments 1 to 7 and to update the Rules to comply with practice and with legislation.
3. To update the Rules on a new template as adopted by the Board.
4. To update the Rules by providing for expanded contributions categories in the Fund, in line with the resolution of the Board. The expanded contribution categories are intended to cater for more potential members both at the lower and upper scales of contribution rates in some sectors of the mining industry.
5. To align the Rules with the changes to the Income Tax Act, No. 58 of 1962, which are effective 1 March 2021, as applicable to retirement benefits that accrue in provident funds and to provide for the transfer of pension fund members into this Fund as per the recent amendments to legislation.
6. To detail the specific circumstances under which Members are entitled to commute their retirement benefits and to clarify what portion of their retirement benefits may be commuted and what portion may be subject to the annuitisation rules and provisions.

C. SECTION 12(2) AND NON-COMPLIANCE WITH THE 60 DAYS PERIOD:

1. The changes are made on 6 October 2021.
2. In relation to the effective date of 31 December 2012, we would like to emphasize the reason therefor: it pertains mainly to the Fund’s Reserve Accounts. The main reason for the change as at that date is intended to bring the practice of the Fund in line with the Rules and to enable the approval of the 2018 statutory actuarial valuation. Since the matter of amending

the Rules to reflect the Reserve Accounts of the Fund was raised following the 2012 statutory actuarial valuation, the Fund had been hoping to submit a new set of Rules that will comprehensively deal with the Fund's Reserve Accounts. However, significant delays were encountered in finalising the new set of Rules and the Fund decided to include these amendments in the current Revised Rules. The amendments were originally included in Rule Amendment No. 8 to the current Rules, but this Rule Amendment was subsequently withdrawn from the FSCA, as it has been overtaken by the approval of the Revised Rules by the Board and has thus become redundant.

4. The FSCA had already raised queries on Rule Amendment No. 8 under **Case Number 514809** and these have largely been addressed in the wording of the provisions in the Revised Rules.
5. The reasons for the revision of the Rules are stated above.

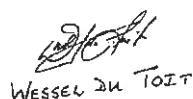
We certify that the above resolution has been adopted in accordance with the provisions of the RULES of the FUND.



23 November 2021

**CHAIRPERSON OF
THE BOARD OF MANAGEMENT**

DATE



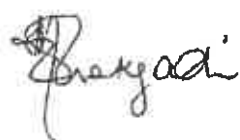
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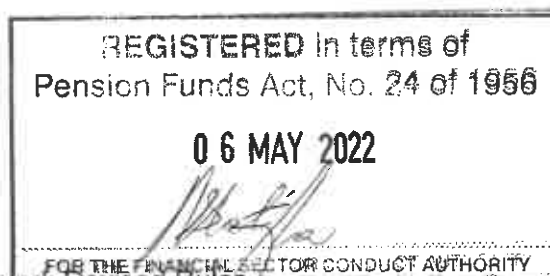
DATE



23 November 2021

PRINCIPAL OFFICER

DATE



**CERTIFICATE BY THE VALUATOR OF THE FUND IN TERMS OF THE PROVISIONS OF
THE ACT**

I, Ranti Mothapo, in my capacity as Actuary and Valuator of the Fund, hereby certify that I have considered the Revised Rules of the Fund. I am in support of the provisions of the Revised Rules and believe the Revised Rules can be implemented in a financially sound manner in terms of the provisions of the Pension Funds Act.



VALUATOR

23 March 2021

DATE