

RULES OF THE  
CHEMICAL INDUSTRIES NATIONAL  
PROVIDENT FUND

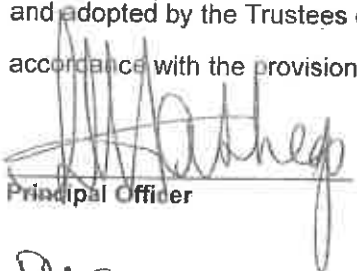
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**RESOLUTION OF THE BOARD OF TRUSTEES OF THE CHEMICAL INDUSTRIES  
NATIONAL PROVIDENT FUND ("the Fund") HELD AT GARDEN COURT  
KEMPTON PARK, ISANDO ON 19 AUGUST 2022**

Resolved that with effect from 1 March 2021 the set of rules of the Chemical Industries National Provident Fund be substituted by these Revised Rules for the following reasons: -

1. To amend the registered address of the Fund
2. To remove redundant provisions, improve the structure of certain RULES and generally make the RULES more easily understandable.
3. To consolidate all the registered RULE amendments up to and including amendment 10 into one set of RULES.
4. To provide for the latest legislative changes and the latest requirements of the AUTHORITY and the REVENUE AUTHORITIES to be incorporated into the RULES.
5. To allow for the provisions of an INDEPENDENT TRUSTEE.
6. To allow for the provision of the Deputy Principal Officer.
7. To expand and clarify the replacement of TRUSTEES when there is a vacancy caused by the either removal, resignation, retrenchment, retirement, or death of a TRUSTEE.
8. To increase the term of office of TRUSTEES from 3 years to 5 years.

It is hereby certified by the undersigned that the foregoing resolution was duly passed and adopted by the Trustees of the Chemical Industries National Provident Fund in accordance with the provisions of the Rules of the Fund.

  
Principal Officer

  
Chairperson

  
Trustee

Certified, in terms of section 12(3) of the Pension Funds Act, 1956, that the above amendments are financially sound.

  
Ranti Mothapo

In my capacity as the valuator of the Fund

**REGISTERED in terms of  
Pension Funds Act. No. 24 of 1956**

**29 AUG 2023**

  
FOR THE FINANCIAL SECTOR CONDUCT AUTHORITY

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## REVISED RULES OF THE CHEMICAL INDUSTRIES NATIONAL PROVIDENT FUND

### 1. GENERAL

#### 1.1. Name

The FUND known as the CHEMICAL INDUSTRIES NATIONAL PROVIDENT FUND was established with effect from 1 September 1987.

#### 1.2. Registered Address

Momentum Corporate  
The Marc  
Tower 2  
129 Rivonia Road  
SANDTON  
2196  
South Africa

#### 1.3. Object of FUND

The object of the FUND is, in terms of these RULES, to provide retirement and other benefits for EMPLOYEES of the EMPLOYER, and benefits in the event of their death.

#### 1.4. Legal Capacity

The FUND is a separate legal entity and shall in its own name, be capable in law of suing and of being sued and of acquiring, holding and alienating property, movable and immovable.

#### 1.5. RULES

1.5.1. The RULES of the FUND comprise these General RULES, which are applicable to all participating EMPLOYERS and their EMPLOYEES and the Special RULES applicable only to individual participating EMPLOYERS and their EMPLOYEES. In the event of conflict between the General RULES and the Special RULES, the Special RULES shall prevail.

1.5.2. These RULES constitute a revised set of RULES incorporating all amendments made to the RULES up to 1 January 2006 ("the Revision Date"). Payment of all benefits in respect of MEMBERS who terminated Membership before the Revision Date shall be made in terms of the RULES in force on the date on which Membership was terminated.

#### 1.6. Registration

If the registration of these RULES in terms of the ACT is effected later than the Revision Date, the RULES shall nevertheless take effect from the Revision Date.

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## 2. DEFINITIONS

In these RULES the headings are solely for ease of reference and are not to be taken into account in the interpretation of the RULES. Unless a contrary intention appears, words 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, all words and expressions signifying the singular shall include the plural and vice versa, words and expressions implying the masculine gender shall include the feminine, and the following words and expressions shall bear the meanings assigned to them below:

**"ACT"** shall mean the PENSION FUNDS ACT, 1956, (ACT No. 28 of 1956) as amended, and the regulations made in terms of that ACT;

**"ACCRUAL DATE"** shall, for tax purposes, be deemed to mean the earlier of:

- (a) the date on which an election is made in respect of which the benefit becomes recoverable;
- (b) the date on which any amount is deducted from the benefit in terms of section 37D(1) (a), (b) or (c) of the ACT;
- (c) the date on which the benefit is transferred to another PROVIDENT FUND, PROVIDENT PRESERVATION FUND, PENSION FUND or RETIREMENT ANNUITY FUND FUND;
- (d) the the date of MEMBER's retirement; or
- (e) the date of the MEMBER's death;

and the MEMBER shall be assessed for tax in respect of the year or assessment during which such benefit is deemed to accrue.

Provided that the benefits referred to in clauses (a) to (e) above shall, for clarity purposes, be payable as at the DISINVESTMENT DATE.

**"ACTUARY"** shall mean the ACTUARY appointed by the TRUSTEES in terms of these RULES and whose appointment has been approved by the AUTHORITY;

**"ADMINISTRATORS"** shall mean the person appointed by the TRUSTEES to administer this FUND in terms of these RULES;

**"ANNUITISATION DATE"** shall mean 01 March 2021;

**"APPROVED RISK BENEFIT"** shall mean the death and disability benefits payable in addition to the MEMBER's FUND CREDIT in terms of RULE 6.1(b) and 7.2 respectively;

**"AUDITOR"** shall mean the AUDITOR registered under the Public AUDITOR Accountants' and Auditors ACT, 1991, as amended, and appointed by the TRUSTEES in terms of these RULES;

**"AUTHORITY"** shall mean the Financial Sector Conduct AUTHORITY, established in terms of section 56 of the Financial Sector Regulation ACT;

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**"BENEFIT COUNSELLING"** shall mean any disclosure explanation provided to a MEMBER or a PAID-UP MEMBER or, if applicable, a DEFERRED RETIREE, prior to his retirement or withdrawal from the FUND, in terms of the ACT and any agreement entered into by the TRUSTEES;

**"BENEFIT COUNSELLING FEE"** shall mean any costs associated with the provision of Benefit Counselling;

**"BOARD OF TRUSTEES"** shall mean the body of persons referred to in RULE 13.1 and appointed in terms of RULE 13.2;

**"BARGAINING UNIT"** shall mean a unit as determined by and contained in the following agreements, in order of precedence:

- a) sectoral substantive agreements;
- b) company level agreements;
- c) recognition agreements;
- d) EMPLOYER participation agreements;
- e) participating EMPLOYER special RULES;

**"CEPPWAWU"** shall mean the Chemical, Energy, Paper, Printing, Wood and Allied Workers Union;

**"CLAIMS MANAGEMENT POLICY"** shall mean a policy document which is adopted by the TRUSTEES, regulating incidental matters associated with the payment of claims arising in the FUND. The policy which may be amended from time to time, is at all times to be read in conjunction with the RULES. In the event of any inconsistency, the provision of the RULES shall take preference;

**"COMMENCEMENT DATE"** shall mean 1 September 1987 or such later date on which an EMPLOYER's participation in the FUND commences as specified in the Special RULES applicable to such EMPLOYER;

**"COMMUTATION AMOUNT"** shall mean the maximum amount of the MEMBER's retirement benefit that may be paid to a MEMBER in cash in terms of the Income Tax ACT, 1962 (ACT No. 58 of 1962), which amount shall be calculated as:

- (a) a portion of the MEMBER's FUND CREDIT which represents the VESTED AMOUNT, plus
- (b) one-third of the remaining value of the MEMBER's FUND CREDIT, provided that if this amount is less than the DE MINIMIS AMOUNT the full balance may be taken in cash.

**"DATA RESERVE ACCOUNT"** shall mean the reserve account maintained under the FUND in terms of RULE 15.1.5;

**"DATE OF DISABILITY"** shall mean, as determined by the FUND, the date on which the MEMBER became Permanently and Totally Disabled on the basis of objective medical and professional evidence, consistent with the definition assigned herein to Permanent Total Disability, having regard to the MEMBER'S last date of Active SERVICE and sick leave record;

**"DE MINIMIS AMOUNT"** Shall mean the Rand amount prescribed in the Income Tax ACT, 1962 (ACT No, 58 of 1962) from time to time, that is applied to determine the minimum level from which a retirement will be subject to compulsory annuitisation, but which does not apply to the VESTED AMOUNT;

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"**DEFAULT INVESTMENT PORTFOLIO**" shall mean an identifiable portfolio of assets as stipulated in the regulations to the ACT, if so provided by the FUND, chosen or offered by the TRUSTEES in terms of RULE 14.6. This portfolio shall be available for investing all or part of a MEMBERS' FUND CREDIT and/or contributions made by and on behalf of a MEMBER or a DEFERRED RETIREE'S DEFERRED BENEFIT or a PAID-UP MEMBERS' PAID-UP BENEFIT or a PENSIONERS' PENSION, where such MEMBER, DEFERRED RETIREE, PAID-UP MEMBER or PENSIONER has not specifically chosen an option in writing, as to how such monies are to be invested;

"**DEFERRED BENEFIT**" shall mean, subject to the requirements of the AUTHORITY and the REVENUE AUTHORITIES, a benefit retained in the FUND in respect of a DEFERRED RETIREE, which is adjusted by FUND Return as determined by the TRUSTEES in consultation with the ACTUARY, reduced by the DEFERRED RETIREES share of FUND expenses, until the benefit becomes payable in terms of the RULES;

"**DEFERRED RETIREE**" shall mean a MEMBER who becomes entitled to a retirement benefit in terms of RULE 5.2.1 and who elects to retain a DEFERRED BENEFIT in the FUND. A PAID-UP MEMBER shall become a DEFERRED RETIREE upon reaching the NORMAL RETIREMENT DATE, if no written communication to the contrary is received by the FUND;

"**DISABILITY ARRANGEMENT**" shall mean a separate disability scheme set up by the EMPLOYER directly with a REGISTERED INSURER in terms of a separate policy of insurance, to provide disability income benefits for EMPLOYEES' who are MEMBERS', in the event of their disablement. The FUND ACTs as a conduit for the payment of the monthly premium for this separate DISABILITY ARRANGEMENT. For the purposes of clarity this benefit shall not be regarded as a FUND benefit and its payment shall be dependent upon the REGISTERED INSURER accepting the liability for the claim;

"**DISINVESTMENT DATE**" shall mean the date, on which the MEMBERS' benefit is disinvested in accordance with the FUND'S disinvestment strategy, as set out by the TRUSTEES in the FUND'S CLAIMS MANAGEMENT POLICY;

"**EARNINGS**" shall mean the MEMBERS' basic annual 'Wages together with such other emoluments as a MEMBERS' EMPLOYER may direct; provided that:

- (a) for the purpose of calculating the benefit under RULE 6, EARNINGS shall be determined on joining the FUND and a change in EARNINGS due to a change in remuneration shall take effect when such change in remuneration occurs;
- (b) for the purposes; EARNINGS shall be determined on joining the FUND and change in EARNINGS due to a change in remuneration effect on the first day of the month which coincides with or next follows the date on which change in remuneration occurs;
- (c) If the remuneration which constitutes the MEMBERS' EARNINGS is reduced at any time then, subject to the agreement of the MEMBER, the EMPLOYER may direct that, for the purposes of the FUND, the reduction shall:
  - (i) Not be applied; or
  - (ii) Be applied partially; or
  - (iii) Be applied fully.

In the calculation of the MEMBERS' EARNINGS.

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"**ELIGIBLE EMPLOYEE**" shall mean an EMPLOYEE who falls within the eligibility Category set out in the Special RULES;

"**EMPLOYEE**" shall mean any person who is employed by or is working for any EMPLOYER and is receiving or is entitled to receive any remuneration and who is has not reached the NORMAL RETIREMENT DATE;

"**EMPLOYER**" shall mean an EMPLOYER who has been admitted to the FUND as a participating EMPLOYER with the consent of the TRUSTEES and who is specified as such in an agreement with the TRUSTEES, provided that:

- (a) where applicable in these RULES, the definition "EMPLOYER" shall include a division of that EMPLOYER; and
- (b) in relation to any particular EMPLOYEE or MEMBER, "EMPLOYER" shall mean the EMPLOYER by whom that person is, or was last employed; and
- (c) if the business of an EMPLOYER is wound up for the purpose of reconstruction in a similar or amended form, the reconstructed organisation shall take the place of that EMPLOYER and the ten "EMPLOYER" in such case shall mean the EMPLOYER as reconstructed; and
- (d) Any EMPLOYER who withdraws from the FUND in terms of RULE 11.2 shall simultaneously cease to be an EMPLOYER for the purposes of these RULES.

"**EXPENSE RESERVE ACCOUNT**" shall mean the reserve account maintained under the FUND in terms of RULE 15.1.5;

"**FINANCIAL YEAR**" shall mean the twelve-month period commencing on 1 March in any year and extending to the last day of February in the following year;

"**FREE COVER LIMIT**" shall mean, in respect of the benefit payable in terms of RULE 6.1(b) and RULE 7.2. The maximum amount as determined by the TRUSTEES from time to time in consultation with the ACTUARY, which would automatically be granted to or in respect of the MEMBER without proof of the MEMBER's good health;

"**FUND**" shall mean the CHEMICAL INDUSTRIES NATIONAL PROVIDENT FUND;

"**FUND ACCOUNT**" shall mean an account maintained under the FUND in terms of RULE 15.1.1;

"**FUND CREDIT**" shall mean for each MEMBER at any particular date the sum of:

- (a) his contributions made to the FUND in terms of RULE 4.1.1; and
- (b) any contributions, made by the MEMBER in terms of RULE 4.1.3; and
- (c) that part of the contribution made by the EMPLOYER in respect of the MEMBER in terms of RULE 4.2.1, which is to be applied towards the MEMBERS' retirement benefit in terms of RULE 4.2.1(a); and

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- (d) any amount, if applicable, transferred to the FUND on behalf of the MEMBER in terms of RULE 10.1.1; and
  - (e) any amount, if applicable, allocated to a MEMBER by way of a transfer from the PREVIOUS FUND, in terms of RULE 10.1.2; and
  - (f) any amount, if applicable, which may be transferred into the FUND as a TRANSFER CREDIT for the benefit of a MEMBER, in terms of RULE 10.1.3;
  - (g) any amount, if applicable, in the MISMATCHING RESERVE ACCOUNT that may be distributed to a MEMBER by the TRUSTEES, as recommended by the ACTUARY;
  - (h) any amount, if applicable, in the DATA RESERVE ACCOUNT that may be distributed to a MEMBER by the TRUSTEES, as recommended by the ACTUARY;
  - (i) any amount, if applicable, credited from the EXPENSE RESERVE ACCOUNT in terms of RULE 15.1.4.4;
- less
- (j) any amount contemplated under the EXPENSE RESERVE ACCOUNT in terms of RULE 15.1.4.4; and
  - (k) any amount, if applicable, which may be deducted in respect of FUND expenses, if deemed reasonable by the TRUSTEES in terms of Section 14B of the ACT, after consultation with the ACTUARY;

adjusted by the FUND Return required to be allocated to the MEMBERS' FUND CREDIT in terms of RULE 14.1.8.

increased by the amount (if any) required to be allocated in terms of RULE 15.1.3(b)(ii);

**"FUND RETURN"** shall mean:

- (a) any income (received and accrued) including interest payable by the EMPLOYER in terms of RULE 4.3.3(a), less an allowance for any tax and if applicable, part or all of any expenses (paid and accrued); and
- (b) any capital appreciation or depreciation (realised and unrealised),

provided that FUND RETURN may be positive, negative or nil.

**"FUNERAL ARRANGEMENT"** shall mean a separate funeral scheme set up by the EMPLOYER directly with a REGISTERED INSURER in terms of a separate policy of insurance, to provide funeral benefits in respect of that EMPLOYERS' employees who are MEMBERS', in the event of their death or the death of the specified life insured under that scheme.

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The FUND acts as a conduit for the payment of the monthly premium for this separate FUNERAL ARRANGEMENT. For the purposes of clarity this benefit shall not be regarded as a FUND benefit and its payment shall be dependent upon the REGISTERED INSURER accepting the liability for the claim;

**"INITIAL STATUTORY VALUATION DATE"** shall mean 29 February 2004;

**"LOCAL ADVISORY COMMITTEE"** shall mean the body of persons appointed and elected in terms of RULE 13.22 and RULE 13.23;

**"MEMBER"** shall mean an ELIGIBLE EMPLOYEE who, having been admitted to Membership of the FUND in accordance with these RULES has not ceased to be a MEMBER in terms of these RULES and Shall include any such person who is in receipt of a disability income benefit payment from the DISABILITY ARRANGEMENT. Provided that, in respect of any risk benefit or contribution liability, a MEMBER shall specifically exclude a DEFERRED RETIREE, or a PAID-UP MEMBER or a PENSIONER;

**"MISMATCHING RESERVE ACCOUNT"** shall mean the account established under the RULES in terms of RULE 15.1.3;

**"MONITORING PERSON"** shall mean the PRINCIPAL OFFICER, or any person authorized by the TRUSTEES in terms of the RULES for line purpose of monitoring and ensuring compliance with Section 1: 3A of the ACT;

**"NORMAL RETIREMENT DATE"** shall mean the last day of the month in which a MEMBER reaches the age of 65 years;

**"NOTIFICATION PERIOD"** shall mean the period of six (6) months immediately following the date of death, in respect of the benefit referred to in RULE 6.1(a), or DATE OF DISABILITY in respect of the benefit referred to in RULE 7.2;

**"PAID-UP BENEFIT"** shall mean, subject to the requirements of the AUTHORITY and the REVENUE AUTHORITIES, a benefit retained in the FUND in respect of a PAID-UP MEMBER, in terms of the RULES, which is adjusted by the FUND Return, as determined by the TRUSTEES in consultation with the ACTUARY and reduced by the PAID-UP MEMBER's share of FUND expenses, until the benefit becomes payable in terms of the RULES;

**"PAID-UP MEMBER"** shall mean a MEMBER who becomes entitled to a withdrawal benefit, in terms of RULE 6 but whose benefit is retained in the FUND as a PAID-UP BENEFIT, until it becomes payable in terms of the RULES;

**"PENSION"** shall mean

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- (a) the annual PENSION payable to a PENSIONER in terms of these RULES; or
  - (b) the annuity, subject to the requirements of the REVENUE AUTHORITIES, purchased from a REGISTERED INSURER or an entity licensed and authorised to provide annuity products, in terms of the RULES.

"**PENSION ACCOUNT**" shall mean the separate account maintained under the FUND in terms of RULE 15.1.4 in respect of a specific PENSIONER;

"**PENSION FUND**" shall mean a PENSION FUND organisation as defined in Section 1 of the ACT, as may be amended from time to time;

"**PENSION PRESERVATION FUND**" shall mean a PENSION PRESERVATION FUND as defined in Section 1 of the Income Tax ACT, No. 58 of 1962, as may be amended from time to time;

"**PENSIONER**" shall mean a retired MEMBER who is in receipt of a PENSION paid from the FUND;

"**POPI**" shall mean the Protection of Personal Information ACT 2013 (ACT 4 of 2013), as may be amended from time-to-time, and the requirements in terms of this ACT;

"**PROVIDENT FUND**" shall mean a PROVIDENT FUND as defined in Section 1 of the Income Tax ACT, No. 58 of 1962, as may be amended from time to time;

"**PROVIDENT PRESERVATION FUND**" shall mean a PROVIDENT PRESERVATION FUND as defined in Section 1 of the income Tax ACT, No. 58 of 1962, as maybe amended from time to time;

"**REINSURANCE COVER**" shall mean an insurance cover taken by the FUND to protect the FUND against claims considered to be higher than anticipated, including but not limited to claims arising from multiple death and disability claims arising from a single event;

"**PREVIOUS FUND**" shall mean any PROVIDENT FUND or PENSION FUND in which an EMPLOYER participated prior to becoming an EMPLOYER in the FUND;

"**PRINCIPAL OFFICER**" shall mean the PRINCIPAL OFFICER of the FUND appointed in accordance with these RULES;

"**REGION**" shall mean a region demarcated in terms of RULE 13.1.5;

"**REGIONAL ADVISORY COMMITTEE**" shall mean the body of persons appointed in terms of RULE 13.17 and RULE 13.18;

"**REGISTERED INSURER**" shall mean an insurer registered in terms of the Long Term Insurance ACT, 1998;

"**RESPONSIBLE PERSON**" shall mean an EMPLOYEE of the ADMINISTRATORS who is responsible to receive contributions or check the receipt of electronic transfers into the FUND'S bank account in respect of contributions payable by the EMPLOYER in terms of RULE 4.3.2;

"**RETIREMENT ANNUITY FUND**" shall mean a RETIREMENT ANNUITY FUND as defined in Section 1 of the Income Tax ACT, No. 58 of 1962, as may be amended from time to time;

"**REVENUE AUTHORITIES**" shall mean the South African Revenue Services and other statutory revenue AUTHORITY whose approval of the FUND has been obtained;

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**"RISK RESERVE ACCOUNT"** shall mean the account established in the FUND in terms of RULE 15.1.6 in which will be held, among other things, the capital adequacy reserve determined from time to time by the TRUSTEES in consultation with the ACTUARY;

**"RULES"** shall mean these General RULES and Special RULES applicable to a particular EMPLOYER or such other RULES as may from time to time be in force in respect of the FUND;

**"SERVICE"** shall mean SERVICE as an ELIGIBLE EMPLOYEE with any of the EMPLOYERS including a period during which a MEMBER is deemed to be in SERVICE in terms of RULE 9 14;

**"TRANSFER CREDIT"** shall mean either:

- (a) the MEMBER's individual account under a defined contribution category of FUND; or
- (b) the MEMBERS' minimum individual reserve under a defined benefit category of FUND, converted in terms of regulation 38(2)(c) of the ACT;

which has been preserved in any approved fund on behalf of the MEMBER and which is transferred into the FUND in terms of regulation 38.1(e) of the ACT, to be applied for his benefit in terms of RULE 10.1.3.

**"TRUSTEES"** shall mean the TRUSTEES or their alternates appointed in terms of RULES 13.2, 13.3 and 13.4;

**"UNCLAIMED BENEFIT"** shall mean a benefit, other than an UNPAID BENEFIT, that has accrued to the MEMBER or a dependant as defined in Section 1 of the ACT in terms of these RULES but has not been paid by the FUND for a period of twenty four months from the ACCRUAL DATE;

**"UNPAID BENEFIT"** shall mean any benefit which is:-

- (a) withheld in terms of RULE 12.2 pending the outcome of criminal or civil proceedings in terms of Section 37D OF THE ACT;
- (b) payable in terms of RULE 6.1 but has not been paid to a person entitled thereto with a period of 12 months from the date of the MEMBER'S death, or such longer period as can reasonably be justified by the TRUSTEES for the non-payment thereof, having regard to the provision of Section 37C of the ACT;
- (c) due to be transferred to another PROVIDENT FUND, and PENSION FUND, an approved Preservation fund or an RETIREMENT ANNUITY FUND in terms of these RULES;
- (d) indeterminable in terms of these RULES as the circumstances surrounding the MEMBERS' termination cannot be clearly determined and the MEMBERS' Membership of the FUND was deemed to have been terminated for a period not exceeding twenty four months.

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**"VESTED AMOUNT"** shall mean a portion of the MEMBERS' FUND CREDIT which represents

- (a) in the case of a MEMBER who was 55 years or older on the ANNUITISATION DATE, the full value of the MEMBER's FUND CREDIT calculated as at the ACCRUAL DATE;
- (b) in the case of a MEMBER who was under the age of 55 years on the ANNUITISATION DATE, the value of the MEMBERS' FUND CREDIT as at the ANNUITISATION DATE, adjusted by the FUND Return accumulating thereon until the ACCRUAL DATE, and
- (c) in the case of a MEMBER who joined the FUND after the ANNUITISATION DATE, that part of any amount transferred to the FUND by the PREVIOUS FUND in respect of the MEMBER, which is recognised as a VESTED AMOUNT by the PREVIOUS FUND.

**"WAITING PERIOD"** shall mean, in respect of the benefit referred to in RULE 7.2, a period of six (6) months from the DATE OF DISABILITY, over which the MEMBER shall have suffered uninterrupted Permanent and Total Disability before the benefit referred to in RULE 7.2 becomes payable.

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### 3. MEMBERSHIP

#### 3.1. EMPLOYEES' in SERVICE before the Revision Date

Each person who was a MEMBER of the FUND immediately prior to the Revision Date, if still in the SERVICE of an EMPLOYER on that date, shall, subject to the provisions of these RULES, remain a MEMBER of the FUND.

#### 3.2. EMPLOYEES' in SERVICE before the COMMENCEMENT DATE

3.2.1. Each ELIGIBLE EMPLOYEE who is employed by the EMPLOYER on or before the COMMENCEMENT DATE may elect at such EMPLOYEES' sole option to become a MEMBER of the FUND. An election to become a MEMBER shall be made not later than three months from the date on which that person's EMPLOYER participates in the FUND. Such EMPLOYEES' participation in the FUND shall commence on the first day of the month which follows the date on which the EMPLOYEES' election is made.

3.2.2. ELIGIBLE EMPLOYEE referred to in RULE 3.2.1 who has not elected to become a MEMBER of the FUND within three months of such EMPLOYEES' EMPLOYER becoming a participating EMPLOYER in the FUND, shall cease to be an ELIGIBLE EMPLOYEE

#### 3.3. EMPLOYEES' joining service after the Revision Date

Each ELIGIBLE EMPLOYEE employed by an EMPLOYER after the Revision Date shall become a MEMBER of the FUND on the first day of the month immediately following the date on which the ELIGIBLE EMPLOYEE becomes an ELIGIBLE EMPLOYEE.

#### 3.4. Termination of Membership

3.4.1. Subject to the provisions of RULE 9.2.4, a MEMBER shall not be permitted to withdraw from Membership of the FUND while he remains in SERVICE; except in the circumstances referred to in RULE 10.2.1.

3.4.2. 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 cease to be a MEMBER; provided that in respect of any risk benefit or contribution liability a DEFERRED RETIREE, or a PAID-UP MEMBER or a PENSIONER shall be regarded as having left SERVICE.

#### 3.5. Transfers to Other Funds

If a MEMBER transfers to another PROVIDENT FUND or PENSION FUND in any of the circumstances envisaged in these RULES and such transfer is subject to the provisions of Section 14 of the ACT, then it is specifically provided that with effect from the effective date of transfer as specified in the Section 14 documentation, contributions in terms of RULE 4 shall cease and in the event of his death or disablement, prior to transfer of his benefit in terms of these RULES from the FUND to such other fund, the death and disability benefits referred to in RULE 6.1(b) and RULE 7.2 respectively shall not be payable.

3.6 A MEMBER, by virtue of his Membership of the FUND, consents to the processing of his personal information for the explicit purpose of qualifying for Membership and benefits under the FUND.

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Such consent includes a MEMBER'S knowledge and consent that this information may be collected and accessed directly or indirectly, by or through the FUND, provided that all parties so involved must be compliant with POPI and shall be specifically mandated to do so by the FUND.

- 3.7 Within four (4) months of a MEMBER joining the FUND, the TRUSTEES shall ensure that the provisions of regulation 38(1)(e) of the ACT are effected.

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#### 4. CONTRIBUTIONS

##### 4.1. Contributions by the MEMBER

4.1.1. Subject to RULE 17.1(a), each MEMBER shall contribute monthly to the FUND throughout his SERVICE at a rate specified in the Special RULES, provided that;

(a) Other than in circumstances referred to in (b) below, such rate shall not be less than 6% of one twelfth of his EARNINGS, and

(b) Where the EMPLOYER's remuneration structure or agreement is such that a MEMBER is not required to contribute to the FUND, such MEMBER shall not contribute to the FUND

4.1.2. Each MEMBER shall, subject to the provisions of RULE 17.1(a), shall contribute monthly to the FUND throughout his SERVICE at the rate specified in the Special RULES; provided that such rate shall not be less than 6% of one-twelfth of the his EARNINGS.

4.1.3. A MEMBER may make additional contributions at the rate specified in the Special RULES, towards the costs of the Insured Portion referred to in RULE 6.1(a) and (b) and RULE 7.2.

4.1.4. A MEMBER may make additional contributions regular in rate and frequency of payment as the MEMBER shall agree with the TRUSTEES.

4.1.5. A DEFERRED RETIREE, a PAID-UP MEMBER and a PENSIONER shall not be required to contribute to the FUND.

However, if applicable, an amount deemed reasonable by the TRUSTEES, in consultation with the ACTUARY, may be deducted from the applicable DEFERRED BENEFIT, or PAID-UP BENEFIT or PENSION for a proportionate share of the FUND expenses, 'in terms of Section 14B and regulation 38.1(c) and (d) of the ACT.

##### 4.2. Contributions by the EMPLOYER

4.2.1. Subject to RULE 17.1(b), each EMPLOYER shall contribute monthly to the FUND in respect of each MEMBER in the SERVICE of the EMPLOYER

(a) at the rate specified in the Special RULES, towards the MEMBER's retirement benefit, provided that such rate shall not be less than 6% of one-twelfth of the MEMBER's EARNINGS; and

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- (b) at the rate specified in the Special RULES, less the costs of the DISABILITY ARRANGEMENT and the FUNERAL ARRANGEMENT (if applicable), to be allocated in the RISK RESERVE ACCOUNT in respect of the costs of APPROVED RISK BENEFIT referred to in RULE 6.1.3 and RULE 7.1 respectively.

- 4.2.2 Any variations in the EMPLOYER'S contributions, the rate or the manner of its application towards retirement and, if applicable, other benefits shall be set out in the Special RULES; provided that the contribution rate shall not be less than 6% of one-twelfth of his EARNINGS.
- 4.2.3 The EMPLOYER shall not be required to contribute in respect of a DEFERRED RETIREE, a PAID-UP MEMBER or a PENSIONER. Any proportionate FUND expenses may be deducted in accordance with RULE 4.1.5.

#### 4.3 Payment of Contributions

- 4.3.1 The MEMBER'S contributions in terms of RULE 4.1 shall be deducted by his EMPLOYER from his salary or wages and must, together with the EMPLOYER's contributions in terms of RULE 4.2, be paid to the FUND monthly in arrears.
- 4.3.2 The EMPLOYER shall ensure that the contributions payable in terms of RULE 4.2 and the MEMBER'S contributions in terms of RULE 4.1 are paid to the FUND within seven days of the end of the calendar month in respect of which the contributions are payable. The EMPLOYER shall also ensure that the minimum information prescribed in Regulation 33(1) of the Regulations to the ACT regarding payment of contribution is furnished to the FUND within fifteen days of the end of the month in respect of which contributions are payable.
- 4.3.3 If the EMPLOYER fails to pay contributions payable in terms of RULE 4.1 and RULE 4.2 and/or furnish the information prescribed in Regulation 33(1) of the Regulations to the ACT within the period specified in RULE 4.3.2, the following shall apply:
- (a) The EMPLOYER shall be required to pay interest on the contributions that have not been paid at a rate contemplated in the ACT. Any such interest shall constitute an investment income for the FUND;
- (b) where failure to pay contributions has continued for more than the period set out in RULE 4.3.2, the FUND shall not be liable for payment of any benefit payable in terms of these RULES which would have been secured by the contributions that were not paid to the FUND; provided that the TRUSTEES shall take all reasonable steps in ensuring that contributions are paid to the FUND and the interests of the MEMBERS are protected in terms of these RULES and the ACT, in particular Section 13A and Regulation 33 of the Regulations to the ACT

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- (c) the RESPONSIBLE PERSON shall report to the Monitoring Person,
  - (i) Within fifteen days of the end of the seven day period referred to RULE 4.3.2 if the contributions payable terms of RULE 4.1 and RULE 4.2 have not been received as provided in RULE 4.3.1 and RULE 4.3.2.
  - (ii) Within fifteen days of the end of period referred to in RULE 4.3.2 if the minimum information prescribed in Regulation 33(1) of the Regulations to the ACT was not transmitted to the FUND as prescribed in RULE 4 3 2;
- (d) upon receipt of the report of the Responsible Person in terms of paragraph (c) above, the Monitoring Person shall then in writing report the matter to the TRUSTEES within seven days after receiving the report of the RESPONSIBLE PERSON;
- (e) the TRUSTEES shall, within such period and in such manner as determined by the TRUSTEES, ensure that the Monitoring Person advise,
  - (i) those MEMBERS' of the FUND in respect of whom the contributions are payable; and
  - (ii) the AUTHORITY of the action to be taken;
- (f) And where failure to transmit contributions has continued for 90 days, the Monitoring Person shall report the matter to the South African Police Services at the branch nearest to the FUND's registered office in accordance with the provisions of the ACT and the requirements of the AUTHORITY.

The Monitoring person shall also advise the AUTHORITY accordingly.

- 4.3.4 in the case of a MEMBER who is in receipt of a disability income benefit the DISABILITY ARRANGEMENT, contributions referred to in RULE 4.1 and RULE 4.2 shall continue to be paid to the FUND in respect such MEMBER in terms of RULE 4.3.2; provided that the MEMBER'S contributions in terms of Rude 4.1 shall be deducted by the EMPLOYER from the MEMBER'S disability benefit.

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## 5. RETIREMENT BENEFITS

### 5.1 Retirement

#### 5.1.1 Early Retirement

A MEMBER who has reached 55 years of age or more may be retired from the service of the EMPLOYER on the first day of the month preceding his NORMAL RETIREMENT DATE.

#### 5.1.2 Retirement at NORMAL RETIREMENT DATE

A MEMBER who has not retired in terms of RULE 5.1.1 must retire on reaching his NORMAL RETIREMENT DATE, unless his EMPLOYER agrees to his remaining in SERVICE after that date.

#### 5.1.3 Ill-Health Retirement

Subject to RULE 7, the TRUSTEES may, at their discretion, after notice from an Employer or after consulting medical evidence provided by two registered medical practitioners, agree to a MEMBER'S retirement at any time prior to his NORMAL RETIREMENT DATE, provided they are satisfied that such MEMBER has become incapable, due to ill-health, of efficiently continuing his duties. The cost of the medical evidence shall be met by the EMPLOYER.

#### 5.1.4 Late Retirement

A MEMBER who is allowed to remain in SERVICE after his NORMAL RETIREMENT DATE shall retire on such later date as he agrees with his EMPLOYER. His Membership of the FUND shall continue and contributions in terms of RULE 4.1 and RULE 4.2 shall continue to be payable until the date of the MEMBER'S Actual retirement.

### 5.2 Amount of Benefit

5.2.1 On his retirement in terms of RULE 5.1, and subject to RULE 4.3, a MEMBER shall become entitled to a PENSION of such amount as can be purchased by his FUND CREDIT (of his DEFERRED BENEFIT in the case of a DEFERRED RETIREE, or his PAID-UP BENEFIT in the case of a PAID-UP MEMBER), payable as at the DISINVESTMENT DATE; provided that the MEMBER, DEFERRED RETIREE or PAID-UP MEMBER may elect to commute part or the whole of such benefit for a lumpsum. That part of the benefit which the MEMBER, DEFERRED RETIREE or PAID-UP MEMBER does not elect to commute for a lumpsum, shall be paid in accordance with the provisions of RULE 5.2.2.

5.2.2 The amount payable in terms of RULE 5.2.1 shall:

5.2.3 be used to purchase an annuity, in the beneficiary's name, or

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- 5.2.4 be used to purchase an annuity, in the FUND'S name for the benefit of the beneficiary,
- 5.2.5 from a REGISTERED INSURER or an entity licensed and authorised to provide annuity products in terms of RULE 5.2.2.1 or RULE 5.2.2.2; or
- 5.2.6 at the discretion of the TRUSTEES, and if the beneficiary so elects, be paid from the FUND in terms of RULE 5.2.2.3
- 5.2.7 An annuity which becomes payable in terms of RULE 5.2.2(a) shall be purchased by the FUND in the MEMBER'S DEFERRED RETIREES or PAID-UP MEMBER'S name, from a REGISTERED INSURER or from an entity licensed and authorised to provide annuity products of the MEMBER'S, DEFERRED RETIREES or PAID-UP MEMBER'S choice. Thereafter, the FUND shall have no further liability in respect of the MEMBER, the DEFERRED RETIREE or the PAID-UP MEMBER, such liability resting with the REGISTERED INSURER or the entity licensed and authorised to provide annuity products from whom such annuity is purchased.
- 5.2.8 The annuity so purchased shall be compulsory, non-commutable, non-assignable, payable for life (or as prescribed by the REVENUE AUTHORITIES from time to time) and the purchase shall be subject to any further requirement of the REVENUE AUTHORITIES. Each MEMBER, DEFERRED RETIREE or PAID-UP MEMBER hereby appoints his duly authorised agent to do all things necessary to procure the purchase of the annuity of his choice.
- 5.2.9 An annuity which becomes payable in terms of RULE 5.2.2(b) shall be purchased in the name of the FUND for the benefit of the MEMBER, DEFERRED RETIREE or PAID-UP MEMBER, from a REGISTERED INSURER or from an entity licensed and authorised to provide annuity products of the TRUSTEES choice. Thereafter, the FUND shall have no further liability in respect of the MEMBER, the DEFERRED RETIREE or the PAID-UP MEMBER, such liability resting with the REGISTERED INSURER or the entity licensed and authorised to provide annuity products from whom such annuity is purchased.
- 5.2.10 The annuity so purchased shall be compulsory, non-commutable, non-assignable, payable for life (or as prescribed by the REVENUE AUTHORITIES from time to time) and the purchase shall be subject to any further requirements of the REVENUE AUTHORITIES. Each MEMBER, DEFERRED RETIREE or PAID-UP MEMBER hereby appoints the TRUSTEES to do all things necessary to procure the purchase of the annuity. JS RP LM
- 5.2.11 If a PENSION is to be paid from the FUND in terms of RULE 5.2.2(c), the amount available in terms of RULE 5.2.1 shall be transferred to the PENSION ACCOUNT

- 5.2.12 such PENSION shall be payable by equal monthly instalments on the last day of each month. The first monthly instalment shall be payable on the last day of the month following the date in which the election is made in terms of RULE 5.2.2(c);
- 5.2.13 the amount of any PENSION payable to a PENSIONER by the FUND shall, subject to any requirements and restrictions imposed by the REVENUE AUTHORITIES from time to time, be determined by the PENSIONER at the COMMENCEMENT DATE of the payment thereof and thereafter annually as at the anniversary of the COMMENCEMENT DATE and shall be payable out of the PENSION ACCOUNT;
- 5.2.14 the PENSIONER shall be required to nominate the investment portfolio or portfolios in which his PENSION
- 5.2.15 when a MEMBER, DEFERRED RETIREE or PAID-UP MEMBER elects a PENSION from the FUND, he shall be required to sign a declaration specifying that he has been provided with BENEFIT COUNSELLING on his investment strategy and the amount of his PENSION and that he understands the financial and mortality risks of this option. Any claim by a PENSIONER or by his dependants or beneficiaries against the FUND shall thereafter be restricted to the commuted value of the PENSIONER'S remaining balance in the FUND;
- 5.2.16 if the value of the PENSIONER'S assets at any time becomes less than an amount prescribed by legislation, the full remaining value of his assets may be paid to the PENSIONER as a lump sum benefit;
- 5.2.17 each PENSIONER shall provide such evidence of his survival as the TRUSTEES and the ADMINISTRATORS may require. If such evidence is not produced, the TRUSTEES may direct that payment of his PENSION be suspended until such evidence is produced.

### 5.3 Payment of Benefit

In the event of a MEMBER electing to commute part or the whole benefit for a lump sum in terms of RULE 5.2.1, such benefit shall, subject to RULE 12.2, be payable as at the DISINVESTMENT DATE.

### 5.4 Benefit payable to a DEFERRED RETIREE

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A DEFERRED RETIREE may claim his DEFERRED BENEFIT at any time, subject to providing 1 (one) calendar month's written notice to this effect to the FUND. The DEFERRED BENEFIT shall be payable in accordance with RULE 5 and after payment thereof the DEFERRED RETIREE shall have no further claim on the FUND.

## 6. DEATH BENEFIT

### 6.1 Benefit

If a MEMBER dies whilst in SERVICE, the following lump sum benefit shall be payable from the FUND, subject to the provisions of RULE 4.3

- (a) the MEMBER'S FUND CREDIT payable as at the DISINVESTMENT DATE, and
- (b) if applicable and subject to the conditions and restrictions prescribed in this RULE 6, an APPROVED RISK BENEFIT in the amount specified in the Special RULES; provided that such benefit shall:
  - (i) apply until the MEMBER reaches the NORMAL RETIREMENT DATE, and
  - (ii) be subject to the FREE COVER LIMIT unless, in respect of the portion of such benefit which is over the FREE COVER LIMIT, the MEMBER produces evidence of good health in which event the TRUSTEES may waive the FREE COVER LIMIT on such terms and conditions as they may determine from time to time.

### 6.2 Restrictions

- 6.2.1 The TRUSTEES have the power to require a MEMBER to be examined at the FUND'S expense by a medical practitioner or specialist appointed by the TRUSTEES in respect of the APPROVED RISK BENEFIT referred to in RULE 6.1(b).
- 6.2.2 Acting on the results of this examination, the TRUSTEES may decide that the APPROVED RISK BENEFIT payable in terms of RULE 6.1(b) shall be restricted in such manner as they may determine in consultation with the ACTUARY
- 6.2.3 The TRUSTEES shall inform the MEMBER in writing of the terms of any restriction imposed in terms of this RULE.

### 6.3 Payment of Benefit

Subject to the provisions of RULE 12.2, any death benefit referred to in RULE 6.1 shall be payable as at the DISINVESTMENT DATE and after payment there shall be no further claim on the FUND; provided that:

- 6.3.1 payment of such Benefit shall be made in terms of Section 37C of the ACT;
- 6.3.2 where a DEFERRED RETIREE dies before electing to receive this DEFERRED BENEFIT, such benefit shall be payable to his estate and shall be no further claim on the FUND subsequent to such payment
- 6.3.3 where a PAID-UP MEMBER dies before electing to receive his PAID-UP BENEFIT, such benefit shall be paid in terms of Section 37C of the ACT and there shall be no further claim on the FUND subsequent to such payment,

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6.3.4 where a PENSIONER dies before receiving his entire PENSION the FUND, the commuted value of his remaining balance in the FUND shall be payable to his estate and there shall be no further claim on the FUND.

**6.4 Notification of Claims and Submission of Documents**

6.4.1 A formal, written death notification claim in respect of the benefit APPROVED RISK BENEFIT referred to in RULE 6.1(b), together with all information required by the TRUSTEES, shall be lodged by the EMPLOYER to the FUND within the NOTIFICATION PERIOD and the relevant documentation or particulars required by the TRUSTEES in respect of such claim shall be submitted to the TRUSTEES within twelve (12) months from the date of the MEMBER's death, failing which the benefit may, at the discretion of the TRUSTEES, not be payable.

6.4.2

- (a) It is specifically provided that the obligation to complete and submit all the relevant documentation within the prescribed time limit lies with the EMPLOYER. In the event of the EMPLOYER having failed and/or neglected to comply with this specific obligation and the obligation to pay all the contributions and premiums in respect of the MEMBER, the EMPLOYER shall be liable to compensate the beneficiaries in full for the value of the benefit(s) payable plus interest, including cases where the FUND would have repudiated the claim in instances of non-compliance with the prescribes time limits
- (b) For purposes of enforcement and execution, an appropriate ruling/determination or court made against the EMPLOYER would suffice.

**6.5 Repudiated Claims**

The TRUSTEES shall, in writing, admit or reject a claim in respect of the APPROVED RISK BENEFIT referred to in RULE 6.1(b) within a reasonable period after receipt of such claim; provided that the TRUSTEES shall have the discretion to review any repudiated claim and pay same in the event that they are satisfied that the circumstances relating to such claim warrants such payment.

**6.6 Appeals**

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If the FUND has declined a claim as envisaged in RULE 6.5, a written appeal may be lodged with the FUND within six (6) months of the date of the FUND's written repudiation of the claim at the cost of the applicant.

**6.7 General Exclusions**

Notwithstanding any other provision to the contrary in these RULES, no benefit shall payable in terms of RULE 6.1(a) if the MEMBER'S death is:

6.7.1 is directly or indirectly caused by, resulting from, or in connection with active participation in any war; hostilities or warlike operations (whether war be declared or not); invasion; act of an enemy foreign to the nationality of the MEMBER or country in, or over, which the act occurs; civil war; insurrection; revolution; overthrow of the legally constituted government; civil commotion assuming the proportions of, or amounting to, an uprising against an established government; military or usurped power;

6.7.2 is direct or indirect caused by, resulting from, or in connection with any of the following:

- (a) The use of nuclear, biological or chemical weapons, or any radioactive contamination; or
- (b) Attacks on or sabotage of facilities (including but not limited to, nuclear power plants, final repository sites and research reactors) and storage depots, which lead to the release of radioactivity or nuclear, biological or chemical warfare agents, irrespective whether any of the aforesaid has been performed with the specific use of information technology;

Provided that in the event of any portion of these exclusions is found to be invalid or unreasonable, the remainder shall remain in full force and effect.

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## 7. DISABILITY BENEFIT

### 7.1. Definition

Permanent and Total Disability shall mean the continuous, total and permanent disability of a MEMBER due to injury or illness, to perform flue material and substantial duties of any occupation in the open labour market for which he is qualified or suited or could reasonably be expected to become qualified or suited taking into account the degree of disability and his knowledge, training, education, ability and experience. "Permanent and Totally Disabled shall have a corresponding meaning;

Provided that MEMBER will only be considered to be Permanently and Totally Disabled if his Permanent and Total Disability result in the MEMBER experiencing a loss of income and the TRUSTEES are satisfied that the disability will remain total and permanent.

### 7.2. Benefit

Subject to the provisions of RULE 4.3 and the conditions and restrictions prescribed in this RULE, a MEMBER who has retired in terms of RULE 5.1.3 on becoming Permanent and Total Disabled shall, if applicable in terms of the Special RULES and in addition to a benefit to which he is entitled in terms of RULE 5. 2.1, become entitled to (he APPROVED RISK BENEFIT in the amount specified in the Special RULES; provided that such benefit shall:

7.2.1 apply until the MEMBER reaches the NORMAL RETIREMENT DATE;

7.2.2 be subject to the FREE COVER LIMIT unless, in respect of the portion thereof which is over the FREE COVER LIMIT, the MEMBER produces evidence of good health in which event the TRUSTEES may waive the FREE COVER LIMIT on such terms and conditions as they may determine from time to time;

7.2.3 be reduced in respect of a MEMBER who is within five (5) years of the NORMAL RETIREMENT DATE by 20% for each year that the MEMBER approaches the NORMAL RETIREMENT DATE;

7.2.4 be limited to such maximum amount as shall be determined front time to time by the TRUSTEES in respect of each EMPLOYER;

7.2.5 be payable after the WAITING PERIOD, provided further that if a MEMBER dies during the WAITING PERIOD, the claim will be treated as a death claim on condition that the EMPLOYER continued to pay the applicable premiums;

Provided further that the APPROVED RISK BENEFIT shall not be payable where:

(a) the MEMBER declined or neglect to be medically examined when required to do so;

(b) the MEMBER decline or neglect to undergo reasonable medical treatment when there is a reasonable likelihood that the medical treatment will improve his ability to perform the duties of occupation referred to in the definition of Permanent Total Disability JS

(c) a claim arises wholly or partly, directly or indirectly, as a result of: RP LM

(i) attempted suicide or any self-inflicted injury, whether the MEMBER is sane or insane and whether by his own hand or not, or by the hands of justice;

(ii) excessive use of intoxicating liquor, willful inhalation of gas or taking of poisons, drugs or narcotics, unless subject to proper medical direction; or

(iii) any violation of the criminal Law by the MEMBER or any event occurring whilst the MEMBER is in violation of the criminal law.

### 7.3 Restrictions

The APPROVED RISK BENEFIT payable in terms of RULE 7.2 shall be subject to any restrictions which may have been imposed in terms of RULE 6.2 and to such exclusions and further restrictions (if any) as may be determined by the TRUSTEES from time to time

### 7.4 Pre-existing conditions and Exclusions

No benefit shall be payable to this RULE 7 as a result of a MEMBER'S Permanent Total Disability if such disability occurred during the first twelve (12) months following the date on which the MEMBER joined the FUND and his disability, in the opinion of the TRUSTEES based on the satisfactory medical evidence, is directly or indirectly attributable to an injury or illness in respect of which he sought medical evidence or which he knew or could reasonably expected to have known, during six (6) month period preceding the date on which he became a MEMBER.

### 7.5 Notification of Claims

The provisions of RULE 6.4 shall apply *mutatis mutandis* in respect of the APPROVED RISK BENEFIT referred to in RULE 7.2, except that the written claim notification must be submitted together with all relevant documentation or information required by the TRUSTEES within six (6) months.

### 7.6 Payment of Benefit

Payment of the APPROVED RISK BENEFIT in RULE 7.2 shall be as a lump sum. Subject to the provision of RULE 12.2, APPROVED RISK BENEFIT shall be payable as at the date of disablement of the MEMBER.

### 7.7 General Exclusions

The provisions of RULE 6.6 shall apply *mutatis mutandis* in respect of the payment of the APPROVED RISK BENEFIT referred to in RULE 7.2 and to further exclusions as shall be determined from time to time by the TRUSTEES.

### 7.8 Repudiated Claims

The provision of RULE 6.5 shall apply *mutatis mutandis* in respect of the APPROVED RISK BENEFIT referred to in RULE 7.2

### 7.9 Appeals

7.9.1 if the FUND has declined a claim as envisaged in RULE 7.8, a written appeal may be lodged with the FUND'S written six (6) months of the date of the FUND'S written repudiation of the claim at the cost of the applicant.

7.9.2 Should further medical evidence be required for purposes of assessing the appeal the MEMBER shall be required to submit same to the FUND

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within three (3) months from the date of lodging the appeal. Such appeal shall be subject to such terms and conditions which may be prescribed by the TRUSTEES from time to time and advised in writing to the MEMBER.

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## 8 TERMINATION OF SERVICE

### 8.1 Benefit

If a MEMBER, who is not qualified to retire in terms of RULE 5, leaves the FUND in circumstances not provided for elsewhere in these RULES, he shall, subject to RULE 4.3 and the provisions of RULE 12, become entitled to a lump sum benefit equal to his FUND CREDIT, payable as at the DISINVESTMENT DATE. Such lump sum shall be retained in the FUND as a PAID-UP BENEFIT until the FUND is instructed, in writing, to pay out or transfer the PAID-UP BENEFIT and the MEMBER shall become a PAID-UP MEMBER.

Provided that:

- (a) a PAID-UP Membership certificate shall be issued to the PAID-UP MEMBER within two (2) months of the FUND becoming aware of his leaving SERVICE; and
- (b) prior to the receipt of his benefit in terms of the RULES, a PAID-UP MEMBER shall be given access to BENEFIT COUNSELLING in terms of the ACT.

### 8.2 Payment of Benefit

8.2.1 Instead of receiving his benefit as a lump sum in terms of RULE 8.1, a PAID-UP MEMBER may elect to transfer all, or (subject to the proviso to this RULE), part of his benefit to another PROVIDENT FUND or a PENSION FUND or a PROVIDENT PRESERVATION FUND or a PENSION PRESERVATION FUND or a RETIREMENT ANNUITY FUND.

Provided that such transfers shall be subject to the requirements of the REVENUE AUTHORITIES, as specified from time to time.

8.2.2 When a benefit has been paid as a lump sum in terms of RULE 8.1 or transferred in terms of RULE 8.2.1, the PAID-UP MEMBER shall have no further claim on the FUND

### 8.3 EMPLOYER'S notification of reasons for termination of SERVICE

For the purposes of establishing the benefit to which the MEMBER is entitled in terms of this RULE, the TRUSTEES shall be entitled to ACT without further enquiry on the particulars given to them by the EMPLOYER of the reason for the MEMBER's termination of SERVICE

### 8.4 Benefit payable to a PAID-UP MEMBER

A PAID-UP MEMBER may claim his PAID-UP BENEFIT at any time before his NORMAL RETIREMENT DATE, subject to providing 1 (one) calendar month's written notice to this effect to the FUND.

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The PAID-UP BENEFIT shall be payable in accordance with RULE 8.1 or RULE 8.2.1. After payment thereof, the PAID-UP MEMBER shall have no further claim on the FUND. After his NORMAL RETIREMENT DATE, the provisions of RULE 5.2.1 shall apply.

JS RD LM

## 9 TEMPORARY ABSENCE AND BROKEN SERVICE

### 9.1 Temporary Absence

- 9.1.1 A MEMBER who is temporarily absent from work with full pay or with less than full pay shall, for the purpose of the FUND be deemed to remain in SERVICE.
- 9.1.2 A MEMBER who is temporarily absent from the work without pay shall, subject to the consent of the TRUSTEES, remain a MEMBER, in which case the MEMBER shall, for the purposes of the FUND, be deemed to remain in SERVICE. Contributions in terms of RULE 4.1 and RULE 4.2 shall be maintained for such a period on a basis determined by Special RULES applicable to the MEMBER and not the MEMBER'S EMPLOYER. If such Special RULES do not provide for such circumstances, then the basis shall be determined by the TRUSTEES.
- 9.1.3 An EMPLOYER shall have the sole discretion to decide at any stage whether an EMPLOYEE is on temporary leave of absence or whether the EMPLOYEE is deemed to have left SERVICE.
- 9.1.4 (a) A MEMBER qualifying for a disablement benefit in terms of the provisions of the DISABILITY ARRANGEMENT shall be deemed to remain in SERVICE. Such MEMBER shall remain in terms of RULE 4 shall continue until the MEMBER exits the FUND.
- (b) Notwithstanding the provision of (a) above, the TRUSTEES may, upon receipt of a written application from the EMPLOYER on behalf of the MEMBER, agree to such MEMBER retiring in terms of RULE 5.1.3

### 9.2 Broken SERVICE

- 9.2.1 if a MEMBER is entitled to benefits in respect of separate periods of SERVICE, then in respect of each such period the benefit accruing to the MEMBER and the contributions paid by the MEMBER shall be treated separately under these RULES as though each such period were the MEMBER'S only period of SERVICE.
- 9.2.2 Notwithstanding the provisions of RULE 9.2.1, if a former MEMBER who has left SERVICE, other than of the MEMBER'S own free will, re-enters SERVICE within 3 years, then the MEMBER may request the TRUSTEES in writing to aggregate the MEMBER'S two separate periods of SERVICE as one period for the purposes of calculating future benefits and the following shall apply:
- (a) The TRUSTEES shall agree to such application in whole or in part or decline it at their absolute discretion; and
- (b) If the TRUSTEES agree to the application, then, after consultation with the ACTUARY and the EMPLOYER, they shall set out in writing to the MEMBER any conditions attaching to the agreement and, in particular, details of any additional contributions required from the MEMBER. If time MEMBER does not confirm the MEMBER'S acceptance of these conditions within one month after receipt, then the provisions of RULE 9.2.1 will apply.

9.2.3 notwithstanding the provision of RULE 9.2.1, in the case of a MEMBER who re-enters SERVICE after a period of temporary absence on terms of RULE 9.1.2, the MEMBER'S two separate periods of SERVICE shall be aggregated for the purposes of calculating future benefits in respect of such MEMBER'S SERVICE.

9.2.4 notwithstanding any other provisions contained in this RULE, the MEMBER will be deemed to have remained in services for purposes of the FUND, provided that any period of broken SERVICE does not exceed six months

"Provided that, as a result of any negative effect of the COVID-19 pandemic on an EMPLOYER's operations, and such period as such be agreed between the TRUSTEE and the EMPLOYER (which shall be no longer than six (6) months), conditional on appropriate communication to MEMBERS, the following shall apply;

- (i) No contribution shall be payable by a MEMBER in terms of RULE 4.1.1; and
  - (ii) Where applicable, the contribution payable by a MEMBER in terms of RULE 4.1.1 shall:
    - (a) Continue to be paid by the MEMBER; or
    - (b) Continue to be paid by the EMPLOYER;
- To ensure that the Insured Portion, the DISABILITY ARRANGEMENT and the FUNERAL ARRANGEMENT, as are applicable, continue to apply; or
- (c) Cease, in which case the Insured Portion shall be reduced accordingly. The EMPLOYER may agree to cover the cost of the Disability Agreement and the FUNERAL ARRANGEMENT, where applicable; and
- (iii) The MEMBER may make additional voluntary contributions in terms of RULE 4.2.1 (b), which are required to be applied in order that;
  - (a) Any death benefits, as referred to in RULE 6.1 (b); and/or
  - (b) Any disability benefits, as referred to in RULE 7.2;

Where such benefits are applicable in terms of the EMPLOYER'S Special RULES, continue".

JS RP LM

## 10. TRANSFERS

### 10.1 Transfers into the FUND

- 10.1.1 If a MEMBER, who was a MEMBER of an PENSION FUND, any other PROVIDENT FUND, a PROVIDENT PRESERVATION FUND or a PENSION PRESERVATION FUND prior to becoming a MEMBER of the FUND elects to transfer the benefit to which he is entitled on leaving that FUND into the FUND, the amount so transferred shall be applied as a contribution made by him in terms in terms of RULE 4.1
- 10.1.2 The FUND shall take transfer of such amount as is payable to the FUND by the PREVIOUS fund as the result of the transfer from that fund of those MEMBERS who were MEMBERS of that fund. Such amount shall be applied under the MEMBER'S FUND CREDIT, provided that part of the amount received by the FUND in respect of the MEMBER which is notified to the TRUSTEES by the persons managing the business of that fund as being attributable to the EMPLOYERS' contributions shall be regarded as the EMPLOYER'S contribution in respect of the MEMBER under the FUND; and that part of the amount received by the FUND in respect of the MEMBER which is notified to the TRUSTEES by the persons managing the business of that fund as being attributable to the MEMBER'S contributions shall be regarded as the MEMBER'S contributions under the FUND.
- 10.1.3 If a MEMBER, who was a member of another fund prior to becoming a MEMBER of the FUND, chooses to transfer his TRANSFER CREDIT into the FUND, the amount so transferred shall be applied under his FUND CREDIT.
- 10.1.4 Any income tax payable on an amount transferred into the FUND in terms of RULE 10.1.1, RULE 10.1.2, RULE 10.1.3 shall be in accordance with current income tax legislation and practice.

### 10.2 Transfers out of the FUND

- 10.2.1 Notwithstanding any contrary provision in these RULES, particularly RULE 3.4.1, existing MEMBERS' who wish to transfer out of the FUND while still in SERVICE, must make a representation to the TRUSTEES, through their LOCAL ADVISORY COMMITTEE in writing. Representation is to be made to the TRUSTEES within such a reasonable period as the TRUSTEES shall consider appropriate.
- 10.2.2 The TRUSTEES must ensure that the representation is investigated and confirmed prior to the submission of an application to the Registrar by conducting a clear and comprehensive communication exercise with the MEMBERS concerned in teas of RULE 13.1.8, and by obtaining the explicit approval of all the transferring MEMBERS. *J.S. RM LM*
- 10.2.3 The FUND must be satisfied that a transfer is reasonable and equitable and that it accords full recognition to the rights and reasonable expectations of the MEMBERS.
- 10.2.4 Subject to the provisions of RULES 10.2.1, 10.2.2 and 10.2.3, if the transferred MEMBER becomes a member of an PROVIDENT FUND or

an PENSION FUND established for the benefit of EMPLOYEES of the organization to which he is transferred, the TRUSTEES shall transfer the MEMBER'S FUND CREDIT as at the DISINVESTMENT DATE plus any interest which may have become due to the MEMBER, to that fund and he shall have no further claim on the FUND

### 10.3 Transfer in terms of Section 197 of the Labour Relations Act

10.3.1 In the event of a sale or transfer of an EMPLOYERS' business in terms of Section 197 of the Labour Relations ACT, the following shall apply:

- (a) If a MEMBER, DEFERRED RETIREE or a PAID-UP MEMBER affected by such transfer becomes a MEMBER, DEFERRED RETIREE or a PAID-UP MEMBER of a PENSION FUND or a PROVIDENT FUND established for the benefit of the EMPLOYEES of the organisation into which the business of his EMPLOYER (or previous EMPLOYER in the case of a DEFERRED RETIREE or a PAID-UP MEMBER) has been transferred, the TRUSTEES shall pay the MEMBER'S FUND CREDIT, or the DEFERRED RETIREES DEFERRED BENEFIT or the PAID-UP MEMBER'S PAID-UP BENEFIT to such PENSION FUND or PROVIDENT FUND; or
- (b) if the EMPLOYER does not sponsor a PENSION FUND or a PROVIDENT FUND, the MEMBER'S FUND CREDIT, or the DEFERRED RETIREES DEFERRED BENEFIT or the PAID-UP MEMBER'S PAID-UP BENEFIT, shall be transferred to a PROVIDENT PRESERVATION FUND or a PENSION PRESERVATION FUND or a RETIREMENT ANNUITY FUND. Provided that such transfers shall be subject to the requirements of the REVENUE AUTHORITIES as specified from time to time;
- (c) provided further that, in the case of a DEFERRED RETIREE or a PAID-UP MEMBER, this DEFERRED BENEFIT or the PAID-UP BENEFIT or part thereof, may be paid to the DEFERRED RETIREE or the PAID-UP MEMBER as a lump sum;
- (d) in addition, if a DEFERRED RETIREE or a PAID-UP MEMBER affected by such transfer so chooses, he shall become entitled to an annuity of such amount as can be purchased by his DEFERRED BENEFIT or his PAID-UP BENEFIT payable as at the date of transfer, less any amount commuted for cash.

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This annuity shall be purchased by the FUND in the DEFERRED RETIREES or a PAID-UP MEMBER'S name from a REGISTERED INSURER, or an entity licensed and authorised to provide annuity products, of the DEFERRED RETIREES or the PAID-UP MEMBER'S choice.

Thereafter the FUND shall have no further liability in respect of the DEFERRED RETIREE or the PAID-UP MEMBER such liability resting with the REGISTERED INSURER or entity licensed and authorised to provide annuity products, from whom such annuity is purchased. The annuity so purchased shall be compulsory, non-commutable and non-assignable, payable for life (or as prescribed by the REVENUE AUTHORITIES from time to time) and the purchase shall be subject to any further requirements of the REVENUE AUTHORITIES

Each DEFERRED RETIREE or PAID-UP MEMBER hereby appoints his duly authorised agent to do all things necessary to procure the purchase of the annuity of his choice

- 10.3.2 On finalisation of the transfer or payment of his benefit in terms of (a), (b), (c) or (d) above, the MEMBER or DEFERRED RETIREE or PAID-UP MEMBER shall cease to be a MEMBER, DEFERRED RETIREE or PAID-UP MEMBER and shall have no further claim on the FUND.

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## 11. TOTAL AND PARTIAL TERMINATION OF THE FUND

### 11.1. Total Termination

- 11.1.1 The TRUSTEES may terminate the FUND at any time, provided that at least two-thirds of the total numbers of MEMBERS of the FUND agree.
- 11.1.2 If the FUND is to be terminated, the following shall apply.
- (a) The TRUSTEES shall, subject to the approval of the AUTHORITY, appoint a liquidator who must liquidate the FUND with effect from the date of the AUTHORITY'S approval of his appointment.
  - (b) In accordance with the instructions of the liquidator and subject to the provisions of Section 14A of the ACT, the total moneys available under the FUND, after payment of all expenses incurred in the liquidation, shall be applied to provide benefits for all MEMBERS, DEFERRED RETIREES, PAID-UP MEMBERS and PENSIONERS on an equitable basis, as recommended by the ACTUARY and approved by the liquidator.
  - (c) The amount available for a MEMBER, a DEFERRED RETIREE, a PAID-UP MEMBER or a PENSIONER under RULE 11.1.2(b) shall, as directed by the liquidator, either:
    - (i) be transferred in terms of the ACT for the MEMBER'S, DEFERRED RETIREES, PAID-UP MEMBER'S or PENSIONER'S benefit to another PROVIDENT FUND or PENSION FUND or a PROVIDENT PRESERVATION FUND or PENSION PRESERVATION FUND or a RETIREMENT ANNUITY FUND, provided that such transfers are subject to the requirements of the REVENUE AUTHORITIES, as specified from time to time; or
    - (ii) if the circumstances provided for in (i) do not exist and the MEMBER, DEFERRED RETIREE, PAID-UP MEMBER or PENSIONER so request, be paid as a PENSION in terms of RULE 5.2.2(a) failing which, as a lump sum cash benefit.
  - (d) If a person to whom an amount is payable cannot be traced, the amount referred to in RULE 11.1.2(c) above shall either be transferred to a PROVIDENT PRESERVATION FUND lawfully established for purposes of housing UNCLAIMED BENEFITS or shall be paid into the Guardian's fund. JS RP LM
  - (e) It is specifically provided that the provisions of the PENSION FUNDS Second Amendment ACT, 2001 (ACT No.39 of 2001), shall override any conflicting provisions in RULE 11.3, in particular with regard to payment of minimum benefits and rights of stakeholders.

11.1.3 When all payments have been made by the FUND in terms of RULE 11.1.2, the FUND shall have no further liability to any person and its registration in terms of the ACT shall be cancelled.

## 11.2 Partial Termination

11.2.1 An EMPLOYER may cease its participation in the FUND if;

- (a) it goes into liquidation, or
- (b) for any reason acceptable to the TRUSTEES, the TRUSTEES resolve to terminate the participation of the EMPLOYER under the FUND.

The provisions of RULE 11.1.2 then shall apply. Provided that, that part of the FUND which is to be liquidated in terms of the ACT shall be limited to the total assets and liabilities attributable to the MEMBERS, DEFERRED RETIREES and PAID-UP MEMBERS related to the withdrawing EMPLOYER, as determined by the liquidator in consultation with the ACTUARY.

The EMPLOYER shall then cease to be an EMPLOYER and the MEMBERS, DEFERRED RETIREES and PAID-UP MEMBERS related to the withdrawing EMPLOYER shall cease to belong to the FUND and shall have no further claim on the FUND.

11.2.2 If an EMPLOYER ceases its participation in accordance with the provisions of RULE 11.2.1, the following shall apply:

11.2.2.1 the benefits of the MEMBERS who are employed by the withdrawing EMPLOYER shall be transferred to another approved Provident Fund, an PENSION FUND, a PROVIDENT PRESERVATION FUND or an RETIREMENT ANNUITY FUND;

Provided that transfer to a PROVIDENT PRESERVATION FUND is subject to the requirements of the REVENUE AUTHORITIES as specified from to time; or

11.2.2.2 If the circumstances provided for in RULE 11.2.2.1 do not apply, the TRUSTEES shall appoint a liquidator in accordance with the provision of RULE 11.1.2 and the following shall apply: JS RP LM

- (a) that part of the FUND which is to be liquidated in terms of the ACT shall be limited to the total assets and liabilities attributable to the MEMBERS employed by the withdrawing EMPLOYER as determined by the liquidator in consultation with the ACTUARY and the provisions of RULE 11.1.2 shall apply; and

(b) When all payments have been made in accordance with the provisions of RULE 11.1.2, the EMPLOYER shall then cease to be an EMPLOYER and its MEMBERS shall cease to be MEMBERS and shall have no further claim on the FUND.

11.3 Notwithstanding the provisions of RULE 11.1.2, the TRUSTEES shall have the power to apply to the AUTHORITY to obtain an exemption in terms of Section 28 of the ACT.

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## 12. DEDUCTIONS FROM BENEFITS

- 12.1 The TRUSTEES shall have the right to make such deductions from the 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 and in respect of which a claim has been lodged in writing within such reasonable time of the event giving rise to the benefit as the TRUSTEES may from time to time fix for making such claims.
- 12.2 Notwithstanding any contrary provisions in these RULES, the TRUSTEES may, where an EMPLOYER has instituted 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:
- (a) the TRUSTEES in their reasonable discretion are satisfied that the EMPLOYER has made out 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 that have been instituted;
  - (b) the TRUSTEES are satisfied that the EMPLOYER is not at any stage of the proceedings responsible for any undue delay in the prosecution of the proceedings;
  - (c) once the proceedings have been determined, settled or withdrawn, any benefit to which the MEMBER is entitled is paid forthwith;
  - (d) if the MEMBERS' benefit exceeds the amount of the EMPLOYERS' claim, then the amount by which the MEMBERS' benefit exceeds the amount of the EMPLOYERS' claim shall be paid to the MEMBER as soon as reasonably possible; and
  - (e) the TRUSTEES, at the express written request of a MEMBER whose benefit is withheld, may, if applicable and practical, permit the value of the MEMBERS' benefit as at the time of such request to be isolated, in whatever manner the TRUSTEES believe appropriate, from the possibility of a decrease therein as a result of poor investment performance.

(The contents of Section 37D of the ACT are contained in the Annexure to the RULES)

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### 13. MANAGEMENT OF THE FUND

#### 13.1. Powers and duties of the TRUSTEES

The management of the affairs of the FUND shall be vested in the TRUSTEES who shall have all such powers and duties as are customarily vested in such TRUSTEES. Such powers and duties shall include the following powers and duties

- 13.1.1 to admit or refuse to admit an EMPLOYER as a participating EMPLOYER in the FUND;
- 13.1.2 to set up sub-committees and to determine their nature, extent and scope;
- 13.1.3 to supervise and control the administration of the FUND and subject to the RULES to make all such by-laws and regulations as are consistent with these RULES, as it deems necessary and expedient for the proper and efficient administration of the FUND;
- 13.1.4 to approve the annual audited financial statements;
- 13.1.5 to demarcate REGIONS in such areas as they may decide taking into account the number of MEMBERS and the geographical location of MEMBERS and to establish or dissolve REGIONAL ADVISORY COMMITTEES in such REGIONS;
- 13.1.6 to consider all recommendations from REGIONAL ADVISORY COMMITTEES;
- 13.1.7 to ensure that the RULES comply with the provisions of the ACT, the provisions of Circular PF 130 (where practically feasible), the Financial Institutions (Protection of funds) ACT, 2001 and all other applicable laws;
- 13.1.8 fulfill the fiduciary duties set out in sections 7C and 7D of the ACT and these RULES, and
- 13.1.9 To exercise such powers and duties as are elsewhere provided for in these RULES.

#### 13.2 Composition of the BOARD OF TRUSTEES

Notwithstanding anything to the contrary contained in these RULES, the FUND shall be controlled and managed by 25 (twenty five) TRUSTEES, of which 24 of them will be appointed and elected in terms of RULES 13.3 and 13.4 below and an extra TRUSTEE shall be an independent TRUSTEE who must be independent of the MEMBER, the EMPLOYER, the ADMINISTRATOR, the INSURER and any other service provider of the FUND. The independent TRUSTEE shall be appointed by the Board.

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### 13.3 EMPLOYERS' TRUSTEES

- 13.3.1 The EMPLOYERS shall appoint from their number, who sit on REGIONAL ADVISORY COMMITTEES, 12 (twelve) TRUSTEES to represent the EMPLOYERS' (hereinafter referred to as "EMPLOYERS' TRUSTEES") and an alternate to each EMPLOYERS' TRUSTEE, to act during the absence of that EMPLOYERS' TRUSTEE. The number of EMPLOYERS' TRUSTEES appointed by such any REGIONAL ADVISORY COMMITTEE and their alternates shall be in proportion to the number of EMPLOYERS represented by such REGIONAL ADVISORY COMMITTEE; provided that should an EMPLOYERS' TRUSTEE or his alternate cease to be an EMPLOYER representative at the REGIONAL ADVISORY COMMITTEE, he shall be disqualified from acting as an EMPLOYERS' TRUSTEE.
- 13.3.2 An EMPLOYERS' TRUSTEE or an alternate to such EMPLOYERS' TRUSTEE may resign from office at any time on giving written notice to a REGIONAL ADVISORY COMMITTEE which such EMPLOYERS' TRUSTEE or alternate is a MEMBER and to the other TRUSTEES.
- 13.3.3 EMPLOYERS' TRUSTEES may, by submission of a written motivation, request the BOARD OF TRUSTEES to remove any EMPLOYERS' TRUSTEE from office. Such motivation must set out the reason for requesting the removal of the EMPLOYERS' TRUSTEE and shall be considered by the TRUSTEES at a properly constituted meeting of TRUSTEES, in the absence of the TRUSTEE in respect of whom the request was lodged. In this regard, the ultimate decision to remove the TRUSTEE in question shall rest with the TRUSTEES without disregarding their objectives as prescribed in section 7D of the ACT
- 13.3.4 In the event of an EMPLOYERS' TRUSTEE ceasing to hold office for any reason contemplated in these RULES, the alternate to such EMPLOYERS TRUSTEE shall be invited to attend TRUSTEE meetings until a new TRUSTEE is appointed by the REGIONAL ADVISORY COMMITTEE in their seating following such resignation and or removal from the Board.

### 13.4 MEMBERS' TRUSTEES

- 13.4.1 The MEMBERS shall elect from their number 12 (twelve) TRUSTEES to represent the MEMBERS (hereinafter referred to as "MEMBERS' TRUSTEES"), and shall also elect an alternate to each MEMBERS' TRUSTEE, to act during the absence of that MEMBERS' TRUSTEE. The election of the MEMBERS TRUSTEES and their alternates shall be conducted at the REGIONAL ADVISORY COMMITTEE meeting.

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The number of the MEMBERS' TRUSTEES elected and their alternates shall be in proportion to the number of MEMBERS in each REGION; provided that should a MEMBERS' TRUSTEE or his alternate cease to be a MEMBER representative at the REGIONAL ADVISORY COMMITTEE, he shall be disqualified from acting as a MEMBERS' TRUSTEE.

13.4.2 The MEMBERS' TRUSTEE or an alternate to such MEMBERS' TRUSTEE may resign from office at any time on giving written notice to a REGIONAL ADVISORY COMMITTEE which such MEMBERS' TRUSTEE or alternate is a MEMBER and to the other TRUSTEES.

13.4.3 The MEMBERS' TRUSTEES may, by submission of a written motivation, request the BOARD OF TRUSTEES to remove any MEMBERS' TRUSTEE from office. Such motivation must set out the reason for requesting the removal of the MEMBERS' TRUSTEE and shall be considered by the TRUSTEES at a properly constituted meeting of TRUSTEES, in the absence of the TRUSTEE in respect of whom the request was lodged. In this regard, the ultimate decision to remove the TRUSTEE in question shall rest with the TRUSTEES without disregarding their objectives as prescribed in section 7D of the ACT.

13.4.4 In the event of the MEMBERS' TRUSTEE ceasing to hold office for any reason contemplated in these RULES, the alternate to such MEMBERS' TRUSTEE shall be invited to attend TRUSTEE meetings until a new TRUSTEE is elected by the REGIONAL ADVISORY COMMITTEE in their seating following such resignation and or removal from the Board.

### 13.5 Term of office

Subject to RULES 13.3.2, 13.3.3, 13.4.2, 13.4.3 and 13.6 the term of office of each TRUSTEE shall be 5 (five) years; provided that any TRUSTEE who ceases to be a TRUSTEE in terms of this RULE shall be eligible for re-appointment or re-election when his term of office expires.

### 13.6 Disqualification from holding office as a TRUSTEE

No person in any of the following categories shall be eligible for appointment as a TRUSTEE and if a TRUSTEE at any time falls into any such category he shall cease to hold office:

- 13.6.1 a minor or any person who is insane or otherwise incapable of acting;
- 13.6.2 any person who is disqualified from being a director in terms of an order under the Companies ACT, 1973 (ACT No 61 of 1973), as amended from time to time; JS RP LM
- 13.6.3 any person whose estate is sequestrated or surrendered or assigned for the benefit of his creditors;
- 13.6.4 Any person removed from an office of trust on account of misconduct;
- 13.6.5 any person who has been convicted and sentenced either to imprisonment without the option of a fine or to a fine exceeding R100 for theft, fraud, forgery, uttering a forged document, perjury, an offence

under the Prevention and Combating of Corrupt activities ACT, 2004 (ACT No. 12 of 2004), as amended from time to time, any offence involving dishonesty or any offence in connection with the promotion, formation or management of a company.

### 13.7 Termination of Office

A TRUSTEE or alternate shall cease to hold office if:

- 13.7.1 his term of office expires in terms of RULE 13.5 or become disqualified as envisaged in RULE 13.6;
- 13.7.2 in the case of an EMPLOYERS' TRUSTEE, the TRUSTEES resolve that he should be removed from office following the request by the EMPLOYERS' TRUSTEES in terms of RULE 13.3.3;
- 13.7.3 in the case of a MEMBERS' TRUSTEE, the TRUSTEE resolve that he should be removed from office following the request by the MEMBERS' TRUSTEES in terms of RULE 13.4.3;
- 13.7.4 he gives written notice of resignation of his appointment as a TRUSTEE in terms of RULE 13.3.2 or RULE 13.4.2; or
- 13.7.5 he failed to attend three consecutive TRUSTEES' meetings without leave from other TRUSTEES; Provided that a failure by any TRUSTEE to attend any meeting may be deemed to have committed a misconduct in which case RULE 13.3.3 or RULE 13.4.3 may apply.

### 13.8 Chairperson of BOARD OF TRUSTEES

- 13.8.1 The TRUSTEES shall elect a chairperson of the TRUSTEES and an alternate chairperson from their number. Each chairperson's tenure of the office shall be 12 (twelve) month and on the expiry thereof the TRUSTEES shall elect a new chairperson from their number.
- 13.8.2 Whenever the chairperson of the TRUSTEE is temporarily or for any reasons is unable to perform his functions as chairperson, the alternate chairperson shall ACT as chairperson during the absence or unavailability of the chairperson.
- 13.8.3 If the chairperson ceases to be a TRUSTEE he shall consequently cease to be the chairperson;
- 13.8.4 All correspondence and financial statements shall be made available to the TRUSTEES at meetings by the chairperson.

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## 13.9 Meetings of TRUSTEES

### Number and Frequency

- 13.9.1 The TRUSTEES shall meet from time to time but at least once in every 4 (four) calendar months to conduct the business of the FUND at the venue specified in the notice of the meeting.
- 13.9.2 Notwithstanding RULE 13.9.1 above, special meetings of the TRUSTEES shall be at the written request of any 2 (two) REGIONAL ADVISORY COMMITTEE or on the written request of not less than one quarter of the TRUSTEES

### Notice of Meetings

- 13.9.3 The Chairperson shall ensure that the TRUSTEES receive as least 14 (fourteen) days' written notice of the time and place of each ordinary meeting of the TRUSTEES, to which notice shall be attached an agenda for the meeting and the minutes of the previous meeting.

### Quorum

- 13.9.4 Three quarter of the MEMBERS' TRUSTEES and three quarters of the EMPLOYERS' TRUSTEES shall be present to form a quorum.
- 13.9.5 In the event of a meeting of the BOARD OF TRUSTEES not being quorate 2 (two) hours after the time fixed for its commencement, the meeting shall stand adjourned and may be reconvened not earlier than 14 (fourteen) days thereafter, provided that TRUSTEES shall receive at least 7 (seven) day notice of such adjourned meeting. At such adjourned meeting the TRUSTEES present shall form a quorum.

### Decision – Making by the TRUSTEES

- 13.9.6 A TRUSTEE who has any direct or indirect personal, financial or other interest in a matter or issue on which a decision has to be taken by the TRUSTEES must disclose that interest before the decision is taken and may be required by the TRUSTEES to abstain from voting.
- 13.9.7 At all meetings of the TRUSTEES, all decisions on any matter in dispute shall, subject to RULE 13.9.9, require the support of at least two third of the MEMBERS' TRUSTEES present at any quorate meeting; provided that:

13.1.1.1. If the support of least two third of the EMPLOYERS' TRUSTEES and least two third of the MEMBERS' TRUSTEES cannot be obtained the matter in question shall be referred to the next meeting of the TRUSTEES;

13.1.1.2. If the support of least two third of the EMPLOYERS' TRUSTEES and least two third of the MEMBERS' TRUSTEES cannot still not be obtained at that meeting, the TRUSTEES shall refer the matter to a qualified person in that matter for

recommendation. If no agreement can be reached on whom the qualified person should be, the PRINCIPAL OFFICER shall have the casting vote;

13.1.1.3. If the matter can be settled based on that person's recommendation, the matter shall be referred to an arbitrator agreed by the TRUSTEES. If no agreement can be reached on whom the arbitrator should be, the PRINCIPAL OFFICER shall have the casting vote. The arbitrator decision on the matter shall be final and binding.

13.9.8 Any cost incurred in resolving dispute shall be met by the FUND.

13.9.9 In the event that a proposal is made by any TRUSTEE in respect of any decision which requires to be made by the TRUSTEE on any matter and such proposal is supported by any other TRUSTEE without any disagreement from the other TRUSTEES, such matter shall be deemed to have taken a decision on that matter. In this event the provision of RULE 13.9.7 would not be necessary.

13.9.10 If, due to unforeseen circumstances, TRUSTEES are unable to resolve a matter in a meeting, the TRUSTEES shall have the discretion to resolve the matter outside of a meeting on a round robin basis, provided that all decisions comply with Rule 13.9.7. above. A resolution signed on a round robin basis shall be of the same force and effect as a resolution passed at a meeting of the TRUSTEES. Such resolution must be noted at the next ordinary meeting of the TRUSTEES and must be recorded in the FUNDS minute book.

### Minutes

13.9.11 The chairperson must ensure that minutes of their proceeding and of all meetings are properly recorded and distributed in draft form to all the TRUSTEES within 14 (fourteen) days after the meeting to which they relate. Such minutes shall be laid before the first succeeding meeting and if they are accepted as correct at the meeting, they shall be signed and dated by the chairperson. Thereafter, they shall constitute a *prima facie* evidence of the correctness of the matters therein recorded.

### 13.10 Appointment of the PRINCIPAL OFFICER and Deputy PRINCIPAL OFFICER

#### Appointment of the PRINCIPAL OFFICER

13.10.1 The TRUSTEES shall, subject to the provision of section 8(5) of the ACT, appoint a PRINCIPAL OFFICER from among their number for such period as they may determine, and may withdraw any such appointment and make another appointment in its place; provided that once appointed, the position of the PRINCIPAL OFFICER as a TRUSTEE shall become vacant and such position shall be filled by the applicable REGIONAL ADVISORY COMMITTEE in accordance with these RULES;

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Provided further that the person appointed, among other things:

- a) has the relevant qualification and expertise relating to the management and oversight of retirement funds, especially to the particular office and type of the fund;
- b) Is fit and proper to hold such appointed as envisaged in Section 8(5)(a) of the ACT, and
- c) has been informed of his duties and responsibilities in terms of the applicable legislation.

- 13.10.2 The Registrar may, in terms of Section 8(5)(a) read together with Section 8(5)(c) of the ACT, object to the appointment of the PRINCIPAL OFFICER if the Registrar reasonably believes that the PRINCIPAL OFFICER is not a fit and proper person to hold office, or his appointment is not in the public interest.
- 13.10.3 If the Registrar objects to the appointment of a PRINCIPAL OFFICER in terms of RULE 13.10.2 above, the TRUSTEES shall terminate the appointment within 30 (thirty) days of the Registrar informing the TRUSTEES of the finalisation of the processes and the procedures provided in the Promotion of Administration Justice Act, 2000 (ACT No. 3 of 2000).
- 13.10.4 If the PRINCIPAL OFFICER's appointment is terminated for any reason other than in accordance with RULE 13.10.2, the PRINCIPAL OFFICER shall within 21 (twenty-one) days of the appointment being terminated, submit a written report to the Registrar detailing his perceived reasons for the termination.
- 13.10.5 If the PRINCIPAL OFFICER is absent from the Republic of South Africa or is otherwise unable to perform his duties for more than 30 (thirty) days, the TRUSTEES shall appoint another person to act as a PRINCIPAL OFFICER for such period of absence or inability. In the event the TRUSTEES shall inform the Registrar thereof in writing within 30 (thirty) days of such appointment.
- 13.10.6 The PRINCIPAL OFFICER shall perform all the functions required of him in terms of the ACT, these RULES and the directions of the TRUSTEES. In particular, the PRINCIPAL OFFICER shall:
- (a) on becoming aware of any matter relating to the affairs of the FUND which, in his opinion may prejudice the FUND or the MEMBERS, inform the Registrar in writing; JS RP LM
  - (b) Perform all other functions which he is required by law to perform.
- 13.10.7 The PRINCIPAL OFFICER shall not be entitled to any remuneration for his SERVICE as such. However, all reasonable expenses incurred by the PRINCIPAL OFFICER in fulfilment of his duties shall be borne by the FUND.

### Appointment of the Deputy PRINCIPAL OFFICER

- 13.10.8 If the BOARD deems it necessary, it may appoint a deputy PRINCIPAL OFFICER to assist the PRINCIPAL OFFICER and must notify the AUTHORITY in the prescribed format within the prescribed period.
- 13.10.9 The PRINCIPAL OFFICER may, in writing, delegate to the deputy PRINCIPAL OFFICER any of his duties under the ACT and the RULES, including the performing of his full duties during his extended absence from the Republic of South Africa, subject to the following system of delegation:
- (a) The PRINCIPAL OFFICER must determine which particular duty should be delegated.
  - (b) Any such delegation must be in writing and signed by the PRINCIPAL OFFICER.
  - (c) Such delegation must state clearly –
    - (i) which duty the deputy PRINCIPAL OFFICER must perform;
    - (ii) the details of how such duty must be performed;
    - (iii) when and how reporting must be done;
    - (iv) that no sub-delegation is allowed;
    - (v) that the delegation may be amended or withdrawn at any time; and
    - (vi) such other conditions as determined by the PRINCIPAL OFFICER and/or the BOARD
  - (d) The PRINCIPAL OFFICER will remain responsible for a duty delegated in terms of this RULE.
  - (e) The PRINCIPAL OFFICER or the BOARD may withdraw such delegation at any time.

### 13.11 Appointment of AUDITOR

- 13.11.1 Subject to the provision of the ACT and the requirements of the Registrar as prescribed from time to time, the TRUSTEES shall appoint an AUDITOR for such period as they determine, and may withdraw any such appointment and make another appointment in its place. The provision of RULE 13.10.2 to RULE 13.10.4 shall apply mutatis mutandis. JG RP LM
- 13.11.2 The terms and conditions of the appointment of the AUDITOR shall be set out in the SERVICE Level Agreement concluded between the FUND and the AUDITOR.

- 13.11.3 The AUDITOR has right to:
- (a) At all reasonable times, see and make copies of the accounting records and all books, vouchers, documents and other property of the FUND;
  - (b) Obtain from the TRUSTEES all information and explanation that he thinks are necessary;
  - (c) Investigate whether there are adequate measured and procedures to ensure that the FUND operates in a sound and cost effective way for the benefit of MEMBERS', and
  - (d) Investigate any aspect of the management of the FUND, which has a bearing on the control and use of FUND assets
- 13.11.4 The AUDITOR shall, on becoming aware of any matter relating to the affairs of the FUND, which in the AUDITOR's opinion, may prejudice the FUND or its MEMBERS, inform the Registrar thereof in writing.

### 13.12 Appointment of ACTUARY

- 13.12.1 subject to the consent of the Registrar, the TRUSTEES shall appoint an ACTUARY who shall perform the functions and duties of the valuator in terms of the ACT and the duties required of the ACTUARY in terms of the RULES for such period as they may determine, and they may withdraw any such appointment and make another appointment in its place. The provision of Rule 13.10.2 to 13.10.3 shall apply *mutatis mutandis*.
- 13.12.2 The terms and conditions of the appointment of the ACTUARY shall be set out in the SERVICE Level Agreement concluded between the FUND and the ACTUARY.
- 13.12.3 The ACTUARY shall have access to all records, books, documents, accounts and other information necessary to perform his function and duties;
- 13.12.4 The ACTUARY shall, on becoming aware of any matter relating to the affairs of the FUND, which in the ACTUARY's opinion, may prejudice the FUND or its MEMBERS, inform the Registrar thereof in writing.

### 13.13 Appointment of Monitoring Person

- 13.13.1 The TRUSTEES shall appoint a Monitoring Person, subject to the provision of the ACT, for such period as they determine, and may withdraw any such appointment and make another appointment in its place.
- 13.13.2 Unless otherwise determined by the TRUSTEES from time to time, the PRINCIPAL OFFICER shall be the Monitoring Person of the FUND.

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- 13.13.3 The Monitoring Person shall perform all the functions he is required to fulfil in terms of the ACT, these RULES and the directions of the TRUSTEES.

#### 13.14 Appointment of Service Providers

- 13.14.1 The TRUSTEES may at the expense of the FUND appoint consultant, Investment managers, Investment advisors, legal advisors and other SERVICE providers to assist the TRUSTEES in performing their duties; Provided that such persons or entities shall not rank as officers of the FUND.
- 13.14.2 The terms and conditions of the appointment, functions and remuneration of the SERVICE providers referred to in 13.14.1 above shall be regulated by the SERVICE Level Agreement concluded between the FUND and the SERVICE Provider.
- 13.14.3 The TRUSTEES may appoint a person or organisation to provide BENEFIT COUNSELLING, subject to the provisions of the ACT, for such periods as they determine, and may withdraw any such appointment and make another appointment in its place.

If appointed, the person or organisation shall perform all the functions required to provide BENEFIT COUNSELLING in terms of the ACT, these RULES and the instructions of the TRUSTEES, subject to an agreed BENEFIT COUNSELLING FEE.

The person or organisation so appointed, if applicable, shall maintain fidelity cover to indemnify the FUND against any loss resulting from the negligence, dishonesty or fraud of any person employed by them.

#### 13.15 Indemnification of Officers of the FUND

- 13.15.1 The TRUSTEES and all other officers of the FUND (Excluding the the service provider appointed in terms of RULE 13.14.1) or any person or organisation appointed in terms of RULE 13.14.3) shall be indemnified by the FUND against all the proceeding, costs and expenses incurred by the reason of any claim in connection with the FUND not arising from their negligence, dishonesty or fraud. JS RP LM
- 13.15.2 The TRUSTEES must ensure that the FUND is insured against any loss resulting from the negligence, dishonesty or fraud of any of its officers (including the TRUSTEES but excluding any service provider appointed in terms of RULE 13.14.1 or any person or organisation appointed in terms of RULE 13.14.3).

**13.16 REGIONAL ADVISORY COMMITTEES**

- 13.16.1 REGIONAL ADVISORY COMMITTEES up to 6 (six) in number, shall be established to advise and assist and make recommendations to the TRUSTEES in all matters relating to the operation of the FUND.
- 13.16.2 In particular, a REGIONAL ADVISORY COMMITTEE shall be entitled to make recommendation to the TRUSTEES for any amendments to these RULES and the administrative procedures of the FUND including payment of benefits to MEMBERS' and their dependants.
- 13.16.3 The TRUSTEES may decide that any power or decision on any matter that is vested in them, other than a matter provided for in terms of RULE 14, shall be delegated to any REGIONAL ADVISORY COMMITTEE or LOCAL ADVISORY COMMITTEE, whose decision on such matter shall be referred to the TRUSTEES for ratification, or approval, or confirmation, or endorsement, as applicable.
- 13.16.4 EMPLOYERS' and MEMBERS shall always be entitled to equal numbers of the representative on REGIONAL ADVISORY COMMITTEES.

**13.17 EMPLOYERS' Representatives on a REGIONAL ADVISORY COMMITTEE**

- 13.17.1 In respect of each participating EMPLOYERS' undertaking in a REGION, the EMPLOYERS' representative of the LOCAL ADVISORY COMMITTEE operating in such undertaking shall be entitled to appoint one person to the REGIONAL ADVISORY COMMITTEE from the LOCAL ADVISORY COMMITTEE, to represent the EMPLOYER in respect of the MEMBERS employed by the EMPLOYER at such undertaking.
- (a) If a participating EMPLOYER carries on business at more than one establishment in a REGION, and if more than one LOCAL ADVISORY COMMITTEE is in operation at each such establishment, the LOCAL ADVISORY COMMITTEE EMPLOYERS' representative so appointed at those establishment shall collectively exercise a single vote in respect of MEMBERS employed by the EMPLOYER at such undertaking in that REGION; and
- (b) If participating EMPLOYER carries on business in more than one REGION, then a person appointed to represent the EMPLOYER on more than one REGIONAL ADVISORY COMMITTEE shall only be eligible for appointment as an EMPLOYERS' TRUSTEES from one REGIONAL ADVISORY COMMITTEE;
- (c) A person appointed to the REGIONAL ADVISORY COMMITTEE shall be eligible for appointment as an EMPLOYERS' TRUSTEE in terms of RULE 13.3.1 above.

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- 13.17.2 All person representing EMPLOYERS on the REGIONAL ADVISORY COMMITTEE shall be in the employ of such EMPLOYERS and representative of the LOCAL ADVISORY COMMITTEE.
- 13.17.3 All person appointed by the EMPLOYERS in terms of RULE 13.17.1 shall be appointed for a period of 3(three) years, after which period they shall be eligible for re-appointment.
- 13.17.4 Such person may resign any time on giving the EMPLOYER and the other MEMBERS of the REGIONAL ADVISORY COMMITTEE written notice.
- 13.17.5 Any person appointed in terms of RULE 13.17.1 may be removed by the relevant REGIONAL ADVISORY COMMITTEE EMPLOYERS' representative at any time and replaced by another person, in accordance with RULE 13.17.1.
- 13.17.6 Should a person appointed in terms of RULE 13.17.1 ceases to be an EMPLOYERS' representative in terms of RULES 13.17.3, 13.17.4, and 13.17.5, he shall be disqualified from becoming an EMPLOYERS' TRUSTEE.

#### 13.18 MEMBERS' Representative to the REGIONAL ADVISORY COMMITTEE

- 13.18.1 In respect of each participating EMPLOYERS' undertaking in a REGION, the MEMBERS' representative of the LOCAL ADVISORY COMMITTEE, to represent the MEMBERS' employed at such undertaking provided that it that participating EMPLOYER carries on business at more than one establishment in a REGION, and if more than one LOCAL ADVISORY COMMITTEE is in operation at each such establishment , the LOCAL ADVISORY COMMITTEE MEMBERS' representative so appointed at those establishment shall collectively and democratically exercise a single vote in respect of the MEMBERS employed by such EMPLOYER in that Regional; Provided further that a person appointed to represent the MEMBERS at the REGIONAL ADVISORY COMMITTEE shall be eligible for election as a MEMBERS' TRUSTEE in terms of RULE 13.4.1 above.
- 13.18.2 A MEMBER Representative so elected shall be eligible for election as a board MEMBER.
- 13.18.3 All persons representing MEMBER on the REGIONAL ADVISORY COMMITTEE shall be MEMBERS of the FUND who are representative of the LOCAL ADVISORY COMMITTEE.
- 13.18.4 Persons appointed by the MEMBER in terms of RULE 13.18.1 shall be appointed for a period of 5 (five) years, after which period they shall be eligible for re-appointment.
- 13.18.5 Such persons may resign at any time on giving the MEMBERS of the REGIONAL ADVISORY COMMITTEE written notice.

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13.18.6 Any person appointed in terms of RULE 13.18.1 may be removed by the relevant REGIONAL ADVISORY COMMITTEE EMPLOYERS' representatives at any time and replaced by another person, in accordance with RULE 13.18.1.

13.18.7 Should a person appointed in terms of RULE 13.18.1 ceases to be a MEMBERS' representative in terms of RULE 13.18.4, 13.18.5 and 13.18.6, he shall be disqualified from becoming a MEMBERS' TRUSTEE.

**13.19. Termination of Office of MEMBERS of the REGIONAL ADVISORY COMMITTEE**

The provision of RULE 13.7 shall apply mutatis mutandis to each MEMBER of the REGIONAL ADVISORY COMMITTEE.

**13.20. Meetings of the REGIONAL ADVISORY COMMITTEES**

13.20.1 With the exception of RULE of RULE 13.9.4 and 13.9.5, the provisions of RULE 13.9 shall mutatis mutandis apply to the meeting of the REGIONAL ADVISORY COMMITTEE.

13.20.2 At least 16 (sixteen) MEMBERS of the REGIONAL ADVISORY COMMITTEE shall be required form a quorum at a REGIONAL ADVISORY COMMITTEE meeting; Provided that at least 50% (Fifty percent) of such MEMBERS present shall be MEMBERS' representatives.

13.20.3 In the event of a meeting of a REGIONAL ADVISORY COMMITTEE not being quorate 30 (thirty) minutes after the appointed time for its commencement, the meeting shall stand adjourned and may be convened not earlier than 14 (fourteen) days thereafter; provided that MEMBERS of the REGIONAL ADVISORY COMMITTEE shall receive at least 7 (seven) day notice of such adjourned meeting.

**13.21. LOCAL ADVISORY COMMITTEE**

13.21.1 LOCAL ADVISORY COMMITTEE shall be established at each EMPLOYERS undertaking to advise, assist and make recommendation to the REGIONAL ADVISORY COMMITTEE in all matters relating to the operation of the FUND. J.S. R.P. L.M.

13.21.2 LOCAL ADVISORY COMMITTEE, or in the case of multi-plant company establishments the relevant national forum, may make recommendations to the TRUSTEES regarding the amendments to the Special RULES applicable to the EMPLOYERS' undertaking in respect of which such LOCAL ADVISORY COMMITTEE has been established.

- 13.21.3 In particular, a LOCAL ADVISORY COMMITTEE shall be entitled to make recommendation to the REGIONAL ADVISORY COMMITTEE regarding the implementation of the administrative aspect of the FUND and shall, subject to RULE 13.16.3, be specifically empowered to determine competing claims in respect of the deceased MEMBERS' benefits, provided that any person dissatisfied by a decision of a Local Committee and, if dissatisfied a decision of LOCAL ADVISORY COMMITTEE shall be entitled to appeal to the appropriate REGIONAL ADVISORY COMMITTEE and, if dissatisfied with the decision of such REGIONAL ADVISORY COMMITTEE to appeal to the BOARD OF TRUSTEES.
- 13.21.4 LOCAL ADVISORY COMMITTEE shall make recommendations to the TRUSTEES in respect of ill-health early retirement.
- 13.21.5 EMPLOYERS' and MEMBERS' shall always be entitled to equal numbers of appointees on LOCAL ADVISORY COMMITTEE.

**13.22. EMPLOYERS' Representative of a LOCAL ADVISORY COMMITTEE**

- 13.22.1 Each EMPLOYER shall be entitled to appoint 4 (four) persons in its employ or such larger number as may be agreed between the EMPLOYERS' and MEMBERS' in such EMPLOYERS' undertaking; provided that where an EMPLOYER employs less than 30 (thirty) MEMBERS' the number of appointees may be reduced to not less than 2 (two) persons.
- 13.22.2 Any person appointed in terms of RULE 13.22.1 may be removed by the relevant EMPLOYER at any time and replaced by another person, in accordance with RULE 13.22.1.

**13.23. MEMBERS' Representative of a LOCAL ADVISORY COMMITTEE**

- 13.23.1 At each EMPLOYER's undertaking all MEMBERS employed by the EMPLOYER shall be entitled to elect at least 4 (four) from their number or such larger number as may be agreed between the EMPLOYER to the LOCAL ADVISORY COMMITTEE (hereinafter referred to as "MEMBERS' Representatives"); provided that where an EMPLOYER employs less than 30 (thirty) MEMBERS the number of MEMBERS' Representatives may be reduced to not less than 2 (two) MEMBERS' Representatives. JTS    RP    LM
- 13.23.2 Any person appointed in terms of RULE 13.23.1 may be removed by the MEMBERS Employed at the EMPLOYER's undertaking at any time and replaces by another, in accordance with RULE 13.23.1.

**13.24. Meetings of LOCAL ADVISORY COMMITTEE**

LOCAL ADVISORY COMMITTEE shall meet as and when required. All decision shall require at least two-third of EMPLOYERS' representatives and at least two-thirds of the MEMBERS' representative.

**13.25. Remuneration and expenses**

13.25.1 subject to Rule 13.25.2 below, the TRUSTEES, their alternate appointed or elected in terms of these RULES, the MEMBER of the LOCAL ADVISORY COMMITTEE and any MEMBERS of any sub-committees contemplated in these RULES shall not be entitled to any remuneration for acting as such, unless the TRUSTEES decides otherwise.

13.25.2 The FUND shall bear the cost of all the reasonable expenses incurred by the TRUSTEES, MEMBERS' of the Local and Regional Committee in carrying out their duties in terms of these RULES.

**13.26 Regional Appeal Committees**

13.26.1 Regional Appeal Committees up to a maximum of 6 (six) in number, shall be established from within the REGIONAL ADVISORY COMMITTEES in respect of matters relating to the administration of the FUND, including but not limited to the disposition of death benefits.

13.26.2 In particular, a Regional Appeal Committee shall, subject to RULE 13.26.3, hear and determine appeals in respect of decisions of the LOCAL ADVISORY COMMITTEE in the determination of completion claims to the deceased MEMBER's benefits.

13.26.3 Any appeal in respect of a decision of the LOCAL ADVISORY COMMITTEE shall be lodged with the Regional Appeal Committee within 30 (thirty) days of receipt of the decision of the LOCAL ADVISORY COMMITTEE; Provided that the Regional Appeal Committee may, on good cause shown, extended the 30 (thirty) day period.

**13.27 EMPLOYERS' Representative of a Regional Appeal Committee**

13.27.1 the EMPLOYERS' operating in a REGION shall appoint 3 (three) representatives to the Regional Appeal Committee from among the EMPLOYERS' representative of the REGIONAL ADVISORY COMMITTEE appointed in terms of RULE 13.17.1. *RP LM*

13.27.2 Persons appointed by the EMPLOYERS in terms of RULE 13.27.1 shall be appointed for a period of 5 (five) years, after which period they shall be eligible for re-appointment.

13.27.3 Such persons may resign at any time on giving the EMPLOYERS' and the other MEMBERS of the Regional Appeal Committee written notice.

13.27.4 Any person appointed by the EMPLOYERS in terms of RULE 13.27.1 may be removed by such EMPLOYERS at any time and replaced by another person.

**13.28 MEMBERS' Representation of a Regional Appeal Committee**

13.28.1 The MEMBERS' representative from the REGIONAL ADVISORY COMMITTEE shall appoint 3 (three) representatives to the Regional Appeal Committee.

13.28.2 Persons appointed by the MEMBERS representative in terms of RULE 13.28.1 shall be appointed for a period of 5 (years) years, after which period they shall be eligible for re-appointment.

13.28.3 Such persons may resign at any time on giving the MEMBERS' representative from the REGIONAL ADVISORY COMMITTEE and other MEMBERS of the Regional Appeal Committee written notice.

13.28.4 Any person appointed by the EMPLOYERS in terms of RULE 13.28.1 may be removed at any time and replaced by another person in accordance with RULE 13.28.1

**13.29 TERMINATION OF OFFICE OF MEMBERS OF THE REGIONAL APPEAL COMMITTEE**

The provisions of RULE 13.7 shall apply mutatis mutandis to each MEMBER of the Regional Appeal Committee.

**13.30 MEETINGS OF THE REGIONAL APPEAL COMMITTEE**

13.30.1 With the exception of the provision of RULE 13.9.1 and 13.9.4, the provisions of RULE 13.9.5 shall apply mutatis mutandis to the meeting of the Regional Appeal Committee.

13.30.2 Regional Appeal Committee shall meet as and when required to hear appeals from the REGIONAL ADVISORY COMMITTEE

13.30.3 Two-third of the EMPLOYERS' representative and two-third of the MEMBERS' representative shall be required to be present to be present to form a quorum.

13.30.4 In the event of a meeting of a Regional Appeal Committee not being quorate 30 (thirty) minutes after the appointed time for its commencement, the meeting shall stand adjourned and may be convened not earlier than 14 (fourteen) days thereafter; provided that

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MEMBERS' of the Regional Appeal Committee shall receive at least 7 (seven) day notice of such adjourned meeting.

**13.31 ANNUAL GENERAL MEETING**

- 13.31.1 An annual General Meeting shall be held in each REGION at the time and venue determined by the TRUSTEES from time to time.
- 13.31.2 MEMBERS shall be given reasonable notice for attendance of any Annual General Meeting.

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## 14 FINANCIAL PROVISIONS

### 14.1 INVESTMENTS

- 14.1.1 All moneys received on account of the FUND must be paid into the banking account opened in the name of the FUND.
- 14.1.2 The TRUSTEES shall have full power, subject to the provisions of the ACT and the requirements of the AUTHORITY, to receive, administer and apply the moneys of the FUND and in their absolute discretion to invest, put out at interest, place on deposit, make advances, otherwise deal with the moneys of the FUND upon such security and in such manner as they may from time to time determine and realize, vary, reinvest or otherwise deal with such securities and investments as they from time to time determine.
- 14.1.3 The TRUSTEES shall have power to effect policies of insurance with one or more REGISTERED INSURERS for the purpose of investing the FUND's money in order to meet the cost of providing benefits in terms of these RULES and may notwithstanding the provisions of these RULES, cede all or part of such a policy to a MEMBER in place of a cash sum entitlement in terms of these RULES. The TRUSTEES shall also have power to insure, in whole or in part, the death benefits and disability benefits payable in terms of Special RULES applicable to the participating EMPLOYER.
- 14.1.4 The TRUSTEES may, subject to the requirements of the AUTHORITY, obtain an overdraft from a bank or borrow from an EMPLOYER or any other party, on such terms as they think fit, such sums as they approve for the purpose of completing any investment or meeting any temporary such shortage and for this purpose may give such security as they decide.
- 14.1.5 All title deeds and securities must be registered in the name of the FUND or in the name of such nominee company acceptable to the AUTHORITY as the TRUSTEES may appoint. The documents of title registered in the name of the FUND in connection with any investment or asset of the FUND must be kept in sale custody at the registered office of the FUND or in a banking institution, as decided by the TRUSTEES. Any documents of title registered in the name of a nominee company in connection with any investment or asset of the FUND must be kept in sale custody at the registered office of that company or in a banking institution, as decided by that company.
- 14.1.6 The power of the TRUSTEES to make investments and to realise, vary, reinvest or otherwise deal with the securities concerned, may be delegated by the TRUSTEES, on such terms and conditions as they may specify, to:

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- (a) a sub-committee of such of their number as they nominate;
- (b) a person approved in terms of the Financial Markets Act, Act No. 19 of 2012, as may be amended from time to time.
- (c) a person approved in terms of the Securities SERVICES ACT No.

36 of 2004, as may be amended from time to time.

The TRUSTEES shall not be liable for the negligence, dishonesty or fraud of an institution referred to in (b) or a person referred to in (c), provided that the TRUSTEES have established to their satisfaction that such person or institution referred to maintains adequate fidelity cover.

14.1.7 The TRUSTEES shall have the power to transfer the assets and liabilities of the FUND or a portion thereof to another PROVIDENT FUND, a PROVIDENT PRESERVATION FUND or a PENSION FUND or to take transfer of the assets and liabilities or a portion thereof of another PROVIDENT FUND, a PROVIDENT PRESERVATION FUND, a PENSION FUND or an PENSION FUND. The TRUSTEES shall also have power to take transfer of such amount as is payable to the FUND by the PREVIOUS FUND by reason of MEMBERS who were MEMBERS of that FUND.

14.1.8 All FUND RETURNS earned on the assets of the FUND shall be applied under the DATA RESERVE ACCOUNT.

#### **14.2 GUARANTEES**

The TRUSTEES shall have the power to furnish a guarantee in respect of a loan by some other person to a MEMBER for a purpose referred to in Section 19(5)(a) of the ACT and, if so required for such purpose, may make a deposit in pledge with a financial institution as collateral security. Such guarantee shall be subject to the provisions of the ACT and the requirements of the AUTHORITY

#### **14.3 EXPENSES**

Except where otherwise provided, the whole of the expenses in connection with or incidental to the management or administration of the FUND and its investment thereof, including the cost of the Actuarial investigations and the cost of the audit, shall be borne by the FUND

#### **14.4 ACCOUNTS**

The TRUSTEES shall cause full and true accounts of the FUND to be kept, such accounts to be made up as at the end of each FINANCIAL YEAR, to be audited by the AUDITOR and then to be submitted to the AUTHORITY.

#### **14.5 ACTUARIAL VALUATIONS**

The financial condition of the FUND shall, in terms of Section 16 of the ACT and in accordance with the provisions of any supporting board notices to the ACT, be investigated and reported on by the ACTUARY at intervals not exceeding three years. The TRUSTEES shall forward a copy of such report to the AUTHORITY.

#### **14.6 DEFAULT INVESTMENT PORTFOLIO**

The TRUSTEES may from time to time decide, in their sole and absolute discretion, to offer an identifiable portfolio of assets as a suitable DEFAULT INVESTMENT PORTFOLIO for the investment of all or part of a MEMBER's FUND CREDIT and/or

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contributions made by and on behalf of a MEMBER, or the PAID-UP BENEFIT of a PAID-UP MEMBER, or the DEFERRED BENEFIT of a DEFERRED RETIREE, or the PENSION of a PENSIONER, where such MEMBER, PAID-UP MEMBER, DEFERRED RETIREE or PENSIONER has not specifically chosen, in writing, how his retirement savings are to be invested.

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## 15 OPERATION OF THE FUND

- 15.1 The TRUSTEES shall maintain six (6) separate accounts in respect of the FUND known as the FUND ACCOUNT, the MISMATCHING RESERVE ACCOUNT, the PENSION ACCOUNT, the Expense Reserve, the DATA RESERVE ACCOUNT and the RISK RESERVE ACCOUNT which shall operate in accordance with RULE 15.1.1., RULE 15.1.2, RULE 15.1.3, RULE 15.1.4, RULE 15.1.5 and RULE 15.1.6. The value of the FUND at any particular date shall be the sum of the balance of these accounts.

### 15.1.1 FUND ACCOUNT

15.1.1.1 To the FUND ACCOUNT shall be credited the assets underlying each MEMBER's FUND CREDIT.

15.1.1.2 The amount standing to the credit of the FUND ACCOUNT shall:

- (i) be used to pay the MEMBER's benefits under RULE 5, RULE 6, RULE 7 or RULE 8;
- (ii) be transferred in respect of the MEMBER in terms of RULE 10.2.4;
- (iii) be used to give effect to a court order envisaged in Section 37D of the ACT;
- (iv) be used to pay any outstanding housing loans in the event of a MEMBER defaulting with the repayment thereof, subject to the requirements of the AUTHORITY; provided that such deduction shall be made as a last resort after the TRUSTEES are satisfied that no other arrangement can be made in respect of the repayment of the loan;
- (v) be used for the purpose referred to in RULE 15.1.4.3.

### 15.1.2 MISMATCHING RESERVE ACCOUNT

15.1.2.1 To the MISMATCHING RESERVE ACCOUNT shall be credited any amount required to be credited as recommended by the ACTUARY and agreed to by the TRUSTEES: JS RP LM

15.1.2.2 The amount standing to the credit of the MISMATCHING RESERVE ACCOUNT shall be adjusted by the FUND Return earned on the portfolio or portfolios in which the MEMBER assets in this account are invested.

15.1.2.3 The amount standing to the credit of the MISMATCHING RESERVE ACCOUNT shall be used to protect the FUND against any mismatches between assets and liabilities as a result of timing differences between the receipt of cash and actual investment in the market as well as disinvestment.

15.1.2.4 Based on the recommendation of the ACTUARY, the TRUSTEES may redistribute, any amount standing to the credit of the MISMATCHING RESERVE ACCOUNT in terms of Section 15C of the ACT.

### 15.1.3 PENSION ACCOUNT

15.1.3.1 The PENSION ACCOUNT shall be credited the amount transferred in terms of RULE 5.2.2(c) in respect of a specific PENSIONER.

15.1.3.2 The amount standing to the credit of the PENSION ACCOUNT shall be used:

- (i) to meet PENSION payments in terms of RULE 5.2.2.3;
- (ii) to meet any lumpsum payments in terms of RULE 5.2.2.3 (e) and RULE 11.1.2.(c)(ii);
- (iii) to pay any amounts transferred to a REGISTERED INSURER;
- (iv) to pay any expenses of any nature, including but not limited to the cost of administration, Benefit Counselling, insurance premiums, taxes or other charges determined by the TRUSTEES, which are charged by the FUND in respect of the PENSION provided to the PENSIONER from this account.

15.1.3.3 The amount standing to the credit of the PENSION ACCOUNT shall be adjusted by the FUND Return earned on the portfolio or portfolios in which the PENSIONER's assets in this account are invested.

15.1.3.4 It is specifically provided that the FUND's liability in respect of a PENSION payable in relation to a PENSIONER is limited at any time to the balance in the PENSION ACCOUNT.

### 15.1.4 EXPENSE RESERVE ACCOUNT

15.1.4.1 To the EXPENSE RESERVE ACCOUNT shall be credited any amount required to be credited as recommended by the ACTUARY and agreed to by the TRUSTEES, in terms of RULE 15.1.1.2(v).

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15.1.4.2 The amount (if any) standing to the credit of the EXPENSE RESERVE ACCOUNT shall be adjusted by such proportionate share of the FUND Return earned by the FUND as the amount in the EXPENSE RESERVE ACCOUNT bears to the sum of all amounts standing to the credit of the FUND.

15.1.4.3 The amount standing to the credit of the EXPENSE RESERVE ACCOUNT shall be used to house any excess or allow for the debiting of any shortfall in the FUND expenses, as recommended by the ACTUARY and agreed to by the TRUSTEES.

15.1.4.4 The TRUSTEES, at their discretion and in consultation with the ACTUARY, may decide to allocate any positive balance in the EXPENSE RESERVE ACCOUNT to MEMBERS' FUND CREDITS.

In the event of a negative balance in the EXPENSE RESERVE ACCOUNT, unless the EMPLOYER agrees to FUND the deficit, any such amount may be recovered from MEMBERS' FUND CREDITS.

#### 15.1.5 DATA RESERVE ACCOUNT

15.1.5.1 To the DATA RESERVE ACCOUNT shall be credited any amount required to be credited as recommended by the ACTUARY and agreed to by the TRUSTEES

15.1.5.2 The amount (if any) standing to the credit of the DATA RESERVE ACCOUNT shall be adjusted by such proportionate share of the FUND Return earned by the FUND as the amount in the DATA RESERVE ACCOUNT bears to the sum of all amounts standing to the credit of the FUND.

15.1.5.3 The amount standing to the credit of the DATA RESERVE ACCOUNT shall be used to protect the FUND against any possible liabilities as a result of data discrepancies.

15.1.5.4 Based on the recommendation of the ACTUARY, TRUSTEES may redistribute any amount standing to the credit of the DATA RESERVE ACCOUNT in terms of Section 15C of the ACT.

#### 15.1.6 RISK RESERVE ACCOUNT

15.1.6.1 To the RISK RESERVE ACCOUNT shall be credited

- (a) the amount required to be applied in terms of RULE 4.2.1(b) towards the cost of the APPROVED RISK BENEFIT referred to in RULE 6.1(b) and 7.2, and

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- (b) any proceeds payable to the FUND in respect of any claim relating to the REINSURANCE COVER

15.1.6.2 The amount standing to the credit of the RISK RESERVE ACCOUNT shall be used:

- (a) to pay expenses connected with or incidental to the management and payment of the APPROVED RISK BENEFIT referred to in RULE 6.1.(b) and 7.2;
- (b) to pay premiums payable by the FUND in respect of the REINSURANCE COVER
- (c) to pay the APPROVED RISK BENEFIT referred to in RULE 6.1(b) and RULE 7.2, and

15.1.6.3 The amount standing to the credit of the RISK RESERVE ACCOUNT shall be adjusted by the FUND Return earned on the portfolio or portfolio's in which the assets in this account are invested

15.1.6.4 The TRUSTEES may, on the advice of the ACTUARY and in accordance with the procedures determine from time to time by the TRUSTEES, redistribute to the MEMBERS any amount standing to the credit of the RISK RESERVE ACCOUNT.

15.2 All expenses and any losses incurred by the FUND shall be debited to the FUND ACCOUNT and applied under the EXPENSE RESERVE ACCOUNT.

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**16 ADMINISTRATION OF THE FUND**

- (a) The FUND shall be administered by ADMINISTRATORS appointed by, and acting on the instructions of, the TRUSTEES.
- (b) The ADMINISTRATORS shall keep a complete record of all necessary particulars of the MEMBERS of the FUND and of all persons entitled to benefits and of all other matters essential to the operation of the FUND.
- (c) The ADMINISTRATORS shall keep full and true accounts of the FUND as required in terms of RULE 14.4.
- (d) All cheques, contracts and other documents pertaining to the FUND shall be signed by such persons as the TRUSTEES by resolution may appoint; provided that documents to be deposited with the AUTHORITY must be signed in the manner set out in the ACT.
- (e) The ADMINISTRATORS shall maintain fidelity cover to indemnify the FUND against any loss resulting from the dishonesty or fraud of any person employed by them.

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**17 ALTERATIONS**

- 17.1 TRUSTEES may, subject to RULE 17.2 and the approval of the AUTHORITY and the Revenue AUTHORITY, alter these RULES at any time; provided that no alterations shall be made to:
- (a) RULE 4.1 without the prior consent of a majority of the MEMBERS in each EMPLOYER's undertaking;
  - (b) RULE 4.2 and this paragraph without the prior written consent of all the EMPLOYERS;
  - (c) the Special RULES and this paragraph without the consent of the EMPLOYER and CEPPWAWU.
- 17.2 No alteration to the RULES, which affects the financial condition of the FUND, may be made until it has been referred by the TRUSTEES to the ACTUARY.
- 17.3 All alterations to the RULES shall be submitted to the AUTHORITY, the REVENUE AUTHORITIES and any other statutory AUTHORITY who so requires
- 17.4 If the registration of any alteration to these RULES in terms of the ACT is effected on a date after the effective date of the alteration, the alteration shall nevertheless take effect from the date as stated in the alteration.

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**18 INTERPRETATION OF RULES AND DISPUTES**

- 18.1 The decision of the TRUSTEES as to the meaning of or interpretation of these RULES or of any particular RULE or part of a RULE shall be final and binding on EMPLOYERS, MEMBERS and every person claiming to be entitled to a benefit under these RULES, Subject to the provisions of Section 30A of the ACT. (The contents of section 30A of the ACT are contained in the Annexure to the RULES.
- 18.2 Any question which may arise with regard to a claim by any person under these RULES shall be decided by the TRUSTEES, subject to the provisions of Section 30A of the ACT.
- 18.3 If any person affected by a decision of the TRUSTEES in terms of RULES 18.1 or 18.2 is dissatisfied with the decision, he shall
- (a) have the right to lodge a written complaint as envisaged in Section 30A of the ACT. If such person remains dissatisfied he may lodge his complaint with the PENSION FUNDS Adjudicator appointed in terms of the ACT which shall be dealt with in accordance with Sections 30D to 30P of the ACT. (The contents of Sections 30D to 30P of the ACT are contained in the Annexure to the RULES); or
  - (b) have the right to refer the matter to arbitration in accordance with the provision of the Arbitration ACT, 1965. Notice of intention to exercise such right must be given by the person concerned to the TRUSTEES' not later than three months from the date of the TRUSTEES' decision and before the arbitration commences the person concerned must furnish such security for the costs of the arbitration as the TRUSTEES may reasonably require. The cost of the arbitration shall follow the award of the arbitrator.
- 18.4 The EMPLOYER, the TRUSTEES (or one or more of their number), or any other person having a complaint or dispute of fact or law shall, notwithstanding anything to the contrary in these RULES, have the right to invoke the complaint procedures in accordance with the ACT.

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**19 UNCLAIMED BENEFITS**

Any UNCLAIMED BENEFIT (if applicable), as defined in the ACT which has not been paid by the FUND for a period of twenty-four months from the ACCRUAL DATE, or any other period as may be prescribed by the AUTHORITY from time to time, may remain in the FUND until such benefit is paid to any person who is entitled thereto in terms of these RULES, provided that:

- 19.1 the ongoing administration expenses shall be recovered from the UNCLAIMED BENEFIT of the individual concerned,
- 19.2 any reasonable costs incurred as a consequence of the TRUSTEES tracing any individual who is entitled to an UNCLAIMED BENEFIT, may, at the discretion of the TRUSTEES, be recovered from the benefit payable to such individual; and
- 19.3 the TRUSTEES shall have the option to transfer all/any UNCLAIMED BENEFITs into an UNCLAIMED BENEFIT FUND that has been lawfully set up for purposes of housing UNCLAIMED BENEFITs.

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## 20 MISCELLANEOUS PROVISIONS

- 20.1 (a) Subject to payment of such fees as the TRUSTEES may require, a MEMBER shall be entitled on application to copy of any of the documents referred to in Section 35(1) of the ACT.
- (b) A MEMBER shall be entitled on application to inspect without charge a copy of any of the documents referred to in Section 35(2) of the ACT and to make extracts therefrom.
- 20.2 The EMPLOYERS must from time to time furnish to the TRUSTEES in respect of those EMPLOYEES who are MEMBER all necessary particulars affecting their benefits or their entitlement to benefits under the FUND and the TRUSTEES shall be entitled to ACT upon such particulars without further enquiry and will not be responsible to any MEMBER or to the EMPLOYER or to any other person or body whatsoever for any mis-statements or error omissions which may be contained in such particulars.
- 20.3 The MEMBERS of the FUND shall be treated as deferred creditors and their claims against the FUND in their capacity as MEMBERS shall not be settled until the claims of ordinary creditors have been paid.
- 20.4 When required by the TRUSTEES, a MEMBER shall produce suitable evidence of age acceptable to the TRUSTEES and must also give such other information as the TRUSTEES may reasonable require for the purposes of the FUND.
- 20.5 (a) Payment of any benefit due in terms of these RULES shall be made to a MEMBER or a person entitled to the benefit in terms of these RULES either-
- (i) Into a bank account registered in the name of the MEMBER or a person entitled to the benefit in terms of these RULES, with a bank register in terms of the Banks ACT, 1990 (ACT No. 94 of 1990), as amended, by means of electronic FUNDS transfer; provided that the MEMBER or a person entitled to the benefit in terms of these RULES shall, before payment is effected, inform the FUND in writing of the particulars of his bank account and such other details pertaining thereto as the TRUSTEES may prescribed from time to time; or,
- (ii) should the MEMBER or a person entitled to the benefit in terms of these RULES so request, payment may be made in a manner agreed upon by the MEMBER or a person entitled to the benefit in terms of these RULES and the TRUSTEES, including, but not limited to, postage by registered mail of a cheque; provided that should the MEMBER or a person entitled to a benefit in terms of these RULES request postage by

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registered mail of a cheque, he shall, before postage of a cheque, advise the FUND in writing of the particulars of his postal address and also furnish the FUND with a written indemnity in a form approved by the TRUSTEES indemnifying the FUND from any loss or losses occasioned as a result thereof by any cause of whatsoever nature; or

(iii) at the registered office of the FUND by means of a cheque made payable to the MEMBER or person entitled to the benefit in terms of these RULES; or

(b) payment of benefit to a MEMBER or a person entitled to the benefit in terms of this RULE 18.4 shall constitute full and final settlement of all and any claims a MEMBER or a person entitled to the benefit in terms of these RULES may have against the FUND in respect of such benefit and neither the FUND, the TRUSTEES nor the ADMINISTRATORS shall have any further liability to any person in respect of such benefit.

20.6 All benefits and rights to benefits in terms of these RULES shall be subject to the prohibitions as to reduction, cession, etc. contained in Sections 37A and 37B of the ACT. (The contents of these Sections are contained in the Annexure to these RULES).

20.7 Nothing in these RULES shall in any way restrict the right of the EMPLOYER to terminate the employment of any MEMBER or affect any agreement between the EMPLOYER and an EMPLOYEE in regard to conditions of SERVICE.

20.8 No person shall have any claim concerning the FUND either upon the FUND or against the EMPLOYERS, except in accordance with these RULES.

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

#### 20.10 **DIVORCE COURT ORDERS**

In the event of the FUND being served with a valid court order issued in terms of Section 7(8) of the Divorce ACT, No. 70 of 1979, as may be amended from time to time and requiring the FUND to effect the terms of such a divorce order in terms of Section 37D of the ACT, the TRUSTEES shall give effect to the order.

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## EXTRACTS FROM THE ACT DEFINITIONS IN

## TERMS OF THE ACT

"Complainant" means —

- (a) any person who is, or who claims to be —
  - (i) a MEMBER or former MEMBER of a FUND;
  - (ii) a beneficiary or former beneficiary of a FUND;
  - (iii) an EMPLOYER who participates in a FUND;
- (b) any group of persons referred to in paragraph (a) (i), (ii) or (iii);
- (c) a board of a FUND or MEMBER thereof; or
- (d) any person who has an interest in a complaint;

'Complaint means a complaint of a complainant relating to the administration of a FUND, the investment of its FUNDS or the interpretation and application of its RULES, and alleging —

- (a) that a decision of the FUND or any person purportedly taken in terms of the RULES was in excess of the powers of that FUND or person, or an improper exercise of its powers;
- (b) that the complainant has sustained or may sustain prejudice in consequence of the maladministration of the FUND by the FUND or any person, whether by ACT or omission;
- (c) that a dispute of fact or law has arisen in relation to a FUND between the FUND any person and the complainant; or
- (d) that an EMPLOYER who participates in a FUND has not fulfilled its duties in terms of the RULES of the FUND;

but shall not include a complaint which does not relate to a specific complainant:

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"dependent", in relation to a MEMBER, means —

- (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 person managing the business of the FUND, upon the death of the MEMBER in fact dependent on the MEMBER for maintenance;
  - (ii) is the spouse of the MEMBER, including a party to a customary union according to Black law and custom, or to a union recognized as a marriage under the tenants of any Asiatic religion,
  - (iii) is a child of the MEMBER. Including a posthumous child, an adopted child and an illegitimate child;
- (c) a person in respect of whom the MEMBER would have become legally liable for maintenance, had the MEMBER not died.

**Section 19(5)**

- (a) A registered FUND may, if its RULES so permit and subject to the regulations, grant a loan to a MEMBER by way of investment of its FUNDS or furnish a guarantee in favour of a person other than the FUND in respect of a loan granted or to be granted by such other person to a MEMBER to enable the MEMBER -
- (i) to redeem a loan granted to the MEMBER against security of, either a pledge by the MEMBER concerned to the FUND of the benefit contemplated in paragraph (c) (ii), or immovable property which either belongs to the MEMBER or his or her spouse or the MEMBER and his or her spouse and on which a residence has been or will be erected which is occupied or, as the case may be, will be occupied by the MEMBER or a dependent of the MEMBER;
  - (ii) to acquire immovable property on which a residence has been or will be erected, or to erect a residence on immovable property in respect of which, either the MEMBER or his or her spouse, or the MEMBER and his or her spouse, has or have obtained ownership or the right to ownership through a right of occupation, for occupation by the MEMBER or a dependent of the MEMBER; or JS RP LM
  - (iii) to make additions or alterations to or maintain or repair a residence of which ownership or the right to ownership was obtained through a right of occupation by either the MEMBER or his or her spouse or the MEMBER and his or her spouse and which is occupied or will be occupied by the MEMBER or a dependent of the MEMBER.

If the right of occupation of the immovable property or residence is secured by virtue of the operation of any custom or law, other than an agreement of lease or similar temporary measure, entitling such MEMBER, or his or her dependents, to the right of occupation of such immovable property or residence or any specified portion thereof.

(b) A loan or a guarantee by a FUND, contemplated in paragraph (a) shall not be granted or furnished, respectively, after the commencement of the PENSION FUNDS Amendment ACT, 2001. -

(i) unless secured by -

(aa) a first mortgage on the immovable property in respect of which the loan is granted; or

(bb) a pledge by the MEMBER concerned to the FUND of the benefits to which the MEMBER is entitled in terms of the RULES of the FUND; or

(cc) both such mortgage and such pledge;

(ii) in respect of immovable property if the MEMBER concerned is liable to the FUND in respect of a loan or guarantee granted or furnished in respect of the MEMBER in respect of other immovable property;

(iii) unless in the case of a loan granted by the FUND, the rate of interest on the loan is equal to or exceeds the rate of interest, which may from time to time be prescribed by regulation;

(iv) in case of a loan granted to the MEMBER by some other person in respect of which a guarantee has been furnished by the FUND, or in respect of a loan by the FUND to the MEMBER, unless the capital sum in respect of any such loan together with interest thereon, is redeemable over a period not exceeding 30 years in equal weekly or monthly installments; provided that if such period in particular case extends beyond the NORMAL RETIREMENT DATE of the MEMBER concerned, the outstanding balance of the loan on that date must be able to be repaid out of no more than one third of the total value of the benefit due to the MEMBER at that date.

(c) A loan or guarantee contemplated in paragraph (a) shall not exceed, at the time it is granted or furnished, where it is secured in accordance with: -

(i) paragraph (b)(i)(aa), 90 per cent of the fair value of the hypothecated Immovable property concerned;

(ii) paragraph (b)(i)(bb), the lesser of the amount of-

- (aa) the lowest benefit in terms of the RULES which the MEMBER would receive on termination of his or her Membership of the FUND, net of income tax as envisaged in section 37D (a); or
  - (bb) the fair value of the immovable property concerned;
- (iii) paragraph (b)(i)(cc), the lesser amount of-
- (aa) the amount equal to the aggregate of 90 per cent of the fair value of the hypothecated immovable property concerned and the amount of the lowest benefit in terms of the RULES which the MEMBER would receive on termination of his or her Membership of the FUND, net of income tax as envisaged in section 37D (a); or
  - (bb) the fair value of the hypothecated immovable property concerned.
- (d) The percentages referred to in subparagraphs (i) and (iii) of paragraph (c), may be increased to 100 per cent, subject to the furnishing to the FUND by the EMPLOYER of the of an irrevocable guarantee in respect of so much of the loan or the amount of the guarantee as may exceed 90 per cent.
- (e) For the purposes of this section "immovable property" includes land tenure right as defined in Section 1 of the Upgrading of Land Tenure Rights Act, 1991 (ACT No. 112 of 1991).

### **30A Submission and consideration of complaints**

- (1) Notwithstanding the provisions of the RULES of any FUND, a complainant shall have the right to lodge a written complaint with a FUND or an EMPLOYER who participates in a FUND.
- (2) A complaint so lodged shall be properly considered and replied to in writing by the FUND or the EMPLOYER who participates in a FUND within 30 days after the receipt thereof.
- (3) If the complainant is not satisfied with the reply contemplated in subsection (2), or if the FUND or the EMPLOYER who participates in a FUND fails to reply within 30 days after the receipt of the complaint the complainant may lodge the complaint with the Adjudicator.

### **30D Main object of Adjudicator**

The main object of the Adjudicator shall be to dispose of complaints lodged in terms of section 30A (3) of this ACT in a procedurally fair, economical and expeditious manner.

### **30E Disposal of complaints**

- (1) In order to achieve his or her main object, the Adjudicator
  - (a) Shall, subject to paragraph (b), investigate any complaint and may make the order which any court of law may make;

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(b) May, if it is expedient and prior to investigating a complaint, require any complainant first to approach an organization established for the purpose of resolving disputes in the PENSION FUNDS industry or part thereof, and approved by the AUTHORITY.

(2) Any complaint dealt with in terms of subsection (1)(b) shall be recorded by the Adjudicator and shall, for purposes of section 30H(3), be deemed to be a receipt of a complaint.

(3) If the complaint, dealt with in terms of subsection 1)(b), is not resolved, the complainant may again lodge the complaint with the Adjudicator who shall deal with it in terms of subsection (1)(a)

### **30F Opportunity to comment**

When the Adjudicator intends to conduct an investigation into a complaint he or she shall afford the FUND or person against whom the allegations contained in the complaint are made, the opportunity to comment on the allegations.

### **30G Parties to complaint**

The parties to a complaint shall be-

- (a) the complainant;
- (b) the FUND or person against whom the complaint is directed,
- (c) any person who has applied to the Adjudicator to be made a party and who has a sufficient interest in the matter to be made a party to the complaint;
- (d) any other person whom the Adjudicator believes has sufficient interest in the matter to be made a party to the complaint;

### **30H Jurisdiction and Prescription**

- (1) The Adjudicator shall, subject to section 30I, investigate a complaint notwithstanding that the complaint relates to a matter which arose prior to the commencement of the PENSION FUNDS Amendments ACT, 1995.
- (2) The Adjudicator shall not investigate a complaint if, before the lodging of the complaint, proceedings have been instituted in any civil court in respect of a matter which would constitute the subject matter of the investigation.
- (3) Receipt of a complaint by the Adjudicator shall interrupt any running of prescription in terms of the Prescription ACT, 1969 (ACT No. 58 of 1969), or the RULES of the FUND in question.

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### **30I Time limit for lodging of complaints**

- (1) The Adjudicator shall not investigate a complaint if the ACT or omission to which it relates occurred more than three years before the date on which the complaint is received by him or her in writing.

- (2) If the complainant was unaware of the occurrence of the ACT or omission contemplated in subsection (1), the period of three years shall commence on the date on which the complainant became aware or ought reasonably to have become aware of such occurrence, whichever occurs first.
- (3) The Adjudicator may on good cause shown or of his or her own motion
  - (a) either before or after expiry of any period prescribed by this Chapter, extend such period;
  - (b) Condone non-compliance with any time limit prescribed by this Chapter.

### **30J Procedure for conducting investigation**

- (1) The Adjudicator may follow any procedure which he or she considers appropriate in conducting an investigation, including procedures in an inquisitorial manner.
- (2) Notwithstanding section 22 of the Financial SERVICES Board ACT, 1990 (ACT No. 97 of 1990), the adjudicator may obtain copies of any document or correspondence contained in the files of the AUTHORITY.
- (3) Sections 1, 2, 3, 4 and 6 of the Commissions ACT, 1947 (ACT No. 8 of 1947), shall apply mutatis mutandis to the Adjudicator.

### **30K Legal representation**

No party shall be entitled to legal representation at proceedings before the Adjudicator.

### **30L Record of proceedings**

- (1) The Adjudicator shall keep or cause to be kept, whether in writing or by mechanical or electronic means, a permanent record of the proceedings relating to the adjudication of a complaint and the evidence given.
- (2) Any MEMBER of the public may obtain a readable copy of the record on payment of a fee determined by the Adjudicator.
- (3) The AUTHORITY may, for purposes of the performance of his or her functions in terms of this or any other ACT, rely on a copy of the record without the need of any further proof.

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### **30M Statement by Adjudicator regarding determination**

After the Adjudicator has completed an investigation, he or she shall send a statement containing his or her determination and reasons therefor, signed by him or her, to all parties concerned as well as to the clerk or AUTHORITY of the court

which would have had jurisdiction had the matter been heard by a court.

### **30N Interest on amount awarded**

Where a determination consists of an obligation to pay an amount of money, the debt shall bear interest as from the date and at the rate determined by the Adjudicator.

### **30O Enforceability of determination**

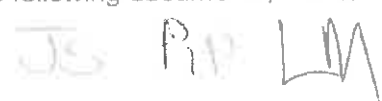
- (1) Any determination of the Adjudicator shall be deemed to be a civil judgment of any court of law had the matter in question been heard by such court, and shall be so noted by the clerk or the AUTHORITY of the court, as the case may be
- (2) A writ or warrant of execution may be issued by the clerk or the AUTHORITY of the court in question and executed by the sheriff of such court after expiration of a period of six weeks after the date of the determination, on condition that no application contemplated in section 30P has been lodged.

### **30P Access to court**

- (1) Any party who feels aggrieved by a determination of the Adjudicator may, within six weeks after the date of the determination, apply to the division of the Supreme Court which has jurisdiction, for relief, and shall at the same time give written notice of his or her intention so to apply to the other parties to the complaint.
- (2) The division of the Supreme Court contemplated in subsection (1) shall have the power to consider the merits of the complaint in question, to take evidence and to make and order it deems fit.

## **Section 35: Right to obtain copies of or to inspect certain documents**

- 1) Every registered FUND shall deliver to any MEMBER on demand by such MEMBER, and on payment of such sum as may be determined by the RULES of the FUND, a copy of any of the following documents, that is to say
 



  - (a) The RULES of the FUND;
  - (b) The last revenue account and the last balance sheet prepared in terms of subsection (1) of section fifteen.
- 2) Any MEMBER shall be entitled to inspect without charge at the registered

office of a registered FUND, a copy of any of the following documents and make extracts therefrom, that is to say -

- (a) The documents referred to in subsection (1);
- (b) The last report (if any) by a valuator prepared in terms of section sixteen;
- (c) The last statement (if any) and report thereon prepared in terms of section seventeen;
- (d) Any scheme which is being carried out by the FUND in accordance with the provisions of section eighteen.

**Section 37A: PENSION benefits not reducible, transferable or executable**

- (1) Save to the extent permitted by this ACT, the Income Tax ACT, 1962 (ACT No. 58 of 1962), the Maintenance ACT, 1963 (ACT No. 23 Of 1963), no benefit provided for in the RULES of a registered FUND (including an annuity purchased or to be purchased by the said FUND from an insurer for a MEMBER), or right to such benefit, or right in respect of contributions made by or on behalf of a MEMBER, shall notwithstanding anything to the contrary contained in the RULES of such a FUND, be capable of being reduced, transferred or otherwise ceded, or of being pledged or hypothecated, or be liable to be attached or subjected to any form of execution under a judgment or order of a court of law, or to the extent of not more than three thousand rand per annum, be capable of being taken into account in determination of a judgment debtor's financial position in terms of section 65 of the Magistrates' court ACT, 1944 (ACT No.32 of 1944), and in the event of the MEMBER or beneficiary concerned attempting to transfer or otherwise cede, or to pledge or hypothecated, such benefit or right, the FUND concerned may withhold or suspend payment thereof:

Provided that the FUND may pay any such benefit or any benefit in pursuance of such contributions, or part thereof, to any one or more of the dependents of the MEMBER or beneficiary or to a guardian or TRUSTEE for the benefit of such dependent or dependents during such period as it may determine.

- (2) (a) If in terms of the RULES of a FUND the residue of a full benefit, after deduction of any debt due by the person entitled to the benefit, represents the benefit due to that person, such reduction shall for the purposes of subsection (1) be construed as a reduction of the benefit.
- (b) The set-off of any debt against a benefit shall for the purposes of subsection (1) be construed as a reduction of the benefit. *JS RP LM*
- (3) The provisions of subsection (1) shall not apply with reference to anything done towards reducing or obtaining settlement of a debt-
  - a. which, in the case of a FUND to which the Financial Institutions Amendment ACT, 1976 (ACT No. 101 of 1976), applies, arose before the commencement of

that ACT;

- b. which, in the case of a FUND to which the Financial Institutions Amendment ACT, 1976 does not apply, arose before the commencement of the Financial Institutions Amendment ACT, 1977,
- c. which a FUND may reduce or settle under section 37D, to the extent to which a FUND may reduce or settle such debt; or
- d. Which is owed to a FUND by a MEMBER in respect of arrear contributions, but excluding amount which are in arrear due to the failure of the EMPLOYER concerned to pay the MEMBER's contributions to the FUND after deduction thereof from the MEMBER's remuneration.

#### **Section 37B. Disposition of PENSION benefits upon insolvency**

If the estate of any person entitled to a benefit payable in terms of the RULES of a registered FUND (including an annuity purchased by the said FUND from an insurer for that person) is sequestrated or surrendered, such benefit or any part thereof which became payable after the commencement of the Financial Institutions Amendment ACT, 1976 (ACT No. 1 01 of 1976) shall, subject to a pledge in accordance with section 19(5)(b)(i) and subject to the provisions of sections 37A (3) and 37D, not be deemed to form part of the assets in the insolvent estate of that person and may not in any way be attached or appropriated by the TRUSTEE in his insolvent estate or by his creditors, notwithstanding anything to the contrary in any law relating to insolvency.

#### **Section 37C. Disposition of PENSION benefits upon death of a MEMBER**

- (1) Notwithstanding anything to the contrary contained in any law or in the RULES of a registered FUND, any benefit payable by such a FUND upon the death of a MEMBER, shall, subject to a pledge in accordance with section 19(5)(b)(i) and subject to the provisions of sections 37A (3) and 37D, not form part of the assets in the estate of such a MEMBER, but shall be dealt with in the following manner:
  - (a) If the FUND within twelve months of the death of the MEMBER becomes aware of or traces a dependent or dependents of the MEMBER, the benefit shall be paid to such dependent or, as may be deemed equitable by the board to one of such dependents or in proportions to some of or all such dependents.
  - (b) If the FUND does not become aware of or cannot trace any dependents of the MEMBER within twelve months of the death of the MEMBER, and the MEMBER has designated in writing to the FUND a nominee who is not a dependent of the MEMBER, to receive the benefit or such portion of the benefit as is specified by the MEMBER in writing to the FUND, the benefit or such portion of the benefit shall be paid to such nominee; provided that where the aggregate amount of the debts in the estate of the MEMBER exceeds the aggregate amount of the assets in his estate, so much of the benefit as is equal to the difference between such aggregate amount of debts and such aggregate amount of assets shall be paid into the estate and the balance of such benefit or the balance of such opinion of the benefit as specified by the MEMBER in writing to the FUND shall be paid to the nominee.

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- (bA) If a MEMBER has a dependent and the MEMBER has also designated in writing to the FUND a nominee to receive the benefit or such portion of the benefit as is specified by the MEMBER in writing to the FUND, the FUND shall within twelve months of the death of such MEMBER pay the benefit or such portion thereof to such dependent or nominee in such proportions as the board may deem equitable: Provided that this paragraph shall only apply to the designation of a nominee made on or after June 1989: Provided further that, in respect of a designation made on or after the said date, this paragraph shall not prohibit a FUND from paying the benefit, either to a dependent or nominee contemplated in this paragraph or, if there is more than one such dependent or nominee, in proportions to any or all of those dependents and nominees.
- (c) If the FUND does not become aware of or cannot trace any dependents of the MEMBER within twelve months of the death of the MEMBER, and if the MEMBER has not designated a nominee or if the MEMBER has designated a nominee to receive a portion of the benefit in writing to the FUND, the benefit or the remaining portion of the benefit after payment to the designated nominee, shall be paid into the estate of the MEMBER or, if no inventory in respect of the MEMBER has been received by the Master of the Supreme Court in terms of section 9 of the Estates ACT, 1965 (ACT No. 66 of 1965) into the Guardian's FUND.

For the purpose of this section, a payment by a registered FUND to a dependent nominee shall be deemed to include a payment made by the FUND to a TRUSTEE contemplated in the Trust Property Control ACT, 1988 (ACT of No. 57 of 1988), for the benefit of a dependent or nominee contemplated in this section.

- (2) (a) for the purpose of this section, a payment by a registered FUND for the benefit of a dependant or nominee contemplated in this section shall be deemed to be a payment to such dependant or nominee, if payment is made to:
- (i) a TRUSTEE contemplated in the Trust Property Control ACT, 1998, nominated by –
- (aa) the MEMBER;
- (bb) a major dependant or nominee, subject to subparagraph (cc); or
- (cc) a person recognised in law or appointed by a Court as the person responsible for managing the affairs or meeting the daily care needs of a minor dependant or nominee, or a major dependant or nominee not able to manage his or her affairs or meet his or her daily care needs;
- (ii) a person recognised in law or appointed by a Court as the person responsible for managing the affairs or meeting the daily care needs of a dependant or nominee; or
- (iii) a beneficiary FUND.
- (b) No payment may be made in terms of this section on or after 1 January 2009 to a beneficiary FUND which is not registered under this ACT.
- (3) Any benefit dealt with in terms of this section, payable to a minor dependent or minor nominate, may be paid in more than one payment in such amounts as the

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board may from time to time consider appropriate and in the best interests of such dependent or nominee: Provided that interest at a reasonable rate, having regard to the FUND RETURN earned by the FUND, shall be added to the outstanding balance at such times as the board may determine: Provided further that any balance owing to such a dependent or nominee at the date on which he or she attains majority or dies, whichever occurs first, shall be paid in full.

- (4) (a) Any benefit dealt with in terms of this section, payable to a major dependent or major nominee, may be paid in more than one payment if the dependent or nominee has consented thereto in writing:

Provided that -

- (i) the amount of the payments, intervals of payment, interest to be added and other terms and conditions are disclosed in a written agreement; and
- (ii) the agreement may be cancelled by either party on written notice not exceeding 90 days.
- (5) The provisions of subsections (3) and (4) do not apply to a beneficiary FUND, and any remaining assets held for the benefit of a deceased beneficiary in a beneficiary FUND must be paid into the estate of such beneficiary or, if no inventory in respect of the beneficiary has been received by the Master of the High Court in terms of section 9 of the Administration Estate ACT, 1965 (ACT No. 66 of 1965), into Guardian's FUND or UNCLAIMED BENEFIT FUND.

**Section 37D. FUND may make certain deductions from PENSION benefits**

- (1) A registered FUND may-
- (a) deduct any amount due on the benefit in question by the MEMBER in accordance with the Income Tax ACT, 1962 (ACT No. 58 of 1962), and any amount due to the FUND in respect of :-
- (i) a loan granted to a MEMBER in terms of section 19(5); or
- (ii) any amount for which the FUND becomes liable under a guarantee furnished in respect of a MEMBER for a loan granted by some other person to the MEMBER in terms of section 19(5), from
- (aa) the amount of the benefit to which the MEMBER or a beneficiary becomes entitled in terms of the RULES of the FUND; or
- (bb) in the case of a transfer of the MEMBER to another FUND, the amount of the benefit which the FUND is so entitled to

transfer, if the board of the transferor FUND is satisfied that it is not otherwise reasonably possible to negotiate the repayment or to transfer the loan or the guarantee; or

- (cc) in the case of default on the repayment of any such loan by MEMBER concerned in circumstances where his or her Membership of the FUND is not terminated, the amount of the benefit which the MEMBER would have received on termination of the Membership on the date of default, if such a deduction is only effected as a last resort after the board of the FUND is satisfied that no other arrangement for the required repayment can be made; and

- (b) deduct any amount due by a MEMBER to his EMPLOYER on the date of his retirement or on which he ceases to be a MEMBER of the FUND, in respect of -

- (i) (aa) a loan granted by the EMPLOYER to the MEMBER for any purpose referred to in section 19(5)(a); or

- (bb) any amount for which the EMPLOYER is liable under a guarantee furnished in respect of a loan by some other person to the MEMBER for any purpose referred to in section 19(5)(a),

to an amount not exceeding the amount which in terms of the Income Tax ACT, 1962, may be taken by a MEMBER or beneficiary as a lump sum benefit as defined in the Second Schedule to that ACT; or

- (ii) compensation (including any legal costs recoverable from the MEMBER in a matter contemplated in subparagraph (bb)) in respect of any damage caused to the EMPLOYER by reason of any theft, dishonesty, fraud or misconduct by the MEMBER, and in respect of which -

- (aa) the MEMBER has in writing admitted liability to the EMPLOYER; or

- (bb) judgment has been obtained against the MEMBER in any court, including a magistrate's court;

from any benefit payable in respect of the MEMBER or a beneficiary in terms of the RULES of the FUND, and pay such amount to the EMPLOYER concerned.

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(c) Deduct any amount, which the FUND has paid or shall pay by arrangement with, and on behalf of, a MEMBER or beneficiary in respect of -

- (i) Such MEMBER's or beneficiary's subscription to a medical scheme, registered otherwise than provisionally in terms of the Medical Schemes ACT, 1967 (ACT. No. 72 of 1967);
- (ii) any insurance premium payable by such MEMBER or beneficiary to an insurer registered in terms of the Long Term Insurance ACT, 1998
- (iii) Any purpose approved by the AUTHORITY, on the conditions determined by him, upon a request in writing from the FUND;

From the benefit to which the MEMBER or beneficiary is entitled in terms of the RULES of the FUND, and pay such amount, if due, to such medical scheme, insurer or person concerned, as the case may be.

(2) For the purposes of paragraph (a) (ii) (bb) and (cc) of subsection (1), the amounts so deducted shall be deemed to be a benefit to which the MEMBER becomes entitled on termination of his or her Membership of the FUND for reasons other than as a result of retirement or death arising at the date of the transfer or the default.

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