
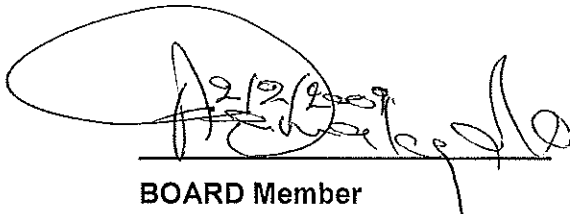


Certified that these are the rules of the **BENEFICIARY FUND FOR THE ROAD
FREIGHT AND LOGISTICS INDUSTRY** which will become effective from the
COMMENCEMENT DATE upon registration in terms of the ACT.




Chairperson of the BOARD

02/01/2009
Date



BOARD Member

02/01/2009
Date



PRINCIPAL OFFICER

02/01/2009
Date

DEUR MY GEREISTREER OP HEDE DIE REGISTERED BY ME ON THIS THE
.....
DAG VAN 30 April 2009 DAY OF
.....
Registrateur van Sake en Erfenis Registrar of Wills and Estates

**BENEFICIARY FUND FOR THE ROAD FREIGHT AND LOGISTICS
INDUSTRY**

**BENEFICIARY FUND FOR THE
ROAD FREIGHT AND LOGISTICS INDUSTRY**

RULES EFFECTIVE 1 JANUARY 2009

TABLE OF CONTENTS

RULE NO.	DESCRIPTION	PAGE NO
PREAMBLE		1
RULE 1: DEFINITIONS		3
RULE 2: FUND MANAGEMENT		11
2.1	Object of the Board	11
2.2	Appointment and Composition of the Board	11
2.3	Duration of the Trusteeship and Vacancies	12
2.4	Cessation of Trusteeship	13
2.5	Chairperson	14
2.6	Meetings of the Board	15
2.7	Voting Rights	16
2.8	Duties of the Board	17
2.9	Powers of the Board	18
2.10	Trustees Remuneration and Expenses	20
2.11	Indemnity and Fidelity Guarantee	21
2.12	Appointment of the Principal Officer	21
2.13	Appointment of the Administrator	23
2.14	Appointment of the Auditor	24
2.15	Appointment of the Valuator	25
2.16	Investment Manager	26
RULE 3: MEMBERSHIP		27
3.1	Eligibility	27
3.2	Commencement of Membership	27
3.3	Cessation of Membership	28
RULE 4: PAYMENT OF CAPITAL TO THE FUND		31
RULE 5: FUND ACCOUNTS		32
5.1	Fund Bank Account	32

5.2	Member Account	33
RULE 6:	INVESTMENTS	35
RULE 7:	BENEFIT PAYMENTS	36
7.1	Regular Payments	36
7.2	Ad Hoc Payments	36
7.3	Payment Upon Termination of Membership	37
7.4	Manner of Payments	38
RULE 8:	AMENDMENT OF THE RULES	41
PART 9:	AMALGAMATION AND TRANSFERS	42
RULE 10:	DISCONTINUANCE OF THE FUND	43
RULE 11:	MISCELLANEOUS PROVISIONS REGARDING BENEFITS	45
11.1	Evidence of Age and Existence	45
11.2	Personal Information	45
11.3	Alienation of Benefits	45
11.4	Unclaimed Benefits	46
RULE 12:	GENERAL PROVISIONS	47
12.1	Complaints	47
12.2	Currency and Law	47
12.3	Communication and Notices	48
12.4	Member and Beneficiary Right to Documents	49
12.5	Signatures to Documents	49
12.6	Confidentiality of Information	50

RULES OF THE BENEFICIARY FUND FOR THE ROAD FREIGHT AND LOGISTICS INDUSTRY

PREAMBLE

1. GENERAL

The Beneficiary Fund for the Road Freight and Logistics Industry is hereby established by the SPONSOR, with effect from 1 January 2009 (hereinafter referred to as "the COMMENCEMENT DATE"), in terms of the resolution of the board of trustees of the SPONSOR taken in accordance with the rules of the SPONSOR.

2. OBJECT OF THE FUND

The object of the FUND is to receive from TRANSFEROR FUNDS monies awarded to MEMBERS in terms of Section 37C of the ACT, and from other APPROVED BENEFICIARY FUNDS monies administered on behalf of MEMBERS, and to administer, invest and pay these monies in terms of these RULES.

3. REGISTERED OFFICE OF THE FUND

The registered office of the FUND is 19 Ameshoff street, Rennies House, 14th Floor, Braamfontein, 2017.

4. LEGAL CAPACITY

The FUND is a legal entity distinct from its MEMBERS and is capable, in its own name, of acquiring rights and obligations and of instituting and being party to legal proceedings.

5. RULES

The FUND is governed by these RULES which are binding on the FUND, ADMINISTRATORS, MEMBERS, officers of the FUND and on any person who claims under these RULES or whose claim is derived from a person so claiming.

6. REGISTRATION

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

RULE 1: DEFINITIONS

- 1.1. The headings of the RULES are for ease of reference and shall not be taken into account in the interpretation of the RULES.
- 1.2. Unless a contrary intention appears, words used in these RULES which are defined in the ACT and not in these RULES bear the meanings assigned to them in the ACT.
- 1.3. Unless inconsistent with the context, words signifying the singular number shall include the plural and vice versa.
- 1.4. Unless inconsistent with the context, words and expressions implying the masculine gender shall include the feminine words and expressions implying the masculine gender shall include the feminine.
- 1.5. Unless inconsistent with the context, the following words and expressions bear the meanings assigned to them below and cognate expressions shall have corresponding meanings: interpretation of the RULES.
 - 1.5.1. **ACT** means the Pension Funds Act 1956 (Act No. 24 of 1956) or any statute which replaces it and the regulations issued thereunder.
 - 1.5.2. **ACTUARY** means a person admitted as a member of the Actuarial Society of South Africa or any other institution approved by the Minister by notice in Government Gazette, who has been fellow of an institute, faculty or society of actuaries approved by the REGULATOR and appointed by the BOARD in terms of these RULES from time to time.
 - 1.5.3. **ADJUDICATOR** means the Pension Funds Adjudicator appointed in terms of Section 30C(1) of the ACT.

- 1.5.4. **ADMINISTRATOR** means the person or organisation appointed by the BOARD to administer the FUND and whose appointment has been duly recorded by the REGISTRAR.
- 1.5.5. **APPLICATION FORM** means a properly completed application form and other necessary documentation required by the FUND. In the case of a conflict between the APPLICATION FORM and these RULES, the RULES prevail.
- 1.5.6. **APPROVED BENEFICIARY FUND** means a beneficiary fund registered in terms of the ACT and, if required by relevant legislation, approved by the COMMISSIONER.
- 1.5.7. **AUDITOR** means an auditor registered in terms of the Auditing Professions Act, 2005 (Act No. 26 of 2005) who is appointed by the BOARD in terms of these RULES and whose appointment is notified to the REGISTRAR in terms of the ACT.
- 1.5.8. **BANK ACCOUNT(S)** means an account or account(s) in the name of the FUND opened with a bank as defined in the Banks Act, 1990 (Act No. 94 of 1990) or a mutual bank as defined in the Mutual Banks Act, 1993 (Act No. 124 of 1993).
- 1.5.9. **BENEFICIARY** means the MEMBER, or the GUARDIAN or CAREGIVER who receives payments on behalf of the MEMBER, or any other person authorised by a court of law to receive and administer payments on behalf of the MEMBER. Where these RULES grant a BENEFICIARY the right to make any election or to receive any payment:
- 1.5.9.1. the reference to the BENEFICIARY in the case of a minor MEMBER is a reference to the GUARDIAN, CAREGIVER or other person authorised in law to receive and administer the payments; and

- 1.5.9.2 the reference to a BENEFICIARY in the case of a major MEMBER is a reference to the MEMBER himself or other person authorised by the MEMBER or in law instead of the MEMBER to receive and administer the payments.
- 1.5.10. **BOARD** means the board comprising TRUSTEES which directs, controls and oversees the operations of the FUND in accordance with these RULES.
- 1.5.11. **CAPITAL** means any amount paid to the FUND by a TRANSFEROR FUND, other APPROVED BENEFICIARY FUND or a TRUST (where permitted in law) in respect of the MEMBER.
- 1.5.12 **CAREGIVER** means the person who is not the MEMBER'S GUARDIAN but who is responsible for meeting the daily care needs of a MEMBER that is unable to care for himself.
- 1.5.13 **COMMISSIONER** means the Commissioner for the South African Revenue Service.
- 1.5.14 **COMPLAINANT** means:
- 1.5.14.1 any MEMBER or former MEMBER, or
 - 1.5.14.2 any BENEFICIARY or former BENEFICIARY, or
 - 1.5.14.3 any one or more of the TRUSTEES, or
 - 1.5.14.4 any person who has an interest in a complaint.
- 1.5.15 **EDUCATION, MAINTENANCE, ADVANCEMENT AND WELL-BEING** means, but not limited to:

- 1.5.15.1 lodgings, food, clothing and medical expenses;
- 1.5.15.2 fees payable in connection with the MEMBER'S primary, secondary and tertiary education to educational institutions whether in the Republic of South Africa or not;
- 1.5.15.3 travelling expenditure to and from the MEMBER'S residence to the educational institution;
- 1.5.15.4 the costs of books, writing and other material and aids used by the MEMBER for educational purposes;
- 1.5.15.5 fees payable for additional tuition in educational subjects or in respect of coaching in sport and/or recreational pursuits, or fees levied for participation in sporting and/or recreational activities, or fees paid to associations or clubs providing the same;
- 1.5.15.6 fees payable for driving lessons and any recreational activity including art, music, dance and sporting activities;
- 1.5.15.7 national and international travel;
- 1.5.15.8 the general well-being of the MEMBER, including assistance for the purpose of establishing a business or profession; and
- 1.5.15.9 generally any expenses which the BOARD in their discretion determine may advance the education, knowledge and physical and mental well-being of the MEMBER.

- 1.5.16 **FINANCIAL YEAR** means the 12 (twelve) month period commencing on the COMMENCEMENT DATE and ending on 31 December 2009 and, thereafter any period of beginning of 12 (twelve) commencing on 1 January each year and ending on 31 December.
- 1.5.17 **FUND** means the Beneficiary Fund for the Road Freight and Logistics Industry.
- 1.5.18 **FUND CREDIT** means the market value of any CAPITAL together with nett of INCOME, less any payments and distributions, that is held in the MEMBER ACCOUNT.
- 1.5.19 **GUARDIAN** means the MEMBER'S natural parent who exercises guardianship over the MEMBER or such other person to whom guardianship has been assigned in terms of any applicable law.
- 1.5.20 **INCOME** means any investment return earned on the amounts held in respect of the MEMBER less any fees and expenses authorised by these RULES.
- 1.5.21 **INCOME TAX ACT** means the Income Tax Act, 1962 (Act No. 58 of 1962).
- 1.5.22 **INDEPENDENT TRUSTEE** means a person who is independent of, and not employed by or a trustee of the SPONSOR and who complies with any requirements of an independent trustee as may be determined by the BOARD from time to time.
- 1.5.23 **INSURER** means an insurer registered under the Long-Term Insurance Act, 1998 (Act No. 52 of 1998).
- 1.5.24 **INVESTMENT MANAGER(S)** means one or more persons approved by the REGISTRAR, in terms of any relevant law, and

appointed by the BOARD in terms of a written mandate to invest any FUND assets.

- 1.5.25 **MANAGEMENT FEES** means a MEMBER'S share of the cost of the management of and administration of the FUND, including, but not limited thereto, bank charges, costs relating to the valuation of the FUND, the management of the assets of the FUND, costs relating to the policies required to be established in terms of these RULES, the remuneration of the TRUSTEES and PRINCIPAL OFFICER as contemplated in RULES 2.10.1 and 2.12.6 respectively, TRUSTEES' and PRINCIPAL OFFICER'S expenses referred to in RULES 2.10.2 and 2.12.7 respectively, levies and fees payable to any institution in terms of the relevant legislation, any commission or advisory fee payable to an intermediary and such other costs as may be determined by the BOARD from time to time.
- 1.5.26 **MEMBER** means a person admitted as a member of the FUND in terms of RULE 3.2 in respect of whom a TRANSFEROR FUND, another APPROVED BENEFICIARY FUND or a TRUST (where permitted in law) has paid CAPITAL to the FUND and whose membership has not terminated in terms of these RULES.
- 1.5.27 **MEMBER ACCOUNT** means an account established in respect of each MEMBER in terms of RULE 5.2.
- 1.5.28 **PRINCIPAL OFFICER** means a person appointed by the BOARD to fulfill the functions of principal officer of the FUND as prescribed in the ACT and whose appointment has been notified to the REGISTRAR in terms of the ACT.
- 1.5.29 **REGISTRAR** means the registrar of registered funds appointed in terms of the ACT.

- 1.5.30 **RULES** means these rules of the FUND, as amended from time to time, which are registered by the REGISTRAR and approved by the COMMISSIONER.
- 1.5.31 **SPONSOR** means the Road Freight and Logistics Industry Provident Fund or another sponsor to whom the SPONSOR has ceded the right to act as such in relation to the FUND.
- 1.5.32 **SUB-COMMITTEE** means a committee, comprising one or more TRUSTEES and/or the PRINCIPAL OFFICER, to whom the BOARD has delegated certain functions in terms of these RULES.
- 1.5.33 **TERMINATION DATE** means the earliest of the following dates on which a MEMBER'S membership of the FUND terminates:
- 1.5.33.1 the age of majority, unless the MEMBER is labouring under a legal disability in which case the termination date is extended until the date on which the legal disability ceases to exist;
 - 1.5.33.2 in the case of a major who consents to his BENEFIT being held by the FUND, the date selected by him, or the date on which the FUND is liquidated and the BENEFIT is paid to him, whichever is the earlier;
 - 1.5.33.3 the date of liquidation if the FUND is liquidated and the FUND CREDIT is transferred to another APROVED BENEFICIARY FUND;
 - 1.5.33.4 if the FUND CREDIT falls below the amount determined by the BOARD making it uneconomical and not in the MEMBER'S best interests to retain and continue running the MEMBER ACCOUNT;

1.5.33.5 If the FUND CREDIT is depleted; or

1.5.33.6 If the MEMBER dies.

1.5.34 **TRANSFEROR FUND** means a fund registered in terms of the ACT that has awarded the MEMBER a share of a death benefit payable in terms of section 37C of the ACT.

1.5.35 **TRUST** means an umbrella trust whose trustees have approved a transfer to the FUND, in compliance with any legal requirements, of an amount held for a beneficiary of that trust.

1.5.36 **TRUSTEE** means a TRUSTEE or his alternate appointed to serve as a member of the BOARD in terms of RULES 2.2.1 and 2.2.2

1.5.37 **UNALLOCATED DEPOSIT** means any amount paid into the BANK ACCOUNT in respect of which there is insufficient information to establish a MEMBER ACCOUNT.

1.5.38 **UNCLAIMED BENEFIT** means any amount that remains unclaimed and/or unpaid for a period of 24 (twenty four) months after TERMINATION DATE.

RULE 2: MANAGEMENT OF THE FUND

2.1 OBJECT OF THE BOARD

The object of the BOARD is to direct, control and oversee the operations of the FUND in accordance with the applicable laws and the provisions of the RULES. In particular, the BOARD receive CAPITAL payments from TRANSFEROR FUNDS, other APPROVED BENEFICAIY FUNDS and TRUSTS (if permitted in law) in respect of MEMBERS, and to administer, invest and pay these monies in terms of these RULES.

2.2 COMPOSITION OF THE BOARD

2.2.1 The control and management of the FUND shall vest in the BOARD which shall comprise of 6 (six) TRUSTEES appointed as follows:

2.2.1.1 four TRUSTEES appointed by the SPONSOR;

2.2.1.2 an INDEPENDENT TRUSTEE appointed by the TRUSTEES referred to in 2.2.1.1 above, and

2.2.1.3 a PRINCIPAL OFFICER appointed by the TRUSTEES in terms of RULE 2.12;

Provided that:

(a) any full-time member of the risk sub-committee of the SPONSOR shall not be eligible for appointment as a TRUSTEE;

(b) the SPONSOR may appoint alternates to the TRUSTEES appointed in terms of RULE 2.2.1.1 above to act if any of such TRUSTEES is unable to perform his duties, and

- (c) the TRUSTEES appointed in terms of RULE 2.2.1.1 may appoint an alternate to each TRUSTEE referred to in RULE 2.2.1.2 and RULE 2.2.1.3.

2.2.2 An alternate TRUSTEE shall in all respects be subject to the qualifications, terms and conditions applicable to TRUSTEES and, while acting for any one of the TRUSTEES, must exercise and discharge all powers, duties and functions of the TRUSTEE that he represents.

2.2.3 Each TRUSTEE on the BOARD must meet any eligibility requirements determined by the BOARD in terms of these RULES.

2.2.4 An annual appraisal must be conducted on the BOARD, including SUB-COMMITTEES of the BOARD, according to processes and procedures determined by the BOARD and any guidelines issued by the REGULATOR.

2.2.5 A TRUSTEE'S performance of his responsibilities and duties as a TRUSTEE will be assessed on an ongoing basis according to processes and procedures determined by the BOARD and any guidelines issued by the REGULATOR. If, on the basis of these assessments, the majority of the BOARD finds the performance of any individual TRUSTEE to be unsatisfactory, he may be removed as TRUSTEE.

2.3 DURATION OF TRUSTEESHIP AND VACANCIES

2.3.1 Subject to the provisions of RULE 2.4 the TRUSTEES shall hold office for a period of 5 (five) years. TRUSTEES may, however, on the expiry of their term, make themselves available for re-appointment.

2.3.1 A vacancy on the BOARD may be filled in the interim by one of the alternate TRUSTEES, as determined by the BOARD, provided that another TRUSTEE is appointed to fill the vacancy within 3 (three) months after the date on which such vacancy occurs.

2.3.2 A vacancy on the BOARD when a decision is taken by it will not render that decision invalid provided that there is a quorum as referred to in RULE 2.7.2.

2.4 CESSATION OF TRUSTEESHIP

2.4.1 A TRUSTEE'S trusteeship will terminate if:

2.4.1.1 the majority of the BOARD decides to terminate his appointment on account of poor performance, misconduct or because the BOARD believes that the TRUSTEE is not a fit and proper person to occupy the position of TRUSTEE;

2.4.1.2 he resigns from office on giving 1 (one) month's written notice to the Chairperson or the BOARD, unless a shorter period is agreed to by the BOARD or the requirement of notice is waived entirely by the BOARD;

2.4.1.3 he fails to attend 3 (three) consecutive BOARD meetings without the prior permission of the Chairperson;

2.4.1.4 he no longer meets the eligibility requirements for a TRUSTEE or INDEPENDENT TRUSTEE as set out in the RULES or by any legislation;

2.4.1.5 he is appointed as a full time member of the risk benefit sub-committee of the SPONSOR.

2.4.2 No person in the following categories shall be eligible to hold office as a TRUSTEE and if a TRUSTEE, at any time, falls into any such category, he or she must immediately cease to hold office:

2.4.2.1 a minor or a person that is certified as mentally ill, or who is physically or otherwise incapable of acting;

2.4.2.2 a person whose estate is sequestrated, surrendered or assigned in favour of his creditors and has not been rehabilitated by a court;

2.4.2.3 a person who is removed by a court of law from any office of trust as a result of misconduct;

2.4.2.4 a person who is disqualified from being a director in terms of an order under the Companies Act, 1973 (Act No. 61 of 1973);

2.4.2.5 a person who is convicted by a court of law of theft, forgery or fraud or a similar offence involving dishonesty; or

2.4.2.6 a person who is convicted of any offence and sentenced to prison with or without the option of a fine.

2.5 CHAIRPERSON

2.5.1 The BOARD must appoint a Chairperson and an alternate from amongst the ranks of TRUSTEES to preside over and maintain order at meetings and to ensure that meetings are conducted in a proper manner. The Chairperson may exclude from the meeting any TRUSTEE or other person who deliberately ignores instructions from the Chairperson regarding the way that the meeting is to proceed or who makes it difficult for the BOARD to function in an orderly fashion.

- 2.5.2 The Chairperson shall serve for a period of 2½ (two and a half) years, but may, on the expiry of his term, make himself available for re-appointment subject to the approval of the BOARD. The term of office of the first Chairperson shall be deemed to commence from COMMENCEMENT DATE.
- 2.5.3 The Chairperson may resign on giving 1 (one) month's written notice to the other TRUSTEES unless a shorter period is agreed to by the BOARD or the requirement of notice is waived entirely by the BOARD.
- 2.5.4 The provisions of RULE 2.4.1 above shall apply *mutatis mutandis* as required by the context to the termination of the Chairperson's term of office as Chairperson.
- 2.5.5 Should the position of Chairperson become vacant before the expiry of the term of office, the BOARD may appoint another Chairperson for the unexpired portion of the term of office, or may appoint another Chairperson who will begin a new term of office.

2.6 MEETINGS OF THE BOARD

- 2.6.1 The BOARD must meet as often as is necessary to conduct the business of the FUND but no less than twice in each FINANCIAL YEAR.
- 2.6.2 The Chairperson must ensure that 15 (fifteen) days notice of BOARD meetings is given to all the TRUSTEES, alternates and the PRINCIPAL OFFICER, unless the TRUSTEES agree to waive this notice period.
- 2.6.3 The Chairperson may convene a special meeting of the BOARD at shorter notice if he or she thinks it necessary.

- 2.6.4 If the majority of the TRUSTEES request the Chairperson to convene a meeting of the BOARD, he must do so within 15 (fifteen) days.
- 2.6.5 Nothing in these RULES is to be construed as obliging the BOARD to meet in person or preventing the holding of BOARD meetings by way of a video or telephone conference or any other means.
- 2.6.6 The Chairperson must ensure that minutes of all meetings are taken and recorded in writing. The minutes of a meeting must be distributed to the BOARD as soon as possible after the meeting.

2.7 VOTING RIGHTS

- 2.7.1 In any deliberations of the BOARD each TRUSTEE (including the Chairperson) shall have 1 (one) vote only.
- 2.7.2 Any four TRUSTEES shall constitute a quorum; Provided that one of the TRUSTEES present shall be an INDEPENDENT TRUSTEE or his alternate.
- 2.7.3 An alternate TRUSTEE may attend all meetings of the BOARD but may only vote if the alternate TRUSTEE is acting in the place of any one of the other TRUSTEES.
- 2.7.4 The PRINCIPAL OFFICER of the FUND may attend all meetings of the BOARD, but will only have a vote if he is also a TRUSTEE.
- 2.7.5 A resolution in writing or resolution taken by electronic communication will be binding as if it had been passed at a meeting of the BOARD duly convened and held. Any resolution passed in terms of this rule must be noted at the first meeting of the BOARD held after the passing of such resolution.

2.7.6 A TRUSTEE who has any direct or indirect personal financial or other interest in a decision to be taken by the BOARD must disclose that interest before the decision is taken and may be required by the BOARD to abstain from voting.

2.7.7 At all meetings of the BOARD the decision of the majority shall be binding and if the votes are equal at any meeting, the chairperson shall have a casting vote in addition to his deliberative vote.

2.8 DUTIES OF THE BOARD

2.8.1 In pursuing the object in terms of RULE 2.1, the BOARD must:

2.8.1.1 take all reasonable steps to ensure that the interests of MEMBERS in terms of the RULES and the ACT are protected at all times;

2.8.1.2 act with due care, diligence and good faith;

2.8.1.3 disclose and properly manage conflicts of interest where they arise, and

2.8.1.4 act with impartiality in respect of all BENEFICIARIES.

2.8.2 The BOARD must furthermore specifically ensure that:

2.8.1.1 proper control systems are employed by, or on behalf of, the BOARD to protect the assets of the FUND;

2.8.1.2 adequate and appropriate information is communicated to MEMBERS informing them of their rights, benefits and duties in terms of the RULES;

- 2.8.1.3 expert advice is sought on matters where the BOARD may lack sufficient expertise;
- 2.8.1.4 the RULES and the operation and administration of the FUND comply with all relevant law;
- 2.8.1.5 every title deed and other document which proves that the FUND is the owner of a particular property is kept in a secure environment as approved by the BOARD at an office of the FUND or the ADMINISTRATOR;
- 2.8.1.6 the only persons who sign cheques, contracts or other documentation on behalf of the BOARD, or who authorise electronic payments, are those who have the authority, in terms of a resolution passed by the BOARD where necessary, and who are legally able to do so; and
- 2.8.1.7 proper registers and records of the operations of the FUND are kept and maintained at the FUND'S registered office.

2.9 POWERS OF THE BOARD

Subject to the provisions of the ACT, the BOARD must generally take all steps required to give effect to the objects of the FUND and to fulfill their duties in terms of the RULES and the ACT. Without detracting from the generality of this rule, the BOARD has the following powers:

- 2.9.1 to make ongoing regular and ad hoc payments to, or in respect of BENEFICIARIES, as approved by the BOARD and in accordance with policies approved by the BOARD;
- 2.9.2 to terminate MEMBER ACCOUNTS that are below an amount determined by the BOARD from time to time on the basis that their

continuation would be uneconomical and not in the MEMBERS' interests;

- 2.9.3 to stop payments to, or in respect of BENEFICIARIES, if there is any doubt as to the existence or identity of a BENEFICIARY;
- 2.9.4 to make adjustments to the FUND'S investments so as to ensure regulatory compliance;
- 2.9.5 to return an UNALLOCATED DEPOSIT after the expiry of an appropriate waiting period determined by the BOARD;
- 2.9.6 to open one or more BANK ACCOUNTS in the FUND'S name;
- 2.9.7 to conclude agreements on behalf of the FUND, to institute or defend legal action on behalf of the FUND, and to conduct, settle, or abandon such action;
- 2.9.8 to delegate the exercise of the powers and the performance of their functions to a SUB-COMMITTEE or other person or persons, subject to such conditions as the BOARD may determine, provided that the committee's mandate is in writing and has been adopted by the BOARD, that such delegation is lawful and consistent with the exercise of their fiduciary obligations, and that any decisions taken by such SUB-COMMITTEE or person are noted and appropriately tabled at a BOARD meeting;
- 2.9.9 to make, amend and rescind practice notes, guidelines or regulations in respect of a matter concerning the FUND, provided that these do not conflict with the RULES, the ACT and, if applicable, the INCOME TAX ACT;
- 2.9.10 to amend these RULES;

- 2.9.11 to lend, invest, put out at interest, place on deposit, make advances, or otherwise deal with the assets of the FUND upon such securities and in such manner as they may determine, obtain an overdraft or other loans for such sums and on such terms as they deem expedient to meet any temporary cash shortage or to complete any investment and for which they may give any security;
- 2.9.12 to purchase and let immovable property, and dispose of and realise for cash the assets of the FUND;
- 2.9.13 to appoint an ACTUARY, ADMINISTRATOR, AUDITOR, PRINCIPAL OFFICER and other consultants and service providers to the FUND as are necessary and conclude service level agreements with them;
- 2.9.14 to pursue the objects and duties contained in the ACT and to ensure full compliance with the ACT and all other applicable laws; and
- 2.9.15 to generally take such steps as are, in the BOARD'S discretion, conducive to the attainment of the objects of the FUND.

2.10 TRUSTEES REMUNERATION AND EXPENSES

- 2.10.1 The TRUSTEES, other than a TRUSTEE who has become a TRUSTEE by virtue of being appointed as a PRINCIPAL OFFICER, shall be entitled to be remunerated for the services performed in the execution of their duties as TRUSTEES at such rate as may be determined from time to time by the BOARD.
- 2.10.2 All other reasonable expenses incurred by TRUSTEES in fulfilment of their duties will be borne by the FUND.
- 2.10.3 TRUSTEES' remuneration and the reasonable expenses incurred in respect of any TRUSTEE, must be disclosed and recorded as an expense of the FUND in its financial statements.

2.11 INDEMNITY AND FIDELITY GUARANTEE

- 2.11.1 Each TRUSTEE and all officers of the FUND are indemnified by the FUND against all claims, proceedings, costs and expenses made against, or incurred by them, by reason of any act or omission occurring in the course of the exercise of their powers and functions as TRUSTEES, provided such does not arise from their gross negligence, wilful misconduct, dishonesty or fraud.
- 2.11.2 No TRUSTEE shall be liable for any loss sustained by the FUND arising from an act of dishonesty or other misconduct committed by any other TRUSTEE unless he recklessly or knowingly allowed it or was an accessory thereto.
- 2.11.3 The BOARD must ensure that indemnity and fidelity cover is obtained and maintained for such an amount as it regards as being sufficient protection against any loss resulting from the negligence, dishonesty or fraud of any of its TRUSTEES, officers or any other person to whom they have delegated their powers or functions. This indemnity is to be provided by way of a policy of insurance or in such other manner as the REGISTRAR may approve.
- 2.11.4 The BOARD may require that the ADMINISTRATOR and INVESTMENT MANAGER effect and maintain insurance to adequately indemnify the FUND against losses which may arise as a result of the negligence, dishonesty or fraud of any person employed by such ADMINISTRATOR or INVESTMENT MANAGER, as the case may be.

2.12 APPOINTMENT OF THE PRINCIPAL OFFICER

- 2.12.1 The BOARD must appoint and conclude an agreement with a PRINCIPAL OFFICER, whose appointment shall be full time and subject to the provisions of the ACT and such terms and conditions

as shall be determined by the BOARD from time to time. The BOARD may change such appointment in terms of the agreement and must provide to the REGISTRAR such information in respect of the PRINCIPAL OFFICER as is required in law.

2.12.2 The BOARD can appoint an acting PRINCIPAL OFFICER in any circumstances that it deems necessary but must notify the REGISTRAR of such appointment within 30 (thirty) days thereof.

2.12.3 The PRINCIPAL OFFICER must fulfil all the duties required of him in terms of the ACT, these RULES and any directions given by the BOARD.

2.12.4 In particular, the PRINCIPAL OFFICER must:

2.12.4.1 countersign documents as required by the ACT and these RULES;

2.12.4.2 ensure that any rule amendment is timeously submitted to the REGISTRAR for approval and registration and to the COMMISSIONER for approval;

2.12.4.3 within 6 (six) months of each FINANCIAL YEAR ensure that all MEMBERS are sent a written summary of all rule amendments which were registered within that FINANCIAL YEAR;

2.12.4.4 ensure that the FUND'S annual financial statements and other documents referred to in the ACT are submitted to the REGISTRAR as required by the ACT;

2.12.4.5 sign all FUND documents that must be submitted to the REGISTRAR; and

2.12.4.6 perform all other functions which he or she is required by law to perform.

2.12.5 The performance of the PRINCIPAL OFFICER'S responsibilities and duties will be assessed on an annual basis according to processes and procedures determined by the BOARD. If, on the basis of these assessments, the majority of the BOARD finds the performance of the PRINCIPAL OFFICER unsatisfactory, he or she may be removed as PRINCIPAL OFFICER, and a new appointment must be made.

2.12.6 The PRINCIPAL OFFICER shall be entitled to be remunerated for the services performed in the execution of his duties as a PRINCIPAL OFFICER at such rate as may be determined from time to time by the BOARD.

2.12.7 All reasonable expenses incurred by any PRINCIPAL OFFICER in fulfilment of his duties will be borne by the FUND.

2.12.8 The PRINCIPAL OFFICER'S remuneration and the reasonable expenses incurred in respect of the PRINCIPAL OFFICER must be disclosed and recorded as an expense of the FUND in its financial statements.

2.13 APPOINTMENT OF THE ADMINISTRATOR

2.13.1 The BOARD must appoint an ADMINISTRATOR to administer the FUND. The BOARD may only appoint persons that have been approved by the REGISTRAR to act as administrators in terms of Section 13B of the ACT.

2.13.2 Should continued administration of the FUND by the ADMINISTRATOR undermine, or threaten to undermine, the FUND'S ability to meet MEMBER'S expectations in terms of the

RULES, or the BOARD'S ability to fulfil its duties and functions in terms of the RULES and law generally, the BOARD may withdraw the appointment of the ADMINISTRATOR and appoint a new administrator.

2.13.3 The ADMINISTRATOR must administer the FUND in accordance with, and subject to, the RULES, the ACT and a written agreement in terms of Board Notice 24 of 2002 concluded between the FUND and the ADMINISTRATOR.

2.13.4 The BOARD may delegate certain of its functions to the ADMINISTRATOR in terms of the written agreement concluded with the ADMINISTRATOR.

2.14 APPOINTMENT OF AUDITOR

2.14.1 The BOARD must appoint an AUDITOR whose appointment shall be approved by the REGISTRAR. Such appointment is subject to the ACT and the BOARD may also withdraw the appointment of the AUDITOR at any time and appoint a new auditor.

2.14.2 The AUDITOR has:

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

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

2.14.2.3 the right to investigate whether there are adequate measures and procedures to ensure that the FUND operates in a sound and cost efficient way for the benefit of MEMBERS; and

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

2.14.3 Within 6 (six) months after each FINANCIAL YEAR, the ADMINISTRATOR must prepare and submit to the BOARD statements of the FUND'S financial affairs in accordance with the ACT.

2.15 APPOINTMENT OF VALUATOR

2.15.1 The BOARD must appoint an ACTUARY to act as the FUND'S valuator if the BOARD considers this necessary or if the REGISTRAR requires such appointment. This appointment is subject to the ACT. The BOARD may withdraw that appointment in terms of the provisions of any contract or service level agreement concluded between the FUND and the ACTUARY. It must then appoint a new ACTUARY in terms of these RULES.

2.15.2 The ACTUARY must perform the functions and fulfil the duties of a valuator in terms of the ACT unless these functions and duties are not applicable to the FUND. The BOARD must let the ACTUARY have all the information that he or she requires in order to fulfil his functions and duties. The ACTUARY must be allowed to see and make copies of the written documents that the FUND has and that are needed for this purpose.

2.15.3 Unless the REGISTRAR has certified that the FUND is not required to do this, the FUND must have its financial position investigated, valued and reported on by the ACTUARY as often as is required in terms of the ACT. The ACTUARY'S report must be submitted to the BOARD and the REGISTRAR.

2.16 INVESTMENT MANAGER

2.16.1 The BOARD must select and appoint one or more INVESTMENT MANAGERS, as it considers necessary, who are approved by the REGISTRAR.

2.16.2 The appointment and functions of the INVESTMENT MANAGER must be regulated by an agreement concluded between the FUND and INVESTMENT MANAGER and which is compliant with all applicable law.

RULE 3: MEMBERSHIP

3.1 ELIGIBILITY

Any person is eligible to become a MEMBER of the FUND if:

- 3.1.1 he was awarded a share of a death benefit by a TRANSFEROR FUND in terms of section 37C of the ACT, and the TRANSFEROR FUND has resolved that the amount be paid to the FUND for the benefit of that person;
- 3.1.2 the person's membership of another APPROVED BENEFICIARY FUND has terminated and application is made for that person to become a MEMBER of the FUND; or
- 3.1.3 the trustees of a TRUST have approved the transfer of the benefit of such person under the TRUST; provided such transfer is permitted in law and all the necessary legal requirements have been complied with.

3.2 COMMENCEMENT OF MEMBERSHIP

- 3.2.1 The TRANSFEROR FUND, other APPROVED BENEFICIARY FUND or TRUST (where permitted in law) is required to submit to the FUND a properly completed APPLICATION FORM in respect of a person referred to in RULE 3.1 above and to arrange payment of the CAPITAL into the FUND'S BANK ACCOUNT.
- 3.2.2 Membership only commences when the following three requirements have been met:
 - 3.2.2.1 the FUND receives payment of the CAPITAL in its BANK ACCOUNT;

3.2.2.2 the FUND receives a properly completed APPLICATION FORM; and

3.2.2.3 the MEMBER ACCOUNT is established.

3.3 CESSATION OF MEMBERSHIP

3.3.1 Membership of the FUND shall cease:

3.3.1.1 upon the TERMINATION DATE and once the MEMBER has been paid the entire amount of his BENEFIT by the FUND and no further amounts are due by the FUND to him;

3.3.1.2 before the TERMINATION DATE:

- (a) if it is determined by the ADJUDICATOR or a court of law or other legal process that membership be terminated;
- (b) if the FUND is liquidated; or
- (c) if the FUND'S liability in respect of the MEMBER is transferred to another APPROVED BENEFICIARY FUND.

3.3.2 If a MEMBER'S membership is due to cease and it comes to the attention of the BOARD that application has been made to a court of law to have the MEMBER declared legally incapable of managing his own affairs, the BOARD may suspend the termination of membership until such court order has been obtained: Provided that:

- 3.3.2.1 The FUND must continue making payments to the GUARDIAN or CAREGIVER as the case may be until the court order has been obtained.
- 3.3.2.2 If the court order confirms that the MEMBER is incapable of managing his own affairs the FUND must either:
 - (a) pay the entire BENEFIT as directed in the court order to the person authorised to manage the affairs of the MEMBER; or
 - (b) if the court order does not so direct payment of the entire BENEFIT to any third party, the FUND must retain the BENEFIT in the MEMBER ACCOUNT and continue making payments to the persons authorised in the court order to manage the affairs of the MEMBER.
- 3.3.3 If no legal application has yet been made to have the MEMBER declared incapable of managing his own affairs, then the BOARD may delay the termination of membership subject to the following:
 - 3.3.3.1 the BOARD must obtain a written motivation from the party requesting that the BENEFIT not be paid to the MEMBER and the BOARD must be satisfied that such a party intends making a legal application to have the MEMBER declared incapable of managing his own affairs;
 - 3.3.3.2 the MEMBER must be given an opportunity to present any information to the BOARD that he or she considers necessary or appropriate;

- 3.3.3.4 the BOARD must be of the view that there is sufficient basis to delay termination of membership pending the obtaining of legal order which pronounces on the MEMBER'S ability to manage his own affairs;
- 3.3.3.5 the BOARD must be satisfied that the period of delay is not unreasonable and must be satisfied that the third party is not delaying the proceedings unnecessarily; and
- 3.3.3.6 the FUND must continue making payments to the GUARDIAN or CAREGIVER as the case may be until the court order has been obtained.

RULE 4: PAYMENT OF CAPITAL TO THE FUND

- 4.1 One or more CAPITAL payments may be received by the FUND in respect of a MEMBER from:
 - 4.1.1 TRANSFEROR FUNDS who granted the MEMBER a share of a death benefit in terms of section 37C of the ACT;
 - 4.1.2 APPROVED BENEFICIARY FUNDS of which the MEMBER is a former member; and/or
 - 4.1.3 TRUSTS of which the MEMBER is a former beneficiary (where permitted in law).
- 4.2 All CAPITAL must be paid into the FUND'S BANK ACCOUNT and must be clearly identifiable as being in respect of a particular MEMBER, whether by way of advance written or electronic notice, or by way of a reference on the deposit that clearly identifies the MEMBER in respect of whom the deposit is made.
- 4.3 Any deposit that cannot be so identified will be treated as an UNALLOCATED DEPOSIT until the MEMBER, on whose behalf the deposit has been made, has been identified by the FUND and his membership has been confirmed.
- 4.4 Once a properly completed APPLICATION FORM and required supporting documents are received by the FUND a MEMBER ACCOUNT must be established in respect of the MEMBER.
- 4.5 If CAPITAL cannot be paid into a MEMBER ACCOUNT due to the FUND not having received the necessary documentation to enable it to do so it must be refunded with the full interest earned on that amount for the period it remained in the BANK ACCOUNT less administrative charges.

RULE 5: FUND ACCOUNTS

The FUND shall maintain a BANK ACCOUNT/S and the MEMBER ACCOUNT in respect of each MEMBER which shall operate in terms of RULE 5.1 and RULE 5.2 below. The BANK ACCOUNT/S shall be credited with amounts received from a TRANSFEROR FUND, another APPROVED BENEFICIARY FUND or a TRUST (where permitted in law), before the establishment of a MEMBER ACCOUNT. These accounts shall be maintained separately from each other and transfers between them shall take place in terms of these RULES.

5.1 FUND BANK ACCOUNT

- 5.1.1 One or more BANK ACCOUNTS must be opened and maintained in the name of the FUND.
- 5.1.2 The FUND must use its best efforts to obtain competitive rates and charges in relation to the BANK ACCOUNT from the institution at which the BANK ACCOUNT is held.
- 5.1.3 The BANK ACCOUNT is credited with the following:
 - 5.1.3.1 all CAPITAL paid to the FUND in respect of identifiable MEMBERS prior to the opening of the MEMBER ACCOUNT;
 - 5.1.3.2 all UNALLOCATED DEPOSITS paid to the FUND; and
 - 5.1.3.3 all interest earned on the amounts referred to in RULE 5.1.3.1 and RULE 5.1.3.2 above.
- 5.1.4 The BANK ACCOUNT is debited with the following:

- 5.1.4.1 CAPITAL received in the BANK ACCOUNT in respect of identifiable MEMBERS that is allocated to the MEMBER ACCOUNT, and
- 5.1.4.2 UNALLOCATED DEPOSITS that cannot be paid into a MEMBER ACCOUNT due to the FUND not having received the necessary documentation which must then be refunded with the full interest earned on that amount for the period it remained in the BANK ACCOUNT less administrative charges.

5.2 MEMBER ACCOUNT

- 5.2.1 A MEMBER ACCOUNT must be established and maintained in the books of the FUND in respect of each MEMBER.
- 5.2.2 Each MEMBER ACCOUNT shall be credited with:
 - 5.2.2.1 any CAPITAL received by the FUND in respect of the MEMBER;
 - 5.2.2.2 the MEMBER'S pro rata share of interest earned on the credit balance in the BANK ACCOUNT which is allocated to MEMBERS on a pro rata daily weighted average. This allocation is made from the interest earned on the credit balance in the BANK ACCOUNT excluding the UNALLOCATED DEPOSITS and bank charges.
 - 5.2.2.3 any INCOME earned in respect of amounts held for the MEMBER and allocated to the MEMBER;
 - 5.2.2.4 any positive investment return earned on investments redeemed in respect of the MEMBER; and/or

5.2.3 Each MEMBER ACCOUNT shall be debited with:

- 5.2.3.1 any regular or ad hoc payments to or in respect of BENEFICIARIES;
- 5.2.3.2 the amount payable to or in respect of the MEMBER at TERMINATION DATE;
- 5.2.3.3 any amount that the FUND is ordered to refund to a TRANSFEROR FUND or other party by the ADJUDICATOR or a court of law or other legal process;
- 5.2.3.4 the MEMBER'S pro rata share of the MANAGEMENT FEES, including liquidation and transfer costs, as determined by the BOARD; and
- 5.2.3.5 any negative investment return earned on investments redeemed in respect of the MEMBER.

RULE 6: INVESTMENTS

- 6.1 The BOARD must adopt an investment policy in writing, which includes the asset allocation model to be used for purposes of the FUND'S investments.
- 6.2 The investment policy must be reviewed as and when the BOARD considers appropriate and necessary.
- 6.3 In determining the investment policy and asset allocation model, the BOARD, with the assistance of the INVESTMENT MANAGER, must ensure compliance with the ACT and other applicable legislation and in the event that the asset allocation model does or will result in a breach of such legislation, the BOARD must rebalance the FUND'S investments to ensure regulatory compliance.

RULE 7: BENEFIT PAYMENTS

7.1 REGULAR PAYMENTS

- 7.1.1 The BOARD has the discretion to make regular payments to the BENEFICIARY from the MEMBER'S FUND CREDIT as it considers appropriate.
- 7.1.2 The BOARD has the discretion to vary the amount of the regular payments but may, from time to time, determine a minimum amount that will be paid to BENEFICIARIES as a regular payment.
- 7.1.3 Regular payments may be made to BENEFICIARIES on a monthly, quarterly, bi-annual or annual basis.

7.2 AD HOC PAYMENTS

- 7.2.1 Ad hoc payments may be made for purposes of the MEMBER'S EDUCATION, MAINTENANCE, ADVANCEMENT AND WELL-BEING from the MEMBER'S FUND CREDIT at the request of the BENEFICIARY, and subject to the BOARD'S discretion. These ad hoc payments may be made on a once-off basis or on a repeated basis upon the request of the BENEFICIARY.
- 7.2.2 Ad hoc payments may be made to the BENEFICIARY or to a third party, including but not limited to, an educational or medical institution, subject to the following:
 - 7.2.2.1 The BENEFICIARY must be informed of any payment made to such a third party.
 - 7.2.2.2 If a payment request is received from a third party directly such as, but not limited to, the educational institution that a BENEFICIARY is attending, the FUND

must be satisfied as to the legitimacy of the request before making payment.

- 7.2.2.3 Written or electronic confirmation of any third party payment must be sent by the FUND to the BENEFICIARY.

7.3 PAYMENT UPON TERMINATION OF MEMBERSHIP

Upon termination of membership, the credit balance in the MEMBER ACCOUNT must be paid in accordance with procedures determined by the BOARD as follows, subject to the settlement from the MEMBER ACCOUNT of any amounts necessary for the payment of fees and expenses authorised by these RULES:

7.3.1 on account of:

- 7.3.1.1 the MEMBER reaching the age of majority; or

- 7.3.1.2 the cessation of the MEMBER'S legal disability; or

- 7.3.1.3 in the case of a major MEMBER who has consented to his BENEFIT being held by the FUND, the MEMBER having requested payment of his entire BENEFIT; or

- 7.3.1.4 the MEMBER'S FUND CREDIT having been otherwise depleted or having fallen below the minimum amount determined by the BOARD in terms of RULE 2.9.2

to the appropriate person referred to RULE 7.4.1 below as the case may be;

7.3.2 on account of the MEMBER'S death to:

- 7.3.2.1 the estate of the deceased MEMBER or as directed by the Master of the High Court if the estate is below the amount determined in terms of section 18(3) of the Administration of Estates Act, 1965 (Act No. 66 of 1965); or
- 7.3.2.2 if no inventory in respect of the MEMBER has been received by the Master of the High Court in terms of section 9 of the Administration of Estates Act, 1965 (Act No. 66 of 1965), payment must be made to the Guardian's Fund,
- 7.3.3 on account of an order by the ADJUDICATOR or by a court of law or other legal process, as directed in the order;
- 7.3.4 on account of the FUND being terminated, as directed in RULE 10, and
- 7.3.5 on account of the FUND'S liability being transferred to another APPROVED BENEFICIARY FUND, to such other APPROVED BENEFICIARY FUND.

7.4 MANNER OF PAYMENTS

- 7.4.1 Payments may only be made to the following persons:
 - 7.4.1.1 In the case of a major MEMBER with full legal capacity, to the MEMBER himself or such other person authorised by the MEMBER;
 - 7.4.1.2 In the case of major MEMBER who is labouring under a legal disability, to the person authorised in law to administer the MEMBER'S affairs;

- 7.4.1.3 in the case of a minor MEMBER, to the GUARDIAN or CAREGIVER or other person appointed by a court of law to administer the MEMBER'S affairs
 - 7.4.1.4 in the case of third parties with the consent of the appropriate BENEFICIARY, or to third parties to whom the BENEFICIARY has specifically requested that payment be made;
 - 7.4.1.5 in the case of a deceased MEMBER to the executor of the deceased estate, or as directed by the Master of the High Court, or to the Guardian's Fund as the case may be in terms of RULE 7.3.2.2.
- 7.4.2 The FUND has the right to stop payments to a BENEFICIARY if he fails to sign and/or return a Certificate of Existence within the period stipulated by the FUND. The FUND may investigate these situations in accordance with any policy and procedure determined by the BOARD.
- 7.4.3 Payments must be made as follows:
- 7.4.3.2 by means of an electronic fund transfer to the BENEFICIARY or third party's bank account with a bank as defined in the Banks Act 94 of 1990, or a mutual bank as defined in the Mutual Banks Act 124 of 1993, or to a foreign bank in respect of which an exemption has been granted from the requirement that permission must first be obtained for such a transfer from the South African Reserve Bank acting on behalf of the National Treasury, subject to verification of such bank details;

- 7.4.3.3 by cheque in favour of the BENEFICIARY at the registered office of the FUND upon positive proof of the BENEFICIARY'S identity; or
 - 7.4.3.4 if requested by the BENEFICIARY or third party by postage of the cheque through ordinary mail provided that if such a request is made it must be explained to the BENEFICIARY in writing that in so doing he/she carries the risk of the cheque being lost in the post or stolen.
- 7.4.4 If payments need to be made to, or in respect of, BENEFICIARIES located outside the Republic of South Africa the FUND must obtain the requisite exchange control approval, where required, on order to effect such payment.
- 7.4.5 If for any reason interest becomes payable in terms of the law on any payment due to any BENEFICIARY in terms of these RULES then such interest shall be limited to the same rate at which the FUND earned interest over the corresponding period on the assets standing to the credit of its BANK ACCOUNT and compounded in the same way as the interest in the FUND'S BANK ACCOUNT, or such rate and calculated in such manner as may be prescribed by legislation.
- 7.4.6 Payment made in the manner contemplated in terms of this rule constitutes full discharge of the benefit or portion thereof in respect of which payment is made and no further claim thereto will rest against the FUND, ADMINISTRATOR or SPONSOR by any person or body whatsoever.

RULE 8: AMENDMENT OF THE RULES

- 8.1 The BOARD has the right to amend the RULES of the FUND and may do so without the consent of the MEMBERS.
- 8.2 No amendment to the RULES will be valid unless the amendment has been registered by the REGISTRAR. If required by the relevant legislation, the BOARD must notify the COMMISSIONER of each RULE amendment after it has been registered by the REGISTRAR.
- 8.3 If an amendment to these RULES is registered after the effective date of the amendment, it will be deemed to take effect on the effective date of the amendment.

RULE 9: AMALGAMATION AND TRANSFERS

- 9.1 The BOARD may, subject to the ACT and other relevant law,
- 9.1.1 amalgamate any business carried on by the FUND with any business carried on by another APPROVED BENEFICIARY FUND;
 - 9.1.2 transfer any business carried on by the FUND to any other APPROVED BENEFICIARY FUND and/or accept the transfer of any business carried on by another APPROVED BENEFICIARY FUND to the FUND.
- 9.2 Whenever the FUND amalgamation or transfers occur, the BOARD must ensure that a written notice is sent to every MEMBER who is to transfer out of the FUND. Full details of the amalgamation or transfer scheme must appear in the notice. The notice must be sent at least 30 (thirty) days before the scheme is submitted to the REGISTRAR for his approval unless the FUND is exempt from having to provide such notice by the REGISTRAR or the law. Once approval is granted, the transfer shall take place within 60 (sixty) days of the approval or such period as prescribed in the ACT, failing which the FUND shall be liable to pay late payment interest at a rate determined in the ACT.
- 9.3 The FUND may accept the transfer of some or all of the liabilities of an APPROVED BENEFICIARY FUND provided that assets of at least an equivalent value are simultaneously transferred. In this event, such amounts that are transferred in respect of a MEMBER will be credited to his MEMBER ACCOUNT.
- 9.4 Where the FUND accepts from another APPROVED BENEFICIARY FUND, or transfers to an APPROVED BENEFICIARY FUND, some or all of its liabilities it must complete and retain proper records of such transfers as are required by the REGISTRAR.

RULE 10: DISCONTINUANCE OF THE FUND

- 10.1. The FUND may be wound up and discontinued at any time by the unanimous decision of the BOARD.
- 10.2. To terminate the FUND, the BOARD must give the MEMBERS 3 (three) months' written notice of the decision and no further CAPITAL must be accepted from the date of such notice.
- 10.3. If the FUND is to be discontinued, the BOARD must:
 - 10.3.1. nominate an APPROVED BENEFICIARY FUND to which any MEMBER ACCOUNTS that require to be transferred upon termination, must be transferred; or
 - 10.3.2. If the above is not applicable, distribute the FUND'S assets and ensure that:
 - 10.3.2.1. the FUND CREDITS due and payable to, or held in respect of, the major MEMBERS in terms of the RULES are paid to them; and
 - 10.3.2.2. the FUND CREDITS held in respect of minor MEMBERS or MEMBERS subject to a legal disability are transferred for their exclusive benefit to the APPROVED BENEFICIARY FUND nominated in terms of RULE 10.3.1 above.
- 10.4. If a BENEFICIARY cannot be traced, the amount referred to in RULE 10.3.2 shall be transferred to another APPROVED BENEFICIARY FUND.
- 10.5. Once the BOARD is satisfied that the FUND has discharged all of its liabilities and that the FUND owns no further assets, then the FUND must apply to the REGISTRAR for the registration of the FUND to be cancelled.

- 10.6. Any monies remaining unclaimed for a period of 6 (six) months from the date on which payment of benefits commenced (after completion of all necessary formalities), must be paid to any fund established in terms of any law for the receipt of unclaimed benefits for the account of the MEMBERS concerned and thereafter there shall be no claim against the FUND.

RULE 11: MISCELLANEOUS PROVISIONS REGARDING BENEFITS

11.1 EVIDENCE OF AGE AND EXISTENCE

11.1.1 The FUND is entitled to make reasonable requests, as it deems necessary, of any MEMBER and/or BENEFICIARY for satisfactory evidence of age and existence.

11.1.2 If the FUND does not receive satisfactory evidence of the existence of a MEMBER or BENEFICIARY, it is entitled to stop benefit payments to or in respect of such a person until such time as it is satisfied as to the existence of that person.

11.2 PERSONAL INFORMATION

11.2.1 Every MEMBER and/or BENEFICIARY must make available any information reasonably required by the FUND.

11.2.2 The FUND may not disclose any confidential information in respect of a MEMBER or BENEFICIARY other than as required for the proper administration of the FUND or as required by legislation.

11.3 ALIENATION OF BENEFITS

Section 37A applies to the MEMBER'S benefits and rights to benefits in the FUND. It is specifically recorded that ad hoc and regular payments by the FUND in respect of a MEMBER in terms of RULE 7.1 and RULE 7.2 do not constitute a reduction of the MEMBER'S BENEFIT for purposes of section 37A.

11.4 UNCLAIMED BENEFITS

11.4.1 Any UNCLAIMED BENEFIT must be identified as such and maintained in the FUND until such time that the FUND is terminated or deregistered following the transfer out of all its MEMBERS, or until it is paid to a fund that is established for the purpose of holding unclaimed benefits. Thereafter the MEMBER or BENEFICIARY will have no further claim on the FUND. The FUND must keep records of all amounts due to the BENEFICIARIES until these have been paid to them or until these amounts have been transferred to another fund in which case the records must be transferred to that other fund to which the amounts were transferred. Any UNCLAIMED BENEFIT shall, if applicable, be subject to tax at the rate as may be determined by the COMMISSIONER.

11.4.2 Notwithstanding the provisions of RULE 11.4.1, the BOARD may pay the monies referred to in that rule to a major MEMBER or BENEFICIARY if that person produces sufficient evidence to the BOARD of his right to such monies. For the purpose of this rule, "MEMBER" and "BENEFICIARY" include a MEMBER or BENEFICIARY'S deceased estate if the executor satisfies the BOARD of the right of the deceased to claim such monies immediately prior to his death.

RULE 12: GENERAL PROVISIONS

12.1 COMPLAINTS

- 12.1.1 A COMPLAINANT who has a complaint relating to the administration of the FUND or the interpretation and application of the RULES may lodge a written complaint with the PRINCIPAL OFFICER or the BOARD.
- 12.1.2 A complaint so lodged must be properly considered and replied to in writing by the BOARD within 30 (thirty) days of receipt of such complaint or other period agreed with the COMPLAINANT.
- 12.1.3 If the COMPLAINANT is not satisfied with the reply received, or if the PRINCIPAL OFFICER or the BOARD fails to reply within 30 (thirty) days of receipt of the complaint, the COMPLAINANT may lodge the complaint with the ADJUDICATOR.
- 12.1.4 Notwithstanding the above, the BOARD and the COMPLAINANT may instead agree to private mediation or arbitration by a mediator or arbitrator as the case may be who is agreed to by the parties or, failing such agreement, a mediator or arbitrator selected by the mediation service provider that the BOARD has designated for this purpose. The cost of the mediation or arbitration is to be borne by the FUND.

12.2 CURRENCY AND LAW

- 12.2.1 All payments to and by the FUND must be paid in the lawful currency of the Republic of South Africa. Payments may only be made in foreign currency outside the Republic of South Africa if the requisite exchange control approval, where required, has been obtained by the FUND.

- 12.2.2 All matters of law affecting the FUND shall be determined according to the laws of the Republic of South Africa.

12.3 COMMUNICATION AND NOTICES

- 12.3.1 Once the MEMBER ACCOUNT has been established the BENEFICIARY must be furnished with a Certificate of Membership in respect of the MEMBER and an explanatory note which contains a descriptive summary of the RULES and includes information relating to the name, address and registration number of the FUND.
- 12.3.2 The FUND must send annual benefit statements to all BENEFICIARIES within 6 (months) of the end of the FINANCIAL YEAR and must also send to them an annual summary of any amendments that have been made to the RULES of the FUND.
- 12.3.3 Any BENEFICIARY must be sent a Certificate of Existence which must be completed and returned by the BENEFICIARY to the FUND within the period stipulated, failing which the FUND has the discretion to stop payments to the BENEFICIARY.
- 12.3.4 All notices and communication issued by the FUND or the ADMINISTRATOR to any MEMBER or BENEFICIARY must be sent using the last known contact details of that person.
- 12.3.5 All notices and communication to the FUND must be addressed in writing to the FUND at its registered address.
- 12.3.6 The FUND may, in its discretion, provide information requested by the TRANSFEROR FUNDS, or other parties, that the BOARD agrees is appropriate.

12.4 MEMBER AND BENEFICIARY'S RIGHT TO DOCUMENTS

- 12.4.1 Any MEMBER or BENEFICIARY is entitled to inspect a copy of the RULES of the FUND, financial statements, and the latest valuation report by the ACTUARY (if such is required for the FUND) at any reasonable time and without charge at the registered office of the FUND.
- 12.4.2 Subject to the payment of a fee determined by the BOARD, the MEMBER or BENEFICIARY may request a copy of the RULES, its financial statements, and the latest valuation report by the ACTUARY (if such is required for the FUND).
- 12.4.3 A MEMBER or BENEFICIARY is entitled to make copies of extracts of the abovementioned documents at the registered office of the FUND at his own cost.

12.5 SIGNATURES TO DOCUMENTS

- 12.5.1 Where the ACT prescribes specific formalities for the signature of documents, such documents are only binding upon the FUND subject to compliance with these requirements.
- 12.5.2 All other documents or contracts effected by the FUND (other than a resolution taken on a round-robin basis) is binding on the FUND provided that they have been signed by the Chairperson, one TRUSTEES and the PRINCIPAL OFFICER:
 - 12.5.2.1 at a duly constituted meeting; or
 - 12.5.2.2 after such meeting, provided that authorisation for the signing of these documents or contracts was granted at such meeting.

12.6 CONFIDENTIALITY OF INFORMATION

12.6.1 The BOARD is entitled to such information as it may reasonably require for the fulfilment of its responsibilities in terms of these RULES.

12.6.2 The BOARD may only use such information for the administration and management of the FUND and they may not disclose it to any person or body other than office bearers or employees or agents of the FUND. Those persons likewise may only use the information for the administration and management of the FUND and may not disclose it to anyone else without the permission of the BOARD.