

**RESOLUTION OF THE BOARD OF INDEPENDENT SCHOOLS ASSOCIATION OF
SOUTHERN AFRICA PROVIDENT FUND**

PASSED AT ~~OLD MUTUAL SANDHURST~~ ON THE 21st DAY OF July..... 2015

RESOLVED THAT the MASTER RULES of the FUND be replaced by the attached
MASTER RULES as the official MASTER RULES of the FUND.

The reasons for the revised MASTER RULES:


- (1) The provisions of all previous amendments (amendments 1 to 10) have been included.
- (2) The MASTER RULES have been updated with any changes made to legislation.
- (3) To generally improve wording where this was considered necessary.

CERTIFICATION


Certified that the Resolution, in terms of which the MASTER RULES have been accepted, as passed by the BOARD on the 21st day of July 2015..... has been adopted in accordance with the provisions of the MASTER RULES of the FUND.


.....

CHAIRMAN OF THE BOARD


.....

PRINCIPAL OFFICER



.....

BOARD MEMBER


Certified that these are the MASTER RULES of the Independent Schools Association of Southern Africa Provident Fund, which became effective on 1 September 2015


.....


CHAIRMAN OF THE BOARD


.....

PRINCIPAL OFFICER


.....

BOARD MEMBER

REGISTERED BY ME ON THIS THE	
<u>29</u>	
DAY OF <u>JANUARY</u>	<u>2016</u>
	
Registrar of Pension Funds	

Certification

63362/SM
Version: 25.06.2015

I hereby certify that the FUND will remain financially sound upon the registration of these revised MASTER RULES.

Walker (S. WALKER)

ACTUARY

21/1/2015

DATE

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RULE 1: DEFINITIONS AND INTERPRETATIONS

In these MASTER RULES, unless the context indicates otherwise:

- The defined words and expressions are indicated by capital letters throughout.
- If a word appears in the singular, it must be read to include the plural; and likewise, if a word appears in the plural, it must be read to include the singular.
- If a pronoun or word refers to one gender it must be read to include the other genders.
- All the terms defined in the ACT which are not defined in the RULES, will bear the same meanings as are ascribed to them in the ACT.
- If reference is made to any statutory provision that has been repealed, the reference will be construed as a reference to the statutory provision, which substituted the provision referred to (if any).

ACT means the Pension Funds Act, 1956, as amended, the regulations, any board notice published under the Act or, if repealed, the substituting Act of Parliament including any matter prescribed by the REGISTRAR by notice in the Gazette and any regulations, regulating pension funds in South Africa.

ACTUARY means a natural person appointed by the BOARD in terms of MASTER RULE 3.16(2)(c) and whom the REGISTRAR has approved as the valuator of the FUND.

ADJUDICATOR means the Pension Funds Adjudicator or Deputy Pension Funds Adjudicator and any acting Pension Funds Adjudicator appointed in terms of the ACT.

ADMINISTRATOR means the administrator appointed by the BOARD in terms of MASTER RULE 3.16(2)(a) to administer the benefits of the FUND and to provide additional services as may be agreed to by the FUND and the ADMINISTRATOR.

APPROVED PENSION FUND means a fund approved as a pension fund by the REVENUE AUTHORITY.

APPROVED PRESERVATION PENSION FUND means a fund which provides for the preservation of pension benefits and which has been approved as a preservation pension fund by the REVENUE AUTHORITY.

APPROVED PRESERVATION PROVIDENT FUND means a fund which provides for the preservation of pension benefits and which has been approved as a preservation provident fund by the REVENUE AUTHORITY.

APPROVED PROVIDENT FUND means a fund approved as a provident fund by the REVENUE AUTHORITY.

APPROVED RETIREMENT ANNUITY FUND means a fund approved as a retirement annuity fund by the REVENUE AUTHORITY.

AUDITOR means an auditor engaged in public practice and registered under the Auditing Professions Act, 2005, appointed by the BOARD as the auditor of the FUND in terms of MASTER RULE 3.16(2)(b) and whose appointment has been approved by the REGISTRAR.

BANK ACCOUNT means an account opened and operated by the FUND with a bank as defined in the Banks Act, 1990, or a mutual bank as defined in the Mutual Banks Act, 1993.

BANK INTEREST means interest at the same rate applicable to the FUND'S BANK ACCOUNT.

BENEFICIARY means a beneficiary as defined in the ACT and any MEMBER or other person entitled to receive a benefit from the FUND.

BOARD means the board constituted in terms of MASTER RULE 3 responsible for the managing of the FUND.

BOARD MEMBER means a natural person who is a member of the BOARD.

CATEGORY A MEMBER means an employee, who, in accordance with his contract of employment, contributes towards the FUND.

CATEGORY B MEMBER means an employee, who, in accordance with his contract of employment, does not contribute towards the FUND.

DATE OF COMMENCEMENT means 1 July 1986.

DATE OF PAYMENT means the date on which the final benefit is paid to or in respect of a MEMBER or BENEFICIARY.

DEPENDANT means a dependant as defined in the ACT.

DISABILITY BENEFIT means the benefit payable in the event of the disablement of a MEMBER who joined the FUND on or after 1 April 2001 and who elected at such date to convert the DISABILITY BENEFIT, as provided under the RISK POLICY in terms of the SPECIAL RULES.

DISABILITY INCOME PLAN means a separate group disability income benefit in which a PARTICIPATING EMPLOYER participates for the benefit of its employees. The benefit payable under the disability income plan is not a benefit of the FUND and is applicable to a MEMBER who joined the FUND prior to 1 April 2001.

DISABLEMENT means the condition categorized as such in respect of a MEMBER in terms of the RISK POLICY providing the DISABILITY BENEFIT for the MEMBER concerned.

ELIGIBLE EMPLOYEE means an employee who

- (a) is on the permanent staff of the PARTICIPATING EMPLOYER, or is employed on a contract basis for at least a 12 (twelve)-month period in terms of an employment contract; and
- (b) falls within the eligibility categories specified by his PARTICIPATING EMPLOYER.

Where a PARTICIPATING EMPLOYER amends his specification of eligible categories or the MEMBER transfers to the service of another PARTICIPATING EMPLOYER whose specification of eligible categories exclude such MEMBER from being recognised as an eligible employee, such employee shall continue to be recognised as an eligible employee.

FINANCIAL YEAR means a period of 12 (twelve) months commencing 1 March in a year and ending 28 February or 29 February, as the case may be, in the next year.

FINANCIAL YEAR END means 28 February or 29 February, as the case may be.

FUND means the Independent Schools Association of Southern Africa Provident Fund.

FUND ANNIVERSARY means 1 March.

INSURER means an insurer registered under the Long-term Insurance Act No. 52, 1998, as amended.

INVESTMENT POLICY means a policy of insurance issued by an INSURER in terms of the Long-Term Insurance Act 52 of 1998 in terms of which the INSURER provides benefits linked to the value of the assets of one or more INVESTMENT PORTFOLIOS approved by the BOARD.

INVESTMENT POLICY STATEMENT means the document which sets out the investment strategy of the BOARD and the matters referred to in MASTER RULE 6.1 and any other MASTER RULE relating to investments from time to time.

INVESTMENT PORTFOLIO means an investment in an investment product, a security as defined in the Securities Services Act, 36 of 2004, as amended from time to time, a registered collective investment scheme, or a BANK ACCOUNT, in each case approved by the BOARD for investment of the assets of the FUND in terms of these MASTER RULES and the INVESTMENT POLICY STATEMENT.

INVESTMENT PROVIDER means a person or company registered as an asset manager, INSURER or investment provider with the REGISTRAR, appointed by the BOARD under a written mandate to invest and administer any assets of the FUND in an INVESTMENT PORTFOLIO.

INVESTMENT RESERVE ACCOUNT means an account kept by the FUND in terms of MASTER RULE 10.3(3).

INVESTMENT RETURN means

- (a) the interest on so much of the credit balance in the BANK ACCOUNT as corresponds to any amount to the credit of an account in the FUND in terms of the MASTER RULES, or

- (b) dividends, interest, bonuses or other income received or accrued from, and realised or unrealised capital gains and losses in respect of each UNIT, expressed as a change to the UNIT price, where the investment is a unitised investment, or
- (c) in relation to an INVESTMENT PORTFOLIO which is a non-unitised investment, in which a MEMBER is invested, such bonuses, positive or negative, as are declared by the BOARD;

less any management charges and any other expenses deductible from or attributable to the BANK ACCOUNT, or UNIT or investment fund concerned, by the BOARD or the INVESTMENT PROVIDER providing the INVESTMENT PORTFOLIO relating to that UNIT.

ISASA means Independent Schools Association of Southern Africa.

MAIN ACCOUNT means the account maintained in terms of MASTER RULE 10.3(1).

MASTER RULES means the rules set out in this document and all subsequent amendments thereto.

MEMBER means an ELIGIBLE EMPLOYEE whose membership of the FUND has been accepted by the FUND in terms of MASTER RULE 7.2.

MEMBER ACCOUNT means the account maintained in respect of each MEMBER in terms of MASTER RULE 10.4(1).

NORMAL RETIREMENT AGE means the age selected by the PARTICIPATING EMPLOYER as set out in the SPECIAL RULES.

NORMAL RETIREMENT DATE means the first day of the month next following the attainment of the NORMAL RETIREMENT AGE.

PARTICIPATION DATE means the date as determined by the PARTICIPATING EMPLOYER and recorded in the SPECIAL RULES of the PARTICIPATING EMPLOYER from which contributions are accepted by the FUND in respect of the MEMBERS of the SUB-FUND.

PARTICIPATING EMPLOYER means a School or other Body that is eligible through membership of ISASA or an associate whose participation with ISASA has been approved, and who has elected to participate. In relation to a MEMBER, PARTICIPATING EMPLOYER means the PARTICIPATING EMPLOYER by whom the MEMBER is employed at the time.

PARTICIPATING EMPLOYER SURPLUS ACCOUNT means the account, if any, maintained in respect of a PARTICIPATING EMPLOYER in terms of MASTER RULE 10.4(2).

PENSION SCHEME means Independent Schools Association of Southern Africa Pension Scheme.

PENSIONABLE SALARY means such sum notified to the FUND by the PARTICIPATING EMPLOYER to be treated as the pensionable salary of a MEMBER for all purposes of the FUND.

POLICY OF INSURANCE means a policy of insurance issued by an INSURER.

PREVIOUS FUND means the fund identified in terms of the Section 14 of the ACT in which a MEMBER participated prior to participation in this FUND (if any), and where the assets and liabilities in respect of such MEMBER in the previous fund will be transferred to the FUND in terms of Section 14 of the ACT.

PRINCIPAL OFFICER means the person appointed by the BOARD in terms of MASTER RULE 3.16(1)(a).

REGISTRAR means the Registrar as defined in the ACT.

REVENUE AUTHORITY means the South African Revenue Service.

RISK BENEFIT means the amount payable in terms of the RISK POLICY in the event of the death or DISABLEMENT of a MEMBER, if applicable, in terms of the SPECIAL RULES.

RISK POLICY means a POLICY OF INSURANCE issued by a RISK PROVIDER in terms of the Long Term Insurance Act No 52 of 1998 to the FUND in respect of MEMBERS in terms of these MASTER RULES.

RISK PROVIDER means, subject to the approval of the BOARD, an INSURER with whom the FUND effected a RISK POLICY.

RULES mean the MASTER RULES and the SPECIAL RULES collectively.

SPECIAL RULES means the rules referred to in MASTER RULE 2.6.

SUB-FUND means, in respect of each PARTICIPATING EMPLOYER and its MEMBERS, those assets and liabilities in respect of those MEMBERS, and any other BENEFICIARIES together with any balances in the RESERVE ACCOUNTS and PARTICIPATING EMPLOYER SURPLUS ACCOUNT in relation to those MEMBERS or that PARTICIPATING EMPLOYER.

TERMINATION DATE means, as the case may be,

- (a) when the FUND is liquidated in terms of MASTER RULE 8.1, the liquidation date in terms of MASTER RULE 8.1(3);
- (b) when a SUB-FUND is liquidated in terms of MASTER RULE 8.2, the liquidation date in terms of MASTER RULE 8.2(2);
- (c) when a SUB-FUND transfers to another fund in terms of MASTER RULES 9.2, 9.3 or 9.4, the date on which the transfer has been approved by the REGISTRAR.

TOTAL TRANSFER CREDIT means the amount transferred to the FUND from a PREVIOUS FUND as approved in terms of Sections 14, 15B or 15E of the ACT.

TRUSTEE PORTFOLIO means the investment model:

- (a) adopted by the BOARD for the purposes of the investment of the retirement funding in terms of these MASTER RULES in respect of MEMBERS who do not want to exercise, or have not yet exercised the member investment choice contemplated in terms of MASTER RULE 6.1(1)(b), and
- (b) which will comprise INVESTMENT PORTFOLIOS selected by the BOARD, and
- (c) in terms of which investments, at dates based on the attainment by each MEMBER of certain predefined ages, move through a path of INVESTMENT

PORTFOLIOS with the aim of ensuring that the MEMBER'S investment profile with regard to risk and return is matched.

UNCLAIMED BENEFIT means an unclaimed benefit as defined in the ACT.

UNCLAIMED BENEFITS ACCOUNT means the account kept by the FUND in respect of UNCLAIMED BENEFITS, in terms of MASTER RULE 10.3(2).

UNIT means a unit of investment, which can be purchased in or notionally attributed to an INVESTMENT PORTFOLIO on the basis set out in MASTER RULE 6.1(1)(d).

RULE 2: ESTABLISHMENT

2.1 ESTABLISHMENT AND TYPE OF FUND

- (1) The FUND was established on the DATE OF COMMENCEMENT and was known as The Independent Schools Provident Fund. With effect from 1 January 2000 the FUND'S name changed to The Independent Schools Association of Southern Africa Provident Fund.
- (2) The FUND is a defined contribution provident fund.

2.2 OBJECT OF THE FUND

The object of the FUND is

- (1) to provide a benefit to a MEMBER on retirement or withdrawal; and
- (2) to provide a benefit to the DEPENDANTS and nominees of a MEMBER in the event of the death of the MEMBER;
- (3) to provide a benefit in the event of the DISABLEMENT of a MEMBER, where applicable.

2.3 REGISTERED OFFICE OF THE FUND

The registered office of the FUND is

Umnotho Building

Mutual Square

93 Grayston Drive

Sandton

2196

2.4 LEGAL STATUS AND POWERS OF THE FUND

The FUND is a juristic person and as such has the capacity and powers of a natural person with full legal capacity insofar as a juristic person is capable of having such capacity or exercising such powers. This capacity and powers include the capacity and power to:

- (1) sue and be sued in its own name;
- (2) conclude agreements and perform juristic acts;
- (3) acquire, own, hypothecate, hire, let and dispose of property, whether movable or immovable, and whether the property is physical property or intellectual property;
- (4) amend the RULES; and
- (5) do all things that in the opinion of the BOARD are necessary or desirable to be done to achieve its object and to carry out its functions and duties.

2.5 RULES

- (1) The RULES are binding on the FUND, its MEMBERS and their DEPENDANTS, any other BENEFICIARIES, the PRINCIPAL OFFICER, the BOARD, the AUDITOR, ACTUARY and each PARTICIPATING EMPLOYER.
- (2) If an amendment to the RULES is registered by the REGISTRAR after the effective date of the amendment set out in the relevant resolution of the BOARD, such amendment shall be deemed to take effect on the effective date of the amendment.

2.6 SPECIAL RULES

- (1) The FUND shall in respect of each PARTICIPATING EMPLOYER in addition to the MASTER RULES otherwise formulate SPECIAL RULES.

- (2) In the event that a provision in the SPECIAL RULES is in conflict with a provision of the MASTER RULES, then the provision of the MASTER RULES shall prevail.
- (3) The SPECIAL RULES shall, subject to the MASTER RULES *inter alia* set out the following:
 - (a) the categories of ELIGIBLE EMPLOYEES who will join the FUND, if applicable;
 - (b) the contribution rates;
 - (c) NORMAL RETIREMENT AGE;
 - (d) any other information that may be required from time to time.
- (4) The BOARD may amend the SPECIAL RULES with the consent of the relevant PARTICIPATING EMPLOYER where the amendment affects the rights and obligations of the PARTICIPATING EMPLOYER.

RULE 3: MANAGEMENT OF THE FUND

3.1 OBJECT OF THE BOARD

The BOARD must direct, control and oversee the operation of the FUND in accordance with the applicable laws and the provisions of these MASTER RULES.

3.2 COMPOSITION OF THE BOARD

(1) BOARD MEMBERS

- (a) The BOARD must consist of 11 (eleven) BOARD MEMBERS.
- (b) In addition, the BOARD may appoint a group of up to 5 (five) independent consultants to attend all meetings of and assist the BOARD. Each independent consultant shall be an independent person not in the service of the ADMINISTRATOR.
- (c) Of the 11 (eleven) BOARD MEMBERS, 6 (six) shall be elected by the MEMBERS in the following way:
 - (i) 1 (one) BOARD MEMBER each to represent the Regions as defined by ISASA, and
 - (ii) 1 (one) BOARD MEMBER to represent pensioners under the PENSION SCHEME.
- (d) The remaining 5 (five) BOARD MEMBERS shall represent the PARTICIPATING EMPLOYERS and are appointed in the following way:
 - (i) ISASA shall appoint 3 (three) BOARD MEMBERS,
 - (ii) SAHISA (Southern Africa Head of Independent Schools Association) shall appoint 1 (one) BOARD MEMBER, and
 - (iii) SABISA (Southern Africa Bursars of Independent Schools Association) shall appoint 1 (one) BOARD MEMBER.

The BOARD MEMBERS elected in terms of MASTER RULE 3.2(1)(c)(i) and MASTER RULE 3.2(1)(c)(ii) above and appointed in terms of MASTER RULE 3.2(1)(d)(ii) and MASTER RULE 3.2(1)(d)(iii) above, must either be MEMBERS of the FUND, or MEMBERS or pensioners of the PENSION SCHEME.

(2) ALTERNATES

The MEMBERS may elect alternates for the elected BOARD MEMBERS and the BOARD MEMBERS representing the PARTICIPATING EMPLOYER may appoint alternates for the appointed BOARD MEMBERS to act in the place of a BOARD MEMBER during his absence or inability to act as a BOARD MEMBER.

The number of alternates elected or appointed may be equal or less than the number of elected BOARD MEMBERS or appointed BOARD MEMBERS, but an alternate may act in the place of only one BOARD MEMBER at a time.

(3) CHAIR

The BOARD shall nominate one of the group of independent consultants referred to in MASTER RULE 3.2(1)(b) or one from its own ranks to serve as a Chair.

3.3 ELECTION AND APPOINTMENT PROCEDURE

- (1) The election and appointment of BOARD MEMBERS and the alternates shall be by ballot and shall be subject to MASTER RULE 3.2(1) and MASTER RULE 3.3(3).
- (2) To ensure continuity on the BOARD, there shall be a regional election of the representative BOARD MEMBERS as set out in MASTER RULE 3.2(1)(c)(i) and in MASTER RULE 3.2(1)(c)(ii), on a rotating basis as follows:

Pensioners under the PENSION SCHEME and South East Region: Eastern Cape, January 2012 and every 3 (three) years thereafter,

North East Region: Limpopo/Mpumulanga, Central Region: Gauteng/Free-State/North West/Northern Cape, January 2013 and every 3 (three) years thereafter,

South West Region: Western Cape and Kwazulu-Natal Region, January 2014 and every 3 (three) years thereafter, etc.

- (3) The election procedure of the BOARD MEMBERS that shall be elected in terms of MASTER RULE 3.2(1)(c) shall be in accordance with the following provisions:
- (a) The PRINCIPAL OFFICER regulates the election.
 - (b) Only persons nominated by MEMBERS of the FUND may be elected.
 - (c) Each MEMBER may nominate as many MEMBERS for election as BOARD MEMBERS as are required to be elected at the time.
 - (d) Each nomination must be in writing and seconded by another MEMBER.
 - (e) Each MEMBER may cast only one vote at each election.
 - (f) Those receiving the most votes shall be elected.
 - (g) All MEMBERS must be given the opportunity to vote.
 - (h) The PRINCIPAL OFFICER shall be responsible for exercising and overseeing such functions as the distribution of ballot papers, counting of votes, communication of results to MEMBERS and PENSIONERS and all other functions the BOARD deems necessary in regard to the elections.
 - (i) Elections are also subject to the other applicable provisions set out in these MASTER RULES, as well as other procedures as may be laid down by the BOARD from time to time.
- (4) The BOARD MEMBERS elected and appointed in terms of this MASTER RULE, must attain such level of skills and training as may be prescribed by the REGISTRAR, within 6 (six) months of such BOARD MEMBER'S appointment and election and this level of skills and training must be retained throughout the BOARD MEMBER'S term of office.

3.4 ALTERNATES

- (1) Alternates are subject to the same terms, qualifications and conditions applicable to BOARD MEMBERS.
- (2) An alternate, when acting for a BOARD MEMBER, shall have the same powers, duties and functions as a BOARD MEMBER.
- (3) An alternate may attend all meetings of the BOARD but may only vote if acting in the place of an absent BOARD MEMBER.

3.5 DISQUALIFICATION OF BOARD MEMBERS

- (1) Any of the following persons shall be disqualified from being appointed or acting as a BOARD MEMBER:
 - (a) a body corporate;
 - (b) a minor or any other person under legal disability;
 - (c) any person who is the subject of any order under any Act disqualifying him from being a BOARD MEMBER;
 - (d) save under authority of a Court of law-
 - (i) an unrehabilitated insolvent;
 - (ii) any person removed from an office of trust on account of misconduct;
 - (iii) any person who has at any time been convicted of theft, fraud, forgery or uttering a forged document, perjury, an offence under any legislation relating to the prevention or combating of corruption, or any offence involving dishonesty or the management of assets entrusted to him.
- (2) The BOARD may in addition to the disqualifications in MASTER RULE 3.5(1) above, determine further criteria for eligibility to serve as a BOARD MEMBER.

3.6 TERM OF OFFICE

- (1) BOARD MEMBER
 - (a) Subject to the provisions of MASTER RULE 3.9, a BOARD MEMBER shall hold office for a period of 3 (three) years.

(b) On expiry of the 3 (three)-year period, in February each year in the same sequence as specified in MASTER RULE 3.3(2) further elections or appointments must take place.

(c) A BOARD MEMBER may make himself available for re-appointment.

(2) Chair

(a) The Chair shall serve for a maximum period of 1 (one) year, unless otherwise decided by the BOARD.

(b) The Chair may, on the expiry of his term, make himself available for re-appointment.

(c) Should the position of Chair become vacant before the expiry of his term of office, the BOARD must appoint another Chair for the unexpired portion of the term of office.

(d) The Chair may be removed from such office in the event of a majority vote by the BOARD to this effect.

3.7 POWERS OF THE BOARD

(1) Exercising of powers

The BOARD may exercise all the powers of the FUND.

(2) Delegation of powers to sub-committees or persons

(a) The BOARD may, in writing and in accordance with a system of delegation, delegate any of its powers in terms of these MASTER RULES to a sub-committee or a person on such terms as it may think fit, including the power to sub-delegate.

(b) These terms may include the purpose, powers, authorities and discretion of the sub-committee or the person.

(c) The BOARD can decide on the duration of such delegation.

(d) The BOARD may notwithstanding any delegation of its powers, continue to exercise the powers delegated.

(e) The BOARD may terminate the delegation of its powers to any sub-committee or person appointed in this MASTER RULE or may vary the terms of the appointment.

- (f) A sub-committee or a person acting under delegated powers is *mutatis mutandis* subject to the provisions of these MASTER RULES.
- (g) A sub-committee may consist of any number of BOARD MEMBERS together with such other persons as the BOARD may appoint.
- (h) A decision taken by a sub-committee must be referred to the BOARD to be ratified at the next meeting of the BOARD or by a round robin resolution of the BOARD.
- (i) The BOARD may delegate any of its powers and duties, subject to such terms and conditions as it may impose, to another person or group of persons.

3.8 DUTIES OF THE BOARD

The duties of the BOARD shall be to:

- (1) take all reasonable steps to ensure that the interests of MEMBERS as set out in these MASTER RULES and the provisions of the ACT are protected at all times;
- (2) act with due care, diligence and good faith;
- (3) avoid conflicts of interest;
- (4) act with impartiality in respect of all MEMBERS and BENEFICIARIES;
- (5) ensure that proper control systems are employed by or on behalf of the BOARD;
- (6) ensure that adequate and appropriate information is communicated to MEMBERS informing them of their rights, benefits and duties in the RULES;
- (7) take all reasonable steps to ensure that contributions are paid timeously to the FUND under the provisions of the ACT;
- (8) obtain expert advice on matters where the BOARD may lack sufficient expertise;
- (9) ensure that the RULES and the operation and administration of the FUND comply with any relevant legislation and with any legally binding ruling laid down by the REGISTRAR or the REVENUE AUTHORITY;

- (10) ensure that such accounts, registers and records as are necessary for the proper working of the FUND are kept;
- (11) maintain such register or registers (at the FUND'S registered office) containing the information referred to in Regulation 31 to the ACT;
- (12) comply with any other prescribed requirements.

3.9 TERMINATION OF OFFICE

- (1) A BOARD MEMBER or alternate may resign from office at any time by giving 1 (one) month's written notice to the BOARD.
- (2) A BOARD MEMBER shall also cease to hold office if
 - (a) his term expires;
 - (b) he becomes disqualified to be a BOARD MEMBER in terms of MASTER RULE 3.5;
 - (c) he fails to attend 3 (three) consecutive meetings of the BOARD without prior permission of the Chair;
 - (d) in the case of an elected BOARD MEMBER, he ceases to be a MEMBER of the FUND or a member of the PENSION SCHEME,
 - (e) in the case of a BOARD MEMBER appointed by SAHISA or SABISA he ceases to be a MEMBER of the FUND, or member or pensioner of the PENSION SCHEME.
- (3) If the REGISTRAR has reason to believe that a BOARD MEMBER is not fit and proper to hold office, the REGISTRAR may, after giving the BOARD MEMBER a reasonable opportunity to be heard, direct the BOARD MEMBER to vacate office. Such BOARD MEMBER shall be replaced with another person for the remainder of the vacated BOARD MEMBER'S term of office.

3.10 VACANCIES

- (1) Should the position of an elected BOARD MEMBER of a specific region become vacant, the BOARD may
 - (a) choose one of the alternates elected by the MEMBERS of such region to fill the vacancy, provided that elected BOARD MEMBERS

may be replaced with the person who attained the next most votes during the last elected BOARD MEMBERS elections; or

- (b) agree on filling this vacancy on some other basis.
- (2) Should the position of an appointed BOARD MEMBER become vacant, the associations referred to in MASTER RULE 3.2(1)(d) must appoint a BOARD MEMBER to fill the vacancy.
- (3) The BOARD must cause vacancies to be filled within 90 (ninety) days to ensure that the composition of the BOARD adheres to the provisions of MASTER RULE 3.2(1).
- (4) Where the REGISTRAR directed a BOARD MEMBER to vacate office, the FUND must cause the vacancy to be filled in accordance with MASTER RULE 3.10(1) to MASTER RULE 3.10(3) above, failing which the REGISTRAR may adopt the course set out in MASTER RULE 3.17(2).

3.11 MEETINGS OF THE BOARD

- (1) Number and frequency
 - (a) The BOARD must meet from time to time to conduct the business of the FUND.
 - (b) Meetings of the BOARD must take place as often as resolved by the BOARD, but at least 3 (three) meetings must be held in each FINANCIAL YEAR.
 - (c) If at least 2/3rd (two-thirds) of the BOARD MEMBERS make a request to the Chair to convene a meeting of the BOARD, the Chair must do so within 15 (fifteen) days.
- (2) Video and telephone conferencing
 - (a) The BOARD may also conduct a meeting by using a conference telephone or any communication equipment (including video link) that allows everybody participating in the meeting to speak to and hear each other.
 - (b) Taking part in a meeting conducted in terms of this MASTER RULE will, provided there is a quorum present, which includes the person

present by means of the conference telephone or video link, be counted as a meeting of the BOARD.

- (c) The remaining provisions of these MASTER RULES applicable to meetings of the BOARD apply to any meeting conducted in this manner.

(3) Chair

- (a) The Chair presides over and maintains order at meetings to ensure that meetings are conducted in a proper manner.
- (b) If the Chair is absent from any meeting the BOARD MEMBERS must appoint an acting Chair that shall preside over that meeting. Such Chair must have the same powers and duties in relation to conducting the meeting as a Chair.

(4) Notice of meetings

Except or otherwise provided in MASTER RULE 3.11(1)(c), the Chair must ensure that at least 15 (fifteen) days' prior written notice of a meeting of the BOARD is given to all BOARD MEMBERS, alternates and the PRINCIPAL OFFICER of the FUND.

The majority of the BOARD MEMBERS may waive the notice period.

(5) Voting Rights

- (a) The PRINCIPAL OFFICER or Deputy Principal Officer of the FUND must unless in extenuating circumstances attend all meetings of the BOARD but will not have a vote.
- (b) The BOARD may not transact any business unless the required quorum for a meeting is present, at the time the meeting proceeds to business.
- (c) A quorum for meetings is 6 (six) BOARD MEMBERS, provided that 3 (three) BOARD MEMBERS representing the PARTICIPATING EMPLOYERS and 3 (three) BOARD MEMBERS elected by MEMBERS are present. Provided there is a quorum, the BOARD MEMBERS present shall be entitled to act notwithstanding any temporary vacancy in their number.

- (d) At a meeting of the BOARD each BOARD MEMBER has 1 (one) vote. Should the Chair at a particular meeting be a BOARD MEMBER, such Chair shall have 1 (one) vote and such vote shall not be a casting vote.
 - (e) The BOARD must make a reasonable effort to reach consensus but a decision favoured by 75% (seventy-five per cent) of the meeting must be carried. If the BOARD cannot reach a 75% (seventy-five per cent) majority decision, the matter must be referred to the next meeting.
 - (f) If a majority vote cannot be reached on a specific matter that compels a resolution, the matter must be referred to a person deemed by the BOARD to be an expert on the matter. The person so appointed need not operate in the capacity of a mediator or an arbitrator. He must decide on the matter in a procedurally fair, economical and expeditious manner. His decision is final and binding.
- (6) Adoption of resolutions
- (a) At a meeting of the BOARD motions must be proposed and accepted by consensus or voted upon, in either case under MASTER RULE 3.11(5) above.
 - (b) Round robin resolutions
 - (i) Written resolutions other than in (ii) below:

A resolution in writing sent to all the BOARD MEMBERS or, if appropriate their alternates shall, provided that the number of individually signed copies is no less than 75% (seventy-five per cent) of the total number of BOARD MEMBERS, be deemed carried. Such resolution will be as valid and effective as if it was passed at a meeting of the BOARD duly convened and held.
 - (ii) Electronic resolutions

A resolution circulated to all the BOARD MEMBERS or, if appropriate their alternates via e-mail shall, provided that the number of the BOARD MEMBERS, who signify their approval by return of e-mail is no less than 75% (seventy-five per cent) of the total number of BOARD MEMBERS, be deemed carried.

Such resolution will be as valid and effective as if it was passed at a meeting of the BOARD duly convened and held.

(7) Recording of resolutions

Any resolution passed under MASTER RULE 3.11(6)(b) above must, as a matter of good governance, be recorded in the minutes at a subsequent meeting of the BOARD held after the resolution was passed. Failure to so record the resolution shall however not affect the validity of the resolution.

(8) Secretary

The BOARD may appoint a secretary from time to time. The secretary's functions include –

- (a) the arrangement of meetings;
- (b) the taking of minutes;
- (c) the counting of votes;
- (d) the recording of resolutions at meetings; and
- (e) such further functions as may be determined by the BOARD.

The BOARD must determine fees for secretarial services from time to time.

(9) Minutes

- (a) Minutes must be taken of all proceedings at a meeting of the BOARD. These minutes must be approved at a subsequent meeting of the BOARD and then signed by the Chair and kept in the manner prescribed in the ACT.
- (b) The minutes of each meeting must be distributed to all BOARD MEMBERS and the PRINCIPAL OFFICER.

3.12 SIGNING OF DOCUMENTS

- (1) The BOARD may authorise any person to sign documents or contracts binding the FUND. However, any documents that must be submitted to the REGISTRAR must be signed by the persons specified in the ACT.
- (2) Where the ACT prescribes specific formalities for the signature of documents, such documents are only binding upon the FUND if these requirements are complied with.

3.13 REMUNERATION OF BOARD MEMBERS

- (1) BOARD MEMBERS other than the PRINCIPAL OFFICER are not remunerated for services performed in execution of their duties as BOARD MEMBERS.
- (2) The BOARD must determine the rate and basis of remuneration payable to the PRINCIPAL OFFICER for his services. The FUND must bear the cost of such remuneration as may be incurred by the PRINCIPAL OFFICER in performance of his duties.

3.14 INDEMNIFICATION AND FIDELITY GUARANTEE

- (1) Any BOARD MEMBER and any officer of the FUND shall be indemnified by the FUND against any claim for damages arising from the management and administration of the FUND where such BOARD MEMBER or officer acted in good faith and without gross negligence.
- (2) The BOARD must obtain insurance, as it deems sufficient to indemnify the FUND'S officers (including the BOARD MEMBERS).

3.15 ANNUAL AUDITS OF BOOKS OF ACCOUNT

The BOARD must ensure that books of account of the FUND are drawn up as at the end of each FINANCIAL YEAR, and audited by the AUDITOR.

3.16 APPOINTMENTS

(1) PRINCIPAL OFFICER

- (a) The BOARD shall appoint a PRINCIPAL OFFICER on such terms and conditions as the BOARD may determine and subject to the provisions of the ACT. The BOARD in concurrence with the PRINCIPAL OFFICER may appoint a Deputy Principal Officer as deemed appropriate.
- (b) The PRINCIPAL OFFICER may, in writing and in accordance with a system of delegation as agreed to with the BOARD, delegate any of his powers or duties in terms of the MASTER RULES or under the ACT to the Deputy Principal Officer on such terms and conditions as

he may think fit, including the power to sub-delegate. The PRINCIPAL OFFICER can decide on the duration of such delegation.

- (c) The PRINCIPAL OFFICER may notwithstanding any delegation of his powers, continue to exercise the powers delegated.
- (d) The PRINCIPAL OFFICER may withdraw the delegation of his powers to the Deputy Principal Officer at any time or may vary the terms of the delegation.
- (e) The Deputy Principal Officer acting under delegated powers is *mutatis mutandis* subject to the provisions of the MASTER RULES and the ACT.
- (f) The PRINCIPAL OFFICER is not divested or relieved of a function so delegated.
- (g) If the PRINCIPAL OFFICER is unable for any reason to discharge any of his duties, the Deputy Principal Officer must discharge those duties. If the PRINCIPAL OFFICER and the Deputy Principal Officer are unable for any reason to discharge their duties the BOARD may appoint another person as PRINCIPAL OFFICER. If however, the PRINCIPAL OFFICER will be absent for more than the period as prescribed by the REGISTRAR and no Deputy Principal Officer is available during this period, the BOARD must inform the REGISTRAR of the appointment of another PRINCIPAL OFFICER in writing within the prescribed period.
- (h) The BOARD and the PRINCIPAL OFFICER may appoint such further persons as they deem fit to assist the PRINCIPAL OFFICER with the execution of his functions.

(2) Other Appointments

The BOARD shall make the following appointments:

- (a) an ADMINISTRATOR;
- (b) an AUDITOR;

- (c) an ACTUARY;
- (d) one or more INVESTMENT PROVIDERS;
- (e) one or more RISK PROVIDERS; and
- (f) such other service providers as required from time to time.

3.17 POWER OF REGISTRAR TO INTERVENE IN THE MANAGEMENT OF THE FUND

- (1) After considering the interests of the MEMBERS, the REGISTRAR may –
 - (a) declare a specific practice or method of conducting business as being unacceptable, irregular or undesirable, and may direct the FUND, ADMINISTRATOR or any other person to cease such practice or conduct, and
 - (b) direct the RULES be amended in accordance with the ACT.
- (2) If at any time the FUND has no properly constituted BOARD contemplated in the ACT and has failed to constitute a BOARD after 90 (ninety) days' written notice by the REGISTRAR, or where a BOARD cannot constitute a BOARD properly or where a BOARD fails to comply with section 7A of the ACT, the REGISTRAR may, notwithstanding these MASTER RULES, at the cost of the FUND -
 - (a) appoint so many persons as may be necessary to the BOARD or appoint so many persons as may be necessary to make up the full complement or quorum of the BOARD; and
 - (b) assign to such BOARD such specific duties as the REGISTRAR deems expedient.
- (3) A BOARD constituted in terms of MASTER RULE 3.17(2) above holds office until the REGISTRAR is satisfied that the FUND has constituted a valid BOARD in terms of the ACT and the REGISTRAR has relieved the former BOARD in writing of its duties.

3.18 PERSONAL EXPENSES OF BOARD MEMBERS

Any personal expenses incurred by any BOARD MEMBER may only be recovered from the FUND if such expenses were authorised at a meeting of the BOARD, unless otherwise decided by the BOARD.

RULE 4: CONTRIBUTIONS

4.1 MEMBER CONTRIBUTIONS

- (1) Each CATEGORY A MEMBER must contribute in respect of each calendar month of membership of the FUND at the rate specified in the SPECIAL RULES, which may not be less than 5% (five per cent) of 1/12th (one-twelfth) of the MEMBER'S PENSIONABLE SALARY. The contribution must be credited to the MEMBER ACCOUNT when it is received by the FUND.
- (2) A CATEGORY B MEMBER does not contribute to the FUND.
- (3) A MEMBER may contribute such additional voluntary amounts as he may decide to be applied towards retirement funding.

4.2 CONTRIBUTIONS BY PARTICIPATING EMPLOYER

- (1) The PARTICIPATING EMPLOYER must contribute to the FUND in respect of each month of membership of each MEMBER at the rate specified in the SPECIAL RULES and, which may not be less than 4% (four per cent) of 1/12th (one-twelfth) of each MEMBER'S PENSIONABLE SALARY in respect of a PARTICIPATING EMPLOYER who joined the FUND on or after 1 January 2007. The total contribution must be credited to the MEMBER ACCOUNT when the contribution is received by the FUND.
- (2) The SPECIAL RULES must specify that the total contribution in terms of MASTER 4.2(1) above include the following:
 - (a) A pro-rata amount to cover the administration costs (inclusive of value-added tax) in respect of each MEMBER.
 - (b) An amount equal to the following percentages to cover the premium payments:
 - (i) in respect of a MEMBER who participates in the RISK BENEFIT and who elected on or after 1 April 2001 to convert to the DISABILITY BENEFIT, an amount not exceeding 1,20% (one comma two zero per cent);

- (ii) in respect of a MEMBER referred to in (iii) below who participates in the death benefit in terms of the RISK POLICY, an amount not exceeding 0,75% (zero comma seven five per cent);
- (iii) in respect of a MEMBER who participates in the PARTICIPATING EMPLOYER'S DISABILITY INCOME PLAN prior to 1 April 2001, an amount not exceeding 0,85% (zero comma eight five per cent);

of 1/12th (one twelfth) of the each MEMBER'S PENSIONABLE SALARY.

- (3) Should the aggregate of the amounts due in MASTER RULE 4.2(2) above -
 - (a) exceed the contribution made by the PARTICIPATING EMPLOYER in terms of MASTER RULE 4.2(1) above the shortfall will be dealt with in such manner as the BOARD, in consultation with the PARTICIPATING EMPLOYER and the ACTUARY, may decide;
 - (b) be less than the contribution made by the EMPLOYER in terms of MASTER RULE 4.2(1) above, the excess will be credited to the MEMBER'S MEMBER ACCOUNT.
- (4) If there is a PARTICIPATING EMPLOYER SURPLUS ACCOUNT, then the PARTICIPATING EMPLOYER may request the BOARD to debit such account in respect of any amount which the PARTICIPATING EMPLOYER is in terms of this MASTER RULE required to pay to the FUND as a contribution or otherwise, for any period of time fixed by the PARTICIPATING EMPLOYER or, if earlier, until the amount to the credit of such account has been exhausted, subject to Section 15E of the ACT. Such amount must be credited to the relevant accounts.
- (5) A PARTICIPATING EMPLOYER may make any additional contribution to be credited to the PARTICIPATING EMPLOYER SURPLUS ACCOUNT on the understanding that this may or may not be tax deductible in its hands depending on any requirement of the REVENUE AUTHORITY.

- (6) Any contribution made in terms of MASTER RULE 4.2(5) above may be made with the express purpose of augmenting the benefits payable in terms of MASTER RULE 11, 12, and 13, subject to Section 15E of the ACT.
- (7) A PARTICIPATING EMPLOYER may make any additional contribution to be credited to the MEMBER ACCOUNT of the MEMBER on the understanding that this may or may not be tax deductible in the hands of the PARTICIPATING EMPLOYER depending on any requirement of the REVENUE AUTHORITY.

4.3 PAYMENT OF CONTRIBUTIONS

The PARTICIPATING EMPLOYER must pay contributions for and behalf of the MEMBERS to the FUND within a period of 7 (seven) days from the end of the calendar month to which such contributions relate. The payment of contributions is regulated under the ACT.

4.4 AMOUNTS TRANSFERRED TO THE FUND FROM OTHER FUNDS

- (1) Subject to the approval of the REGISTRAR in terms of Section 14 and Section 15E of the ACT, any amount relating to the transfer of business of a MEMBER, or any balance in an employer surplus account in any APPROVED PENSION FUND or APPROVED PROVIDENT FUND may be transferred to the FUND.
 - (a) The MEMBER'S TOTAL TRANSFER CREDIT must be allocated amongst such of the accounts of the FUND as specified in terms of the application in terms of Section 14 or Section 15E of the ACT as approved by the REGISTRAR, when it has been received by the FUND.
 - (b) Where the Section 14 or the Section 15E application referred to in (a) above does not set out how the MEMBER'S TOTAL TRANSFER CREDIT transferred to the FUND is to be allocated amongst any accounts, such amount must be credited to the MEMBER ACCOUNT of the MEMBER concerned when it has been received by the FUND.

- (2) Any amount relating to the membership of a MEMBER in any APPROVED PRESERVATION PENSION FUND or APPROVED PRESERVATION PROVIDENT FUND, may, provided the BOARD agrees thereto and subject to any requirements of the REVENUE AUTHORITY, be paid to the FUND. Any such amount must be credited to the MEMBER ACCOUNT of the MEMBER concerned when it has been received by the FUND.

RULE 5: MISCELLANEOUS PROVISIONS

5.1 COMPLAINTS PROCEDURE UNDER THE ACT

A complaint relating to the administration of the FUND, the investment of the money of the FUND or the interpretation and application of the RULES must be addressed in accordance with Section 30 of the ACT.

5.2 PAYMENT OF BENEFITS

- (1) Benefits are to be paid by means of an electronic funds transfer to the BENEFICIARY'S bank account with a bank as defined in the Banks Act, No. 94 of 1990, or a mutual bank as defined in the Mutual Banks Act, No. 124 of 1993.
- (2) The PARTICIPATING EMPLOYER or the BENEFICIARY must furnish the details of the bank account to the FUND.
- (3) The PARTICIPATING EMPLOYER and/or the BENEFICIARY may however specifically request that the benefit be paid by means of a cheque posted to the BENEFICIARY'S postal address as notified by the PARTICIPATING EMPLOYER and/or the BENEFICIARY to the FUND. In this event payment is made on such terms and conditions as advised by the FUND, if any.

5.3 ALLOWABLE DEDUCTIONS FROM BENEFITS

- (1) The FUND may make any deductions from a benefit or the value of the MEMBER ACCOUNT, as the case may be, as are allowed in terms of the ACT and other acts that it refers to in this regard.
- (2) The FUND may also reasonably withhold payment of a portion or the whole of any benefit payable in respect of a MEMBER or a BENEFICIARY provided that:
 - (a) the amount of the benefit so withheld does not exceed the amount that may be deducted in terms of the ACT;
 - (b) the FUND is satisfied that the PARTICIPATING EMPLOYER has made out a prima facie case against the MEMBER concerned and that either the PARTICIPATING EMPLOYER or, in criminal

proceedings, the State, has a reasonable chance of success in the proceedings that have been or are in the process of being instituted;

- (c) the FUND is satisfied that the PARTICIPATING EMPLOYER is not at any stage responsible for any undue delay in the prosecution of the proceedings;
- (d) once the proceedings have been finally determined by a competent court of law, or settled or withdrawn, any benefit amount to which the MEMBER or BENEFICIARY is entitled, and which was withheld, is paid immediately;
- (e) the FUND may, at the express written request of the MEMBER, permit the amount withheld from the benefit to be isolated in whatever manner the FUND deems appropriate from the possibility of a decrease therein as a result of poor investment performance.

5.4 PROOF OF AGE

Before a death, disability or retirement benefit is paid, a BENEFICIARY must satisfy the FUND and, where appropriate, the RISK PROVIDER with regard to –

- (a) proof of age of himself, and the MEMBER or deceased MEMBER where the BENEFICIARY is not the MEMBER; and
- (b) any other aspect material in considering and admitting a claim for a RISK BENEFIT.

The FUND may however waive the proof of age requirement.

5.5 NOTICES

Any notice, request, instruction or other communication given by any person in terms of the RULES to the FUND must, unless otherwise specified, be posted or sent electronically together with complete and correct documentation, where applicable. Any person giving such notice, request, instruction or other communication bears the onus of proof that it was received by the FUND.

5.6 UNCLAIMED BENEFITS

- (1) The BOARD must take such steps, as it considers appropriate, to trace the person entitled to an UNCLAIMED BENEFIT, the costs of which may be deducted from the benefit payable to the recipient.
- (2) Any unpaid benefit, which despite such steps is not paid out within such period considered appropriate by the BOARD or as determined from time to time by the REVENUE AUTHORITY, must be transferred to the UNCLAIMED BENEFITS ACCOUNT. Any benefit credited to this account must be retained in this account until it becomes payable in terms of MASTER RULE 5.6(4) below.
- (3) Amounts in the UNCLAIMED BENEFITS ACCOUNT must be invested by the BOARD in an investment fund designated for that purpose.
- (4) A benefit shall only become payable from the UNCLAIMED BENEFITS ACCOUNT to a BENEFICIARY when the BOARD is satisfied that a valid claim has been submitted and that any additional information required by the FUND has been provided. However, where a benefit which has not been paid from the FUND within a period of 24 (twenty-four) months from the date such benefit became legally due and payable in terms of these MASTER RULES, the BOARD may arrange for the assets and liabilities in respect of the benefit to be transferred to any fund legally entitled to hold unclaimed benefits in accordance with the provisions of the ACT and the requirements of the REVENUE AUTHORITY. Upon completion of the transfer, the FUND shall have no further liability in respect of the benefit and any subsequent claim lodged by a MEMBER or any person alleging an entitlement to the benefit shall be dealt with in terms of the rules of the fund to which the benefit was transferred.

5.7 MEMBERS' RIGHT TO DOCUMENTS

- (1) Subject to the payment of such fee as may be decided upon by the BOARD from time to time, the BOARD must deliver on request to a MEMBER a copy of the current MASTER RULES of the FUND and the SPECIAL RULES applicable to him and, if applicable, the most recent Annual Financial Statements of the FUND already submitted to the REGISTRAR.

- (2) Any MEMBER may inspect, without charge at the registered office of the FUND, any or all of the following:
 - (a) a copy of the MASTER RULES and the SPECIAL RULES applicable to him;
 - (b) the most recent Annual Financial Statements prepared under the ACT (if any);
 - (c) any documentation relevant to an arrangement being carried out by the FUND under the ACT to bring the FUND into a financially sound condition as required by the REGISTRAR.
- (3) A MEMBER may make extracts from the above documents. Any costs arising from the making of extracts must be paid by the MEMBER, unless the BOARD decides otherwise.

5.8 AMENDMENTS TO RULES

- (1) The BOARD may, subject to MASTER RULE 5.8(2) below amend these MASTER RULES as well as the SPECIAL RULES in accordance with the ACT.
- (2) If an amendment to the MASTER RULES or SPECIAL RULES is registered by the REGISTRAR after the effective date of the amendment, such amendment is deemed to take effect on the effective date of the amendment. This is not authority to act in terms of such amendment prior to registration.

5.9 HOUSING LOAN GUARANTEE

- (1) The FUND may furnish a guarantee in respect of a residential loan by a financial institution or the PARTICIPATING EMPLOYER to a MEMBER, provided that the guarantee, the loan and the purpose of the loan complies with the provisions of the ACT. Such guarantee will further be subject to any requirements laid down by the FUND.
- (2) Should a MEMBER, while being a MEMBER, default on repayment of a loan in respect of which the FUND has furnished a guarantee as contemplated in MASTER RULE 5.9(1) above, the BOARD may, as a last resort and after it is satisfied that no other arrangement for the repayment of the loan can be made, instruct that the resultant liability of the FUND be

recouped from the MEMBER ACCOUNT together with the employee's tax that by law may be payable to the REVENUE AUTHORITY as a result of such recoupment.

- (3) If, on transfer of the MEMBER'S membership to another APPROVED PENSION FUND or APPROVED PROVIDENT FUND, the FUND is liable under a guarantee referred to in MASTER RULE 5.9(2) above and the BOARD is satisfied that it is not otherwise reasonably possible to negotiate repayment of the amount owing by the MEMBER in respect of that liability or to transfer the guarantee, the FUND may deduct, from the amount that the FUND must transfer to the other fund for the benefit of the MEMBER, the amount owing as well as the employee's tax that by law may be payable to the REVENUE AUTHORITY as a result of such deduction.
- (4) Any amount recouped from the MEMBER ACCOUNT while being a MEMBER or deducted on transfer of membership in respect of a guarantee referred to will be deemed to be a benefit payment made by the FUND to the MEMBER for reasons other than as a result of death or retirement.

5.10 INSURANCE OF RISK BENEFIT AND LIMITATION OF FUND'S LIABILITY

- (1) The RISK BENEFIT must be fully insured with a RISK PROVIDER.
- (2) An ELIGIBLE EMPLOYEE'S participation in respect of any RISK BENEFITS is conditional on compliance with the insurability requirements and such limitations and conditions laid down by the RISK PROVIDER in respect of such benefit from time to time.
- (3) The FUND'S liability to a MEMBER in respect of the RISK BENEFIT may not exceed the amount or amounts payable in respect of such benefits by the RISK PROVIDER.

5.11 NOTIFICATION AND INFORMATION

- (1) Any notice or communication required or permitted to be given in terms of these MASTER RULES shall be valid and effective only if, given in writing or electronically and if, in the case of a notice or communication in respect of or from a MEMBER, sufficient information required to enable the FUND to identify the MEMBER and validate his membership is included in such notice or communication. Should any dispute arise as to whether due notice

was given, the person who alleges that such notice was given shall bear the onus of proof.

- (2) The PARTICIPATING EMPLOYER is further obliged to provide the FUND with such information required in respect of contributions, RISK BENEFITS and any other information as required from time to time.
- (3) The FUND is entitled to rely on any information or communication received from a PARTICIPATING EMPLOYER in respect of a MEMBER in its service including, without limiting the generality of the foregoing –
 - (a) any decision or instruction by such a MEMBER or BENEFICIARY in respect of any matter;
 - (b) if such communication reflects any other right of election enjoyed at any time by such a MEMBER or BENEFICIARY; or
 - (c) information relating to the MEMBER, in particular his PENSIONABLE SALARY, category of membership, date of birth, date of entry, date of and reason for leaving service.
- (4) No MEMBER, BENEFICIARY or person enjoying rights in succession to any MEMBER or BENEFICIARY has any claim against the FUND in respect of any loss which may arise as a result of the reliance by the FUND on any information or communication conveyed to it by a PARTICIPATING EMPLOYER.
- (5) The provisions of MASTER RULE 5.11(3) and MASTER RULE 5.11(4) above do not apply if the information or communication is conveyed directly to the FUND by the MEMBER or BENEFICIARY or if the MEMBER or BENEFICIARY notifies the FUND that MASTER RULE 5.11(3) above is not to apply to him. If the information provided by the MEMBER differs from that previously provided by the PARTICIPATING EMPLOYER, the MEMBER bears the onus of proof that such latter information was received by the FUND.

5.12 PURCHASE OF PENSION

- (1) Any pension purchased in terms of these MASTER RULES in the form of an annuity shall be purchased by the FUND from an INSURER chosen by

the BENEFICIARY in his name. Where the MEMBER has not chosen an INSURER within such period as specified by the BOARD or where the MEMBER notifies the FUND that he wishes to purchase the default annuity as specified by the BOARD, the FUND shall purchase a pension from an INSURER selected by and on such basis as determined by the BOARD. It is expressly recorded that upon purchase of such pension, the MEMBER shall have no claim of whatsoever nature against the FUND, its service providers and the BOARD for payment of the pension or any other amount arising from the pension purchased and the choice made by the MEMBER in respect of the INSURER.

- (2) The pension so purchased constitutes a benefit payment from the FUND and must,
 - (i) be in the name of the BENEFICIARY;
 - (ii) be compulsory, non-commutable and non-assignable;
 - (iii) be payable at least for the lifetime of the BENEFICIARY;
 - (iv) be in full and final settlement of the benefit due and payable to the BENEFICIARY in terms of the RULES.
- (3) Once the pension is purchased, the liability of the FUND in respect of the MEMBER is transferred to the INSURER with the result that the MEMBER thereupon ceases to be a MEMBER of the FUND and the FUND no longer has any liability to the MEMBER or any person enjoying rights in succession to such MEMBER.

5.13 ALLOCATION OF BENEFITS ON DEATH

Benefits accruing upon the death of a MEMBER shall be allocated in accordance with the provisions of the ACT.

5.14 INALIENABILITY OF BENEFITS

Save to the extent permitted in legislation, no benefit or right to a benefit in terms of the RULES may be reduced, transferred, ceded, pledged, hypothecated, attached, appropriated or executed.

5.15 ACTUARIAL VALUATIONS

- (1) In terms of Sections 9A and 16 of the ACT, the ACTUARY must, as required under the ACT, undertake an actuarial valuation of the FUND at least once every 3 (three) years.
- (2) Copies of the actuarial report must be given to both the BOARD and the REGISTRAR within twelve months of the expiry of the period to which the valuation relates.

5.16 AUDIT STATUS OF FUND

The FUND will in accordance with the ACT be subject to audit in respect of each FINANCIAL YEAR.

5.17 CURRENCY

All benefits and contributions are payable in South African currency.

5.18 MONEYS OF THE FUND MAY NOT REVERT TO A PARTICIPATING EMPLOYER

Except as otherwise provided in the ACT, no money of the FUND may revert to or become the property of any PARTICIPATING EMPLOYER.

5.19 COST PERTAINING TO INDIVIDUAL MEMBERS

The PARTICIPATING EMPLOYER and the ADMINISTRATOR must, to the satisfaction of the BOARD, take all reasonable steps to trace BENEFICIARIES. If any costs are incurred as a consequence:

- (1) of such tracing, and/or
- (2) an investigation to determine the appropriate allocation of the benefit amongst a number of potential BENEFICIARIES,

such reasonable costs may, at the BOARD'S discretion, be taken into account when determining the benefit payable.

5.20 BENEFIT AT DATE OF APPLICATION TO THE REVENUE AUTHORITY

For the purposes of application to the REVENUE AUTHORITY for a tax directive the application will be the balance in the MEMBER'S ACCOUNT and UNCLAIMED BENEFITS ACCOUNT, as applicable, at date of application. That portion of the INVESTMENT RETURN added after the date of application to the

REVENUE AUTHORITY will be reflected as income due to the BENEFICIARY and may be subject to taxation in the hands of the recipient of the benefit.

5.21 RULES ARE NOT CONDITIONS OF SERVICE

The RULES are not conditions of service. They do not govern the rights of employees of a PARTICIPATING EMPLOYER and the rights of a PARTICIPATING EMPLOYER in regard to the employment of employees.

5.22 MINIMUM BENEFITS

Any benefit payable in terms of the RULES shall not be less than the MEMBER'S minimum individual reserve as determined in terms of the ACT.

5.23 CESSATION OF RISK BENEFIT

In the event of the MEMBER'S retirement or withdrawal from service a MEMBER'S RISK BENEFIT will cease in terms of the RISK POLICY.

RULE 6: INVESTMENTS

6.1 INVESTMENTS – GENERAL

- (1) The INVESTMENT POLICY STATEMENT shall set out the investment strategy of the BOARD for the FUND and shall, subject to the MASTER RULES, from time to time provide for any matter the BOARD regards appropriate in relation to the investment of the assets of the FUND, including the following:
 - (a) The selection by the BOARD of INVESTMENT PORTFOLIOS which will be made available for the investment of the balances in the various accounts.
 - (b) Prescribe guidelines, terms and conditions that will apply to any right given to a MEMBER to either choose the TRUSTEE PORTFOLIO or an INVESTMENT PORTFOLIO as well as any related matter; provided that -
 - (i) different guidelines, terms and conditions may be prescribed for different INVESTMENT PORTFOLIOS or combinations of INVESTMENT PORTFOLIOS;
 - (ii) the INVESTMENT POLICY STATEMENT will set out the choices of INVESTMENT PORTFOLIOS that are available to MEMBERS and the right of the BOARD to move the investment to another INVESTMENT PORTFOLIO;
 - (c) the selection of INVESTMENT PORTFOLIOS of which the TRUSTEE PORTFOLIO will comprise.
 - (d) Provide for the unitisation of INVESTMENT PORTFOLIOS as is regarded appropriate, including –
 - (i) the guidelines that will apply in determining the value of UNITS;
 - (ii) provisions that will facilitate proof of the value of a UNIT at a particular date;

- (iii) the process and manner in which the sale and purchase of UNITS will take place;
 - (e) Investment rules that will apply in relation to the switching of balances in accounts between INVESTMENT PORTFOLIOS and to disinvestments of all or some of the balances in those accounts.
- (2) Where the MEMBER has the right to make a choice of INVESTMENT PORTFOLIOS in which an account balance is to be invested, in terms of the INVESTMENT POLICY STATEMENT;
 - (a) the MEMBER shall assume full responsibility for that choice and continuous review of that choice (including when the MEMBER is defaulted into the TRUSTEE PORTFOLIO); and
 - (b) the FUND, BOARD and any other officials, employees or consultants of the FUND shall not carry any responsibility in respect of any such choice made and shall not be liable for any damages suffered arising from such choice or any advice provided to the MEMBER.
 - (c) the onus of communicating any choice made (including any switching of an INVESTMENT PORTFOLIO) shall be on the MEMBER and for this purpose no choice or election has been communicated, unless the MEMBER can produce proof of receipt thereof by the FUND represented by the PRINCIPAL OFFICER, ADMINISTRATOR or any other person duly authorised by the BOARD to receive such communication on behalf of the FUND.
- (3) The FUND must enter into an investment agreement (such as a POLICY OF INSURANCE or investment mandate) with an INVESTMENT PROVIDER in respect of each INVESTMENT PORTFOLIO. In the case of an INVESTMENT PORTFOLIO which is a collective investment scheme the mandate may be determined by the INVESTMENT PROVIDER rather than the BOARD, provided the key features of that mandate are provided to the FUND in such a way that a MEMBER is able to make an informed decision as to whether to participate in the INVESTMENT PORTFOLIO.

- (4) In approving the INVESTMENT POLICY STATEMENT from time to time the BOARD must consider,
 - (a) what is in the best interests of the FUND and its MEMBERS;
 - (b) the investment objectives and appropriateness of each INVESTMENT PORTFOLIO; and
 - (c) the types of investments which the FUND is prepared to make and those which it is not prepared to make.
- (5) The BOARD must:-
 - (a) determine one or more appropriate benchmarks of performance for each INVESTMENT PORTFOLIO, noting that one or more inflation-related index or peer-related benchmarks may be relevant for the assessment of performance of that INVESTMENT PORTFOLIO;
 - (b) measure the performance of each INVESTMENT PORTFOLIO in terms of those benchmarks over periods described in the INVESTMENT POLICY STATEMENT;
 - (c) review the appropriateness of the INVESTMENT PORTFOLIO with reference to their objectives in the light of their performance, new product offerings available to the FUND and continued compliance with the criteria set down in the INVESTMENT POLICY STATEMENT;
 - (d) review from time to time the appropriateness of the benchmarks.
- (6) Where the assets are owned by the FUND or the FUND has rights in respect of the investments underlying a POLICY OF INSURANCE, the BOARD must exercise any rights attaching to those investments of the FUND, in particular any voting rights, on the basis that the exercise of such rights is for the benefit of the MEMBERS of the FUND who participate in the corresponding INVESTMENT PORTFOLIO.

(7) The BOARD:-

- (a) may withdraw any INVESTMENT PORTFOLIO available for investment of assets of the FUND or may close an INVESTMENT PORTFOLIO to new investments. This withdrawal or closure of an INVESTMENT PORTFOLIO may be for any reason determined by the BOARD to be in the best interests of the FUND or the MEMBERS;
- (b) must withdraw an INVESTMENT PORTFOLIO if that INVESTMENT PORTFOLIO does not comply with the requirements of any law applicable to the FUND, including any Reserve Bank requirement or any requirements stipulated by the REGISTRAR;
- (c) may require any MEMBER to withdraw so much from an INVESTMENT PORTFOLIO as is necessary in order to ensure that the FUND is compliant with the requirements of any law; provided that such compliance requirements are applicable to every MEMBER;
- (d) must, where the BOARD has changed or withdrawn investments made for the benefit of a MEMBER in terms of this MASTER RULE, invest these amounts in an INVESTMENT PORTFOLIO that the BOARD considers as appropriate under the circumstances, if the MEMBER has not elected another INVESTMENT PORTFOLIO or advised the FUND where the amounts should be invested in terms of the INVESTMENT POLICY STATEMENT.

- (8) The BOARD may introduce new INVESTMENT PORTFOLIOS, in which case the MEMBERS who qualify in terms of the INVESTMENT POLICY STATEMENT to invest in those INVESTMENT PORTFOLIOS must be notified of the new opportunity available to them for selection.
- (9) On receipt of an exit notification, or on the TERMINATION DATE of the FUND or SUB-FUND, the amount in the MEMBER ACCOUNT, or after receipt of any RISK BENEFIT if it applies in terms of the RULES, must be disinvested from the INVESTMENT PORTFOLIO and be invested in an INVESTMENT PORTFOLIO which preserves capital as determined by the

BOARD until it is paid to the MEMBER, his BENEFICIARY or it is credited to the UNCLAIMED BENEFITS ACCOUNT in terms of MASTER RULE 5.6.

6.2 INFORMATION REGARDING INVESTMENT PORTFOLIOS

- (1) The BOARD must take reasonable steps to provide information relating to the INVESTMENT PORTFOLIO applicable to each MEMBER, and any changes to such INVESTMENT PORTFOLIO to the MEMBERS themselves, or through the relevant PARTICIPATING EMPLOYER, or its representative, who must take reasonable steps to make this information available to the MEMBERS employed by that PARTICIPATING EMPLOYER.
- (2) The PARTICIPATING EMPLOYER must take reasonable steps to inform each MEMBER of the choices that the MEMBER has as defined in the INVESTMENT POLICY STATEMENT.

RULE 7: PARTICIPATION

7.1 PARTICIPATING EMPLOYERS

- (1) Any PARTICIPATING EMPLOYER may apply to the BOARD on such terms and conditions as set out by the BOARD to participate in the FUND on the basis that all ELIGIBLE EMPLOYEES who qualify for membership in terms of MASTER RULE 7.2 become MEMBERS.
- (2) The participation of a PARTICIPATING EMPLOYER in the FUND as elected in respect of his employees commences on the PARTICIPATION DATE.

7.2 MEMBERS

- (1) A person, who is an ELIGIBLE EMPLOYEE on the PARTICIPATION DATE, may choose to become a MEMBER within 12 (twelve) months from that date, failing which such ELIGIBLE EMPLOYEE may only become a MEMBER if he still satisfies the eligibility requirements as set out in the SPECIAL RULES and the REVENUE AUTHORITY agrees to such ELIGIBLE EMPLOYEE becoming a MEMBER.
- (2) A person who becomes an ELIGIBLE EMPLOYEE after the PARTICIPATION DATE is obliged to participate in the FUND from the date on which he becomes an ELIGIBLE EMPLOYEE or such other date that the PARTICIPATING EMPLOYER may decide, provided that the PARTICIPATING EMPLOYER must ensure that such ELIGIBLE EMPLOYEE is enrolled as a MEMBER by giving written notice to the FUND as required under the ACT and in the manner prescribed by the BOARD from time to time.
- (3) A MEMBER'S participation in respect of a RISK BENEFIT is always conditional on his compliance with the INSURER'S requirements as laid down in the RISK POLICY from time to time and participation in such benefit only commences once the conditions of the RISK POLICY have been complied with.

7.3 CONTINUATION OF PARTICIPATION

All MEMBERS shall remain MEMBERS until all the benefits in respect of retirement, withdrawal from service, or death have been paid, or until the MEMBERS are no longer eligible to participate and the MEMBERS have received all the benefits which may due in terms of the RULES.

7.4 TEMPORARY ABSENCE OF MEMBERS

The membership of a MEMBER continues if the MEMBER is absent from service and such absence is authorised by the PARTICIPATING EMPLOYER concerned; provided that -

- (1) the entitlement of such MEMBER to any RISK BENEFIT is subject to the provisions of the RULES and the terms and conditions of the RISK POLICY concerned;
- (2) the contributions payable by the MEMBER (if any) and the PARTICIPATING EMPLOYER immediately before such absence shall continue to be paid unless the PARTICIPATING EMPLOYER decides otherwise and notifies the FUND accordingly in writing.

7.5 MEMBERS IN RECEIPT OF DISABILITY INCOME BENEFITS UNDER THE DISABILITY INCOME PLAN

- (1) An employee, who is in receipt of a benefit under the DISABILITY INCOME PLAN on the PARTICIPATION DATE, will be regarded as an ELIGIBLE EMPLOYEE, provided the PARTICIPATING EMPLOYER provides the FUND with details of such employee and provided contributions for such employee are paid to the FUND.
- (2) A MEMBER who becomes disabled and qualifies for a benefit under the DISABILITY INCOME PLAN, will not be regarded as being absent from service under MASTER RULE 7.4 and will continue to be a MEMBER until his retirement or death, whichever occurs earlier.

RULE 8: LIQUIDATION PROVISIONS

8.1 LIQUIDATION OF THE FUND

- (1) The BOARD or ISASA may, by giving written notice to the ADMINISTRATOR, request that the FUND be discontinued.
- (2) If the FUND is to be discontinued, the BOARD must, subject to the approval of the REGISTRAR, appoint a liquidator.
- (3) The liquidation date is the date on which the liquidator's appointment is approved.
- (4) The assets of the FUND must be determined as at the date of liquidation.
- (5) The provisions of MASTER RULE 8.2(4) shall mutatis mutandis apply in respect of the liquidation of the FUND. In addition any credit balance in the MAIN ACCOUNT and UNCLAIMED BENEFITS ACCOUNT shall be determined and dealt with by the liquidator.

8.2 LIQUIDATION OF A SUB-FUND

- (1) If a PARTICIPATING EMPLOYER is liquidated, sequestrated, wound up or elects to cease participating in the FUND and requests that the SUB-FUND be liquidated, the SUB-FUND shall be liquidated.
- (2) If a SUB-FUND is liquidated, the BOARD must, subject to the approval of the REGISTRAR, appoint a liquidator. The liquidation date of the SUB-FUND is the date on which the liquidator's appointment is approved.
- (3) On the liquidation date and in accordance with the directives of the liquidator all accrued debits and credits in respect of the accounts of the SUB-FUND must be processed so that the balances in the SUB-FUND can be determined. The aggregate of all credit balances on the liquidation date in any of the accounts of the SUB-FUND, other than the PARTICIPATING EMPLOYER SURPLUS ACCOUNT, after the liquidator made provision for liquidation expenses and payment of any taxation due, must be allocated proportionately amongst the MEMBER ACCOUNTS, as recommended by

the ACTUARY and approved by the liquidator. The value of each MEMBER'S ACCOUNT must be determined and thereafter the balance in such account must be paid in the same way as if the MEMBER exits the FUND as a result of withdrawal from the PARTICIPATING EMPLOYER'S service. The provisions of MASTER RULE 14.2 shall *mutatis mutandis* apply in this regard. Former members who were employed by that PARTICIPATING EMPLOYER and who left the FUND within the 12 (twelve) months preceding the liquidation date shall participate in the distribution. If the former MEMBERS who qualify to participate in this distribution cannot be traced, the corresponding amounts so distributed will be dealt with appropriately as decided by the liquidator.

- (4) Any credit balance in the PARTICIPATING EMPLOYER SURPLUS ACCOUNT must be disposed of in terms of Section 15I(c) of the ACT.

8.3 TERMINATION OF SUB-FUND BY THE BOARD

The BOARD has the right to terminate the participation of a PARTICIPATING EMPLOYER in the FUND provided that at least 20 (twenty) days notice and no more than 60 (sixty) days notice of such termination is given by the BOARD to the PARTICIPATING EMPLOYER. Upon such termination, the provisions of MASTER RULE 8.2 apply in the same way, provided that the provisions of MASTER RULE 9.3 must apply if the PARTICIPATING EMPLOYER notifies the FUND thereof within 20 (twenty) days of the notice above. The BOARD may agree to any extension of these notice periods.

8.4 NO MEMBERS REMAINING

- (1) If there are no MEMBERS remaining in a SUB-FUND, but there are balances in the accounts of the SUB-FUND, the SUB-FUND must be terminated in terms of MASTER RULE 8.2, provided that the BOARD shall determine the equitable basis for distributing the assets of the SUB-FUND, other than the PARTICIPATING EMPLOYER SURPLUS ACCOUNT, taking into account persons who exited the SUB-FUND in the twelve months prior to the last MEMBER having exited the SUB-FUND. If such a distribution is made and some of the former members cannot be traced to make payment, the corresponding assets must be credited to the UNCLAIMED BENEFITS

ACCOUNT.

- (2) If there are no MEMBERS remaining in a SUB-FUND and there are no balances in the accounts of the SUB-FUND, the BOARD shall apply to the REGISTRAR to have the SUB-FUND terminated and deregistered within the provisions of Section 27 of the ACT.

8.5 NOTIFICATION TO AUTHORITIES

The BOARD must ensure that the REVENUE AUTHORITY and the REGISTRAR are notified of the cessation of participation of a PARTICIPATING EMPLOYER under the FUND.

8.6 DISCONTINUANCE OF A PARTICIPATING EMPLOYER

If a PARTICIPATING EMPLOYER no longer meets the eligibility requirements to participate under the FUND, its participation under the FUND will cease and membership to the FUND, in respect of such PARTICIPATING EMPLOYER, will be closed. No new ELIGIBLE EMPLOYEES, including MEMBERS who belong to other SUB-FUNDS within the FUND or the PENSION SCHEME, will be eligible to join thereafter. Such PARTICIPATING EMPLOYER must within 3 (three) months from the date their eligibility ceased, make alternative arrangements with respect to the SUB-FUND'S assets and liabilities. The BOARD may at their discretion extend the 3 (three) months for a further 3 (three) months, subject to a maximum of 6 (six) months from the ceasing date.

8.7 EXEMPTION FROM SECTION 28 OF THE ACT

Despite any other provision to the contrary contained in this MASTER RULE 8, if the FUND qualifies for exemption from the relevant provisions of Section 28 of the ACT and the REGISTRAR approves an application from the FUND in this regard, the relevant process as prescribed by the ACT shall be followed.

RULE 9: TRANSFERS

9.1 TRANSFERS OUT OF THE FUND

- (1) If a MEMBER or a group of MEMBER'S is no longer eligible to participate in the FUND, their participation under the FUND will cease.
- (2) The assets and liabilities of the FUND relating to such MEMBER or MEMBERS, must be transferred, to another APPROVED PENSION FUND, APPROVED PROVIDENT FUND, APPROVED PRESERVATION PENSION FUND, APPROVED PRESERVATION PROVIDENT FUND or APPROVED RETIREMENT ANNUITY FUND as notified by the PARTICIPATING EMPLOYER in writing or electronically to the FUND, subject to the requirements of the ACT unless the PARTICIPATING EMPLOYER advises the BOARD that each such MEMBER or category of MEMBERS, who would otherwise be so transferred must be permitted to withdraw from the FUND in terms of MASTER RULE 14 due to their contracts of employment being terminated as a result of a transfer in terms of section 197 of the Labour Relations Act, 1995.
- (3) Any PARTICIPATING EMPLOYER who operates a PARTICIPATING EMPLOYER SURPLUS ACCOUNT may apply to the BOARD in terms of section 15E of the ACT to transfer some or all of the credit balance held in that account to a comparable account under another fund in which the PARTICIPATING EMPLOYER participates. Once the approval of the REGISTRAR and the BOARD has been received, such amount may be transferred to the other fund with INVESTMENT RETURN as determined by the BOARD from date of application to the receipt of approval.

9.2 TRANSFERS OF SUB-FUND BY A PARTICIPATING EMPLOYER TO ANOTHER FUND

- (1) If a PARTICIPATING EMPLOYER elects to cease participating in the FUND, and advises the FUND of another APPROVED PENSION FUND or APPROVED PROVIDENT FUND in which it will participate and to which the SUB-FUND'S assets and liabilities shall be transferred in terms of the ACT, the provisions of MASTER RULE 9.1 shall apply.

- (2) The assets and liabilities of that SUB-FUND shall be transferred to the other APPROVED PENSION FUND or APPROVED PROVIDENT FUND subject to the provisions of section 14 of the ACT and any requirements of the REVENUE AUTHORITY.

9.3 TRANSFER OR AMALGAMATION IN RESPECT OF A PARTICIPATING EMPLOYER

If a PARTICIPATING EMPLOYER transfers to or amalgamates with some other organisation, the other organisation may either apply to join the FUND as a PARTICIPATING EMPLOYER or the PARTICIPATING EMPLOYER may terminate its participation as set out in MASTER RULE 8.2. If the other organisation is already a PARTICIPATING EMPLOYER, the SUB-FUND will be amalgamated with the SUB-FUND of the other organisation.

9.4 PARTIAL TRANSFER OR AMALGAMATION IN RESPECT OF A PARTICIPATING EMPLOYER

If a part of the business of a PARTICIPATING EMPLOYER transfers to or amalgamates with some other business, company or organisation, the provisions of MASTER RULE 8.2, shall mutatis mutandis, apply in respect of such part of the PARTICIPATING EMPLOYER'S business.

RULE 10: FINANCIAL PROVISIONS

10.1 GENERAL

All contributions received by the FUND are paid into a BANK ACCOUNT.

10.2 ACCOUNTS

The FUND must keep the accounts as set out in MASTER RULE 10.3 and 10.4 for the administration of the FUND. The BOARD may establish any other accounts as it deems appropriate from time to time provided that any account at FUND level need not be established at SUB-FUND level unless the BOARD considers it necessary or desirable.

The following accounts are kept at FUND level:

- (a) MAIN ACCOUNT;
- (b) UNCLAIMED BENEFITS ACCOUNT;
- (c) INVESTMENT RESERVE ACCOUNT.

The following ACCOUNTS are kept at SUB-FUND level:

- (d) MEMBER ACCOUNT; and
- (e) PARTICIPATING EMPLOYER SURPLUS ACCOUNT.

10.3 FUND LEVEL ACCOUNTS

(1) MAIN ACCOUNT

The BOARD must review the balance in the MAIN ACCOUNT at least once in each FINANCIAL YEAR to determine the amounts, if any, that will be required to be transferred from the other accounts to meet the FUND expenses for the next FINANCIAL YEAR.

The following debits and credits are recorded in the MAIN ACCOUNT:

(a) DEBITS

(b) CREDITS

(i) Any amount transferred to a MEMBER ACCOUNT as determined by the BOARD in consultation with the ACTUARY.	(i) Any amount transferred from the INVESTMENT RESERVE ACCOUNT and as determined by the BOARD in consultation with the ACTUARY.
(ii) Administration fees, expenses and costs incurred by the FUND.	(ii) Any amount transferred in terms of MASTER RULE 4.4(1)(a).
(iii) Any amounts transferred in respect of a claim for a RISK BENEFIT.	(iii) That portion of the total contribution in terms of MASTER RULE 4.2(2)(a).
(iv) Premiums payable to the RISK PROVIDER for RISK BENEFIT cover, including in terms of the RISK POLICY, any interest on such premiums.	(iv) Amounts received from the UNCLAIMED BENEFITS ACCOUNT as determined by the BOARD to fund the expenses in respect of UNCLAIMED BENEFITS.
	(v) Any payments or transfers from a PARTICIPATING EMPLOYER SURPLUS ACCOUNT.
	(vi) Amounts received from the RISK PROVIDER in respect of a claim for a RISK

	BENEFIT.
	(vii) Contributions payable for RISK BENEFITS in terms of MASTER RULE 4.2(2)(b)(i).

(2) UNCLAIMED BENEFITS ACCOUNT

The following debits and credits are recorded in the UNCLAIMED BENEFITS ACCOUNT for each MEMBER whose benefits became unclaimed which will, in aggregate, comprise the UNCLAIMED BENEFITS ACCOUNT:

(a) DEBITS

(b) CREDITS

(i) Any amount validly claimed in respect of a benefit credited to this account by any MEMBER or DEPENDANT or other person entitled to make any claim in respect of any benefit.	(i) Any amount transferred from a MEMBER ACCOUNT in respect of UNCLAIMED BENEFITS.
(ii) Reasonable costs to trace BENEFICIARIES charged against the benefit due to the BENEFICIARY.	(iii) Any payments or transfers from a PARTICIPATING EMPLOYER SURPLUS ACCOUNT.
(iii) Amounts transferred to the MAIN ACCOUNT as determined by the BOARD to fund the expenses in respect of UNCLAIMED BENEFITS.	(iii) Any amount transferred in terms of MASTER RULE 4.4(1)(a).
(iv) Any UNCLAIMED BENEFIT and the INVESTMENT RETURN thereon payable to any other	(iv) Any positive INVESTMENT RETURN.

fund legally entitled to hold UNCLAIMED BENEFITS in accordance with the provisions of the ACT and the requirements of the REVENUE AUTHORITY.	
(v) Any negative INVESTMENT RETURN.	

(3) INVESTMENT RESERVE ACCOUNT

The following debits and credits are recorded in the INVESTMENT RESERVE ACCOUNT:

(a) DEBITS

(b) CREDITS

(i) Amounts transferred to the MAIN ACCOUNT as determined by the BOARD in consultation with the ACTUARY from time to time.	(i) Positive INVESTMENT RETURN.
(ii) Investment fees payable to the INVESTMENT PROVIDER.	(ii) Amounts received for the payment of investment fees and any other expenses related to the investments, either payable to the INVESTMENT PROVIDER or an external party, where applicable.
(iii) Negative INVESTMENT RETURN.	(iii) Any payments or transfers from the PARTICIPATING EMPLOYER SURPLUS

	ACCOUNT.
(iv) Any amount transferred to a MEMBER ACCOUNT as determined by the BOARD in consultation with the ACTUARY, in terms of Section 15G of the ACT.	(iv) Amounts payable by a PARTICIPATING EMPLOYER in respect of penalties levied in accordance with Section 13A of the ACT on the late payment of contributions to the FUND.
(v) Any amount levied in accordance with Section 13A of the ACT on the late payment of contributions to the FUND, and not received by the FUND, to be written off as an expense of the FUND, as determined by the BOARD in consultation with the ACTUARY.	
(vi) Any amount transferred to a MEMBER ACCOUNT in respect of penalties received in accordance with Section 13A of the ACT on the late payment of contributions to the FUND, for the MEMBER concerned.	

10.4 SUB-FUND LEVEL ACCOUNTS

(1) MEMBER ACCOUNT

The following debits and credits are recorded in the MEMBER ACCOUNT:

(a) DEBITS**(b) CREDITS**

(i) Any amount commuted on retirement.	(i) Contributions in terms of MASTER RULE 4.1(1), 4.1(3) or 4.2(7).
(ii) Amount used to purchase an annuity under MASTER RULE 11.	(ii) Amounts transferred in terms of MASTER RULE 4.4(1) and 4.4(2) if applicable.
(iii) Any withdrawal payment under MASTER RULE 14.	(iii) The balance of the total contribution referred to in MASTER RULE 4.2(1) less the amounts in MASTER RULE 4.2(2).
(iv) The benefit payable on the death or disability of a MEMBER under MASTER RULE 12 and 13, respectively.	(iv) Any amounts transferred from the PARTICIPATING EMPLOYER SURPLUS ACCOUNT in terms of MASTER RULE 4.2(4) or 4.2(6).
(v) Any amount payable to the UNCLAIMED BENEFITS ACCOUNT.	(v) Positive INVESTMENT RETURN.
(vi) Negative INVESTMENT RETURN.	(vi) Any amount transferred in terms of MASTER RULE 4.2(3)(b).
(vii) Any fees, disbursements, levies or expenses payable by the FUND, which have not been	

deducted by INVESTMENT PROVIDER when determining the UNIT price.	
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(2) PARTICIPATING EMPLOYER SURPLUS ACCOUNT

The PARTICIPATING EMPLOYER SURPLUS ACCOUNT is established in terms of Section 15E of the ACT. The following debits and credits are recorded in the PARTICIPATING EMPLOYER SURPLUS ACCOUNT:

(a) DEBITS

(b) CREDITS

(i) Any payments, transfers to any other account in the FUND, or transfer to another fund, at the request of the PARTICIPATING EMPLOYER, as resolved by the BOARD from time to time subject to Section 15E of the ACT.	(i) Any amount transferred in terms of MASTER RULE 4.4(1)(a).
(ii) Any amounts transferred to the MEMBER ACCOUNT in terms of MASTER RULE 4.2(4) or 4.2(6).	(ii) Any amount transferred into this FUND from an employer surplus account in another fund in which the PARTICIPATING EMPLOYER participates in terms of Section 15E of the ACT.
(iii) Negative INVESTMENT RETURN.	(iii) Positive INVESTMENT RETURN.
(iv) Any amount transferred to a MEMBER ACCOUNT as	(iv) Any contribution to the FUND made by the

determined by the BOARD in consultation with the ACTUARY.	PARTICIPATING EMPLOYER in terms of MASTER RULE 4.2(5).
(v) Any amount required to fund a deficit arising under the FUND in accordance with the provisions of Section 15H of the ACT.	

RULE 11: RETIREMENT BENEFITS

11.1 RETIREMENT

A MEMBER shall be entitled to a retirement benefit on whichever of the following events first occurs -

- (1) his NORMAL RETIREMENT DATE, unless the NORMAL RETIREMENT DATE has been deferred in terms of MASTER RULE 11.1(5) below;
- (2) the approval by the PARTICIPATING EMPLOYER of an application by the MEMBER to receive a retirement benefit before the NORMAL RETIREMENT DATE in circumstances other than those in terms of MASTER RULE 11.1(3) and 11.1(4) below provided that the MEMBER is not more than 10 (ten) years younger than the NORMAL RETIREMENT AGE, and the PARTICIPATING EMPLOYER notifies the FUND in writing of such approval;
- (3) the application by the MEMBER to receive a retirement benefit before the NORMAL RETIREMENT DATE due to the ill health of the MEMBER provided that the PARTICIPATING EMPLOYER is satisfied that as a result of such ill health the MEMBER is incapable, as a result of infirmity of body or mind, of performing the duties required of a person in the occupation or post in which the MEMBER was employed by his PARTICIPATING EMPLOYER on the last day on which he was present at work;
- (4) the application by the MEMBER to receive a retirement benefit as a result of the termination of his employment for operational reasons prior to his NORMAL RETIREMENT DATE, as certified by the PARTICIPATING EMPLOYER, provided that the MEMBER is not more than 10 (ten) years younger than the NORMAL RETIREMENT AGE;
- (5) such date after the NORMAL RETIREMENT DATE elected by the MEMBER provided:
 - (a) the PARTICIPATING EMPLOYER agrees thereto; and

- (b) the contributions that would otherwise be payable must continue to be payable until retirement.
- (6) his DISABLEMENT if the RISK POLICY providing the DISABILITY BENEFIT is applicable to the MEMBER.

11.2 BENEFIT ON RETIREMENT

A MEMBER receives a pension on retirement. The amount of the pension is that which can be purchased with the balance of the MEMBER'S ACCOUNT at the DATE OF PAYMENT, after allowing for any amounts commuted for cash in terms of MASTER RULE 11.3.

11.3 COMMUTATION

- (1) On retirement a MEMBER may commute for cash so much of the pension secured by the balance of the MEMBER'S ACCOUNT as applicable and as is permitted by the REVENUE AUTHORITY, at the DATE OF PAYMENT.
- (2) If the REVENUE AUTHORITY permits the entire pension secured as referred to in MASTER RULE 11.3(1) above be paid in cash and the MEMBER elects to receive the entire amount on retirement in cash, the MEMBER upon such payment to him ceases to be a MEMBER and the FUND no longer has any liability to the MEMBER or any person enjoying rights in succession to such MEMBER.

11.4 PURCHASE OF PENSION

The balance of the MEMBER'S retirement benefit after commutation in terms of MASTER RULE 11.3 shall be used to purchase a pension in terms of MASTER RULE 5.12.

11.5 DEATH OF A RETIRED MEMBER

Where a MEMBER has retired and dies before payment of his benefit has been made the entire retirement benefit will be paid to the MEMBER'S estate in cash.

RULE 12: DEATH BENEFITS

12.1 DEATH BEFORE NORMAL RETIREMENT AGE

- (1) If a MEMBER dies before retirement, a death benefit is payable. The death benefit comprises the balance in the MEMBER ACCOUNT at the DATE OF PAYMENT, which includes the amount paid in terms of the RISK POLICY.
- (2) MASTER RULE 5.12 and 12.2 will be applied when paying the benefit in terms of MASTER RULE 12.1(1) above.

12.2 PAYMENT OF DEATH BENEFIT

- (1) Cash

The BOARD may direct that all or part of the death benefit capital set out in MASTER RULE 12.2 be paid in cash in such manner as directed by the BOARD and in accordance with the ACT,

and/or

- (2) Pension

The BOARD may direct that a pension be purchased from an INSURER on the same terms as set out in the MASTER RULE 5.12 with all or part of the MEMBER'S death benefit. A major DEPENDANT or major nominated BENEFICIARY must consent, in writing, to such purchase.

Thereafter, the FUND will have no further liability in respect of the MEMBER'S estate, his DEPENDANTS and/or nominated BENEFICIARIES.

RULE 13: DISABILITY BENEFIT

13.1 RIGHT TO A DISABILITY BENEFIT

If the SPECIAL RULES provide for a DISABILITY BENEFIT then such DISABILITY BENEFIT is payable to a MEMBER on his DISABLEMENT provided the claim under the RISK POLICY is accepted by the INSURER.

13.2 PAYMENT OF DISABILITY BENEFIT

The benefit on DISABLEMENT comprises the balance in the MEMBER ACCOUNT at the DATE OF PAYMENT, which includes the DISABILITY BENEFIT paid in terms of the RISK POLICY if the RISK BENEFIT applies in terms of the SPECIAL RULES. The balance in the MEMBER ACCOUNT must be used to provide a retirement benefit. This retirement benefit must be used to purchase a pension for the benefit of the MEMBER on the same terms as set out in MASTER RULE 5.12. MASTER RULE 11.3 shall *mutatis mutandis* apply.

RULE 14: WITHDRAWAL BENEFIT

14.1 RIGHT TO A WITHDRAWAL BENEFIT

A MEMBER is entitled to receive a withdrawal benefit -

- (1) when he ceases to be an ELIGIBLE EMPLOYEE for reasons which are not elsewhere dealt with in these MASTER RULES and the PARTICIPATING EMPLOYER notifies the FUND that he is no longer eligible; and
- (2) when he is not eligible for any other benefit as described in the RULES.

14.2 AMOUNT OF WITHDRAWAL BENEFIT

The withdrawal benefit of a MEMBER is the balance in the MEMBER'S ACCOUNT at the DATE OF PAYMENT.

14.3 PAYMENT OF WITHDRAWAL BENEFIT

- (1) A MEMBER may elect to:
 - (a) to receive the entire withdrawal benefit as cash; or
 - (b) to request the FUND to transfer the entire benefit to -
 - (i) an APPROVED PENSION FUND; or
 - (ii) an APPROVED PROVIDENT FUND; or
 - (iii) an APPROVED RETIREMENT ANNUITY FUND; or
 - (iv) an APPROVED PRESERVATION PENSION FUND or APPROVED PRESERVATION PROVIDENT FUND.
 - (c) subject to the requirements of the REVENUE AUTHORITY, receive part of the withdrawal benefit in cash and request the FUND to transfer the balance in accordance with MASTER RULE 14.3(1)(b) above.
- (2) A MEMBER must notify the FUND of the choice elected in terms of 14.3(1) above together with the details of the specific fund (if the option in 14.3(1)(b) is elected), within 3 (three) months of his effective date of withdrawal.

- (3) The choice elected by the MEMBER in terms hereof is irrevocable and the MEMBER is not entitled to any other benefits in terms of the RULES.
- (4) Where a MEMBER has withdrawn and dies before payment of his benefit is made, the entire benefit will be paid to the MEMBER'S estate in cash.

14.4 TRANSFER FROM ONE PARTICIPATING EMPLOYER TO ANOTHER PARTICIPATING EMPLOYER

Notwithstanding the provisions of MASTER RULE 14.1, a MEMBER who withdraws from the service of a PARTICIPATING EMPLOYER and joins the service of another PARTICIPATING EMPLOYER will not be regarded as having withdrawn from service.

14.5 DEFERRED BENEFIT

- (1) A MEMBER may elect to receive a deferred benefit payable as at his NORMAL RETIREMENT DATE. The deferred benefit shall be equal to the MEMBER'S ACCUMULATED CREDIT at the date of withdrawal, increased with INVESTMENT RETURN to his NORMAL RETIREMENT DATE or date of death, whichever of the events first occurs.
- (2) Notwithstanding the above, a MEMBER who has elected to receive a deferred benefit may request that it be paid at a date prior to his NORMAL RETIREMENT DATE, but not earlier than the date on which the MEMBER attains age 53 (fifty-three). If the BOARD agrees to the request, the deferred benefit shall be the balance in the MEMBER'S ACCOUNT at the date of withdrawal.
- (3) A MEMBER in terms of MASTER RULE 14.5(2) above shall have the option to:
 - (a) receive the value of his deferred benefit in cash, or
 - (c) transfer his deferred benefit to an APPROVED PENSION FUND, APPROVED PROVIDENT FUND, APPROVED RETIREMENT ANNUITY FUND or APPROVED PRESERVATION PROVIDENT FUND.

Any option elected in terms of this sub-rule (3) is irrevocable.

- (4) With effect from 1 November 2013 the option referred to in MASTER RULE 14.5(1) above will no longer be available for election.