

# **RULES**

# **OF THE**

# **CENTRAL RETIREMENT ANNUITY FUND**

Reference numbers:

Financial Sector Conduct Authority	12/8/4038
South African Revenue Service	18/20/4/029719

The Fund was established on 1 June 1960.

The Revised Rules have been registered by the Registrar of Pension Funds on 26 July 2016.

Where a rule has been amended/deleted/inserted after 26 July 2016 it is indicated with a note below that rule.

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## **PART 1: ESTABLISHMENT OF FUND**

### **Name**

1. A fund, known as the “Sentrale Uittredingannuïteitsfonds” was established on 1 June 1960.

The BOARD resolved at a meeting on 17 September 2008 to register the English version of the RULES as the official RULES under the name Central Retirement Annuity Fund (“the FUND”). In Afrikaans the FUND will be referred to as the Sentrale Uittredingannuïteitsfonds.

### **Registered office**

2. The registered office of the FUND is: SANLAM LIFE INSURANCE LIMITED, 2 Strand Road, BELLVILLE, 7530, with postal address: The Principal Officer, Central Retirement Annuity Fund, P.O. Box 1, SANLAMHOF, 7532.

### **Purpose**

3. The sole purpose of the FUND is to provide life annuities for the MEMBERS of the FUND or annuities for the DEPENDANTS or NOMINEES of deceased MEMBERS.

### **The Fund is a legal person**

4. The FUND is a separate entity and legal person, distinct from its MEMBERS, and is the legal owner of its goods and has the capacity to incur any liability in its own name and to proceed as claimant and defendant in court cases. The BOARD or its assignees carry out all the necessary legal actions for and on behalf of the FUND.

## PART 2: DEFINITIONS

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

In these RULES, unless the context indicates otherwise:

- words defined in the ACT have the same meaning as ascribed to them in the ACT; and
- all words and expressions in the masculine form also include the feminine form; and
- the singular also include the plural, and vice versa.

**ACT** means the Pension Funds Act, No. 24 of 1956, as amended, and the regulations issued in terms of the ACT and any supervening Act which replaces it and any amendments and regulations promulgated thereunder.

**ACTUARIAL BASIS**, in relation to a POLICY, means the underlying actuarial rules, specifications and formulae in terms of which the POLICY operates, which:

- in compliance with the Long-term Insurance Act, No 52 of 1998, are approved by the statutory actuary of the INSURER, in particular for the purposes of sections 46 and 52 of that Act; and
- if and while the Insurance Act, No 27 of 1943, applied to the POLICY, in compliance with that Act, were approved by the valuator of the INSURER, in particular for the purposes of sections 34 and 62(2) of that Act; and
- if the POLICY is underwritten by Sanlam Life Namibia Limited, is in compliance with the provisions of the Long-term Insurance Act, No. 5 of 1998 of Namibia and the regulations promulgated under that Act.

**ADMINISTRATOR** means Sanlam Life Insurance Limited, or any other ADMINISTRATOR appointed from time to time by the BOARD and whose appointment shall be duly recorded by the AUTHORITY.

**ANNUITY STRATEGY** means a strategy, as determined by the BOARD, setting out the manner in which a MEMBER'S retirement savings may be applied, with the MEMBER'S consent, to provide a PENSION or PENSIONS by the FUND or to purchase a PENSION on behalf of the MEMBER from an external provider, which PENSION or PENSIONS may either be in the name of the MEMBER or in the name of the FUND and which complies with the requirements of regulation 39 of the ACT and any conditions that may be prescribed from time to time;

*[amendment effective from 01/03/2019]*

**APPROVED PENSION FUND** means a pension fund registered by the AUTHORITY and approved by the Commissioner for the South African Revenue Service.

**APPROVED PROVIDENT FUND** means a provident fund registered by the AUTHORITY and approved as such by the Commissioner for the South African Revenue Service.

**APPROVED RETIREMENT ANNUITY FUND** means a retirement annuity fund registered by the AUTHORITY and approved as such by the Commissioner for the South African Revenue Service.

**AUDITOR** means an AUDITOR registered in terms of the Auditing Profession Act, No. 26 of 2005, and who is not an official of the FUND.

**AUTHORITY** means the Financial Sector Conduct Authority established in terms of section 56 of the Financial Sector Regulation Act (Act no.9 of 2017).

*[amendment effective from 02/05/2019]*

**BENEFIT** means a POLICY benefit, including a consideration payable upon the full or partial surrender of a POLICY, but excluding a loan in respect of a POLICY. For purposes of any deductions in terms of section 37D(1)(d) of the ACT, a MEMBER's benefit will with effect from 1 November 2008 deemed to be the early termination value of the POLICY the FUND holds in respect of the MEMBER.

**BOARD** means the board of TRUSTEES which controls and manages the FUND in terms of these RULES.

**CAUSAL EVENT** in relation to a POLICY means one of the following events:

- the POLICY becomes fully paid-up;
- the basic premium is reduced, without the POLICY thereby coming to an end or becoming fully paid-up;
- the remaining policy term or the remaining premium-paying term is reduced, without the POLICY thereby coming to an end or becoming fully paid-up;
- the POLICY is surrendered in part, other than for the purpose of a transfer from one fund to another in terms of section 14 of the ACT, or a part of the POLICY comes to an end for another reason (other than because risk cover under the POLICY has come to an end);
- the POLICY is surrendered in part for the purpose of a transfer from one fund to another in terms of section 14 of the ACT;
- the POLICY is surrendered in full, other than for the purpose of a transfer from one fund to another in terms of section 14 of the ACT, or the POLICY comes to an end for another reason (other than because the POLICY has reached its maturity date);  
or
- the POLICY is surrendered in full for the purpose of a transfer from one fund to another in terms of section 14 of the ACT.

**CONTRIBUTION** means the amount that is paid by or on behalf of a MEMBER in terms of rule 10.

**DEPENDANT** means:

- A person in respect of whom the MEMBER is legally liable for maintenance;
- A person in respect of whom the MEMBER is not legally liable for maintenance, if such a person:
  - was at the death of the MEMBER, in the opinion of the BOARD in fact dependant on the MEMBER for maintenance; or
  - is the SPOUSE of the MEMBER; or
  - is a child of the MEMBER, including a child born after the death of the MEMBER, an adopted child and a child born out of wedlock.

*[amendments in the three sub bullets above effective from 14/11/2017]*

- A person in respect of whom the MEMBER would have become legally liable for maintenance if the MEMBER had not passed away.

**DEPUTY PRINCIPAL OFFICER** means the person appointed for the FUND in terms of section 8(2)(b) of the ACT.

**FUND** means the Central Retirement Annuity Fund duly registered by the AUTHORITY.

*[amendment effective from 01/03/2021]*

**FUND MEMBER POLICY** means a policy:

- of which the FUND is or was the policyholder; and
- which is or was entered into by the FUND for the purpose of funding exclusively the FUND's liability to a particular MEMBER (or to the surviving SPOUSE, children, dependants or nominees of the MEMBER) in terms of the RULES.

**INDEPENDENT TRUSTEE** means a TRUSTEE who:

- is not an employee of the FUND or the INSURER; and
- is not controlled by the FUND or the INSURER; and
- does not control the FUND with the INSURER; and
- does not render any other services to the FUND or the INSURER.

**INSURER** means Sanlam Life Insurance Limited, Sanlam Life Namibia Limited or Sanlam Developing Markets Limited as the case may be.

**MEMBER** means any person who has been admitted to membership in terms of the RULES and has not ceased to be a member in terms of the RULES.

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

**PENSION** means a life annuity, a term annuity or a living annuity according to the context in which the word is used.

**POLICY** means a FUND MEMBER POLICY.

**POLICY PRESCRIPTIONS** means the terms of the POLICY, the underlying ACTUARIAL BASIS of the POLICY, and the prescriptions of the Long-term Insurance Act, 1998 and the regulations issued under that Act or the Long-term Insurance Act, 1998 of Namibia and the regulations issued under the latter Act, as the case may be.



**PRINCIPAL OFFICER** means the person appointed for the FUND in terms of Section 8(2)(a) of the ACT.

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

- the terms of the FUND's ANNUITY STRATEGY; and
- any other options made available to members;

*amendment effective from 01/03/2019]*

**RETIREMENT DATE** means the date elected by the MEMBER and provided to the FUND in the prescribed format, subject to the condition that if the date elected by the MEMBER is not possible because all the requirements of the FUND, the INSURER and the South African Revenue Service have not been complied with to the satisfaction of the FUND, then the closest possible date to the date elected by the MEMBER, provided that no MEMBER becomes entitled to payment of any PENSION before reaching the age of 55 years except in the case of a MEMBER who becomes permanently incapable through infirmity of mind or body of carrying on his occupation and provided further that a MEMBER can retire on a different date in respect of each of the POLICIES that the FUND holds for his benefit.

**RULES** means these rules and such alteration hereof as may at any time be in force.

**SPOUSE** means a person who is the permanent life partner or SPOUSE or civil union partner of a MEMBER in accordance with the Marriage Act, No. 25 of 1961, the Recognition of Customary Marriages Act, No. 120 of 1998 or the Civil Union Act, No. 17 of 2006 or the tenets of a religion.

**TRUSTEE** means a member of the BOARD.

**UNCLAIMED BENEFIT** means –

- any BENEFIT, other than a BENEFIT referred to hereunder, not paid by the FUND to a MEMBER, former MEMBER or beneficiary within 24 months of the date on which it in terms of the RULES of the FUND, became legally due and payable;

*[amendment effective from 20/02/2020]*

- a death BENEFIT not paid within 24 months from the date on which the FUND became aware of the death of the MEMBER, or such longer period as may be reasonably justified by the BOARD in writing;
- in relation to a BENEFIT payable as a pension or annuity, any BENEFIT which has not been paid by the FUND within 24 months of the date on which any pension

payment or annuity legally due and payable in terms of the RULES of the FUND became payable;

*[amendment effective from 12/04/2017]*

- any BENEFIT that remained unclaimed or unpaid to a MEMBER, former MEMBER or beneficiary if the FUND applies for cancellation of registration in terms of section 27 of the ACT or where the liquidator is satisfied that BENEFITS remain unclaimed or unpaid;
- any amount that remained unclaimed or unpaid to a non-member spouse within 24 months from the date that the non-member spouse becomes entitled to the payment of a pension interest in terms of a decree of divorce or decree for the dissolution of a customary marriage.

**VALUES** means all VALUES of a POLICY including, but not limited to, its investment value, its remaining value and other values contemplated in section 52(2) of the Long-term Insurance Act, 1998 and its maturity value.

*[amendments in this Part 2 effective from 23/08/2019]*

## PART 3: MEMBERSHIP

### Eligibility

6. Any person has the right to become a MEMBER of the FUND, subject to the approval of the BOARD and the INSURER. Membership will commence on the start date of the first POLICY which the FUND takes out in respect of the MEMBER. If life or disability cover is applied for, the life or disability cover is deferred until such time as the MEMBER complies with the INSURER's requirements in this regard.

Application for membership takes place by means of proposal forms and documents directly related thereto.

7. A MEMBER (including a prospective MEMBER) may:
  - 7.1 in any case where no benefit has yet been paid or claimed or an event insured against has not yet occurred; and
  - 7.2 within a period of thirty days of receipt of the summary of the POLICY contemplated in Section 48 of the Long-term Insurance Act, 1998, or from a reasonable date on which it can be deemed that the MEMBER received the summary referred to above, cancel the transaction, excluding any POLICY or variation which only lasts for thirty days or less, by written cancellation notice sent to the FUND. All CONTRIBUTIONS or moneys paid by the MEMBER up to the date of receipt of the cancellation notice or received at any date thereafter in respect of the cancelled or varied POLICY, shall be refunded to the MEMBER, subject to the deduction of any market loss where the market value of the investments made has decreased in the intervening period due to prevailing market conditions.
8. Admission to membership of the FUND shall be regarded as an acknowledgement by the MEMBER that he agrees that the RULES, including any alteration to the RULES, shall be binding upon him and upon any person claiming to derive a benefit under the FUND by virtue of his membership.

## Termination of membership

9. Membership of the FUND will be terminated if:
  - 9.1 the MEMBER dies; or
  - 9.2 the MEMBER's full retirement benefit is commuted and paid to the MEMBER as a lump sum or the full retirement benefit is applied to purchase a PENSION as contemplated in RULE 32 for the MEMBER; or
  - 9.3 the FUND has paid a lump sum benefit to the MEMBER at retirement in respect of the last remaining POLICY which the FUND holds in respect of the MEMBER and purchased a PENSION as contemplated in RULE 32 for the MEMBER; or
  - 9.4 the FUND has paid a lump sum withdrawal benefit in respect of the last remaining POLICY which the FUND holds in respect of the MEMBER as contemplated by RULE 16.3 or 16.4; or
  - 9.5 the FUND's total obligations towards the MEMBER has been transferred to another APPROVED RETIREMENT ANNUITY FUND or licensed insurer.

(Amendment effective from 01/03/2022)

## **PART 4: CONTRIBUTIONS**

### **General**

10. A MEMBER can decide what CONTRIBUTION he will make to the FUND, subject to a minimum determined by the INSURER in accordance with its normal practice.
11. A MEMBER can decide whether he wants to make his CONTRIBUTIONS monthly or annually.
12. CONTRIBUTIONS commence on the date of commencement of membership and are payable after that as agreed between the BOARD and the INSURER. A MEMBER can change his CONTRIBUTION subject to such conditions as laid down by the INSURER in consultation with the BOARD.
13. A MEMBER can also contribute a once off lump sum to the FUND, subject to a minimum determined by the INSURER in consultation with the BOARD.

Aside from this, CONTRIBUTIONS to the FUND can also be made by means of the transfer of a MEMBER's interests in an APPROVED PENSION FUND, APPROVED PROVIDENT FUND, approved pension preservation fund, approved provident preservation fund or other APPROVED RETIREMENT ANNUITY FUND.

14. The BOARD arranges for CONTRIBUTIONS to be paid directly by the MEMBERS to the INSURER and that any amounts to be paid by the FUND, be paid directly by the INSURER to the person or persons who are entitled to it.

### **Term of contributions**

15. CONTRIBUTIONS are payable during the period determined in the POLICY which the FUND takes out in respect of the MEMBER.

16. A MEMBER who discontinues his CONTRIBUTIONS prior to his RETIREMENT DATE shall be entitled to:
- 16.1 an annuity or a lump sum benefit as contemplated in paragraph 2(1)(a) of the Second Schedule of the Income Tax Act, 1962 payable on that date;
  - 16.2 reinstate his contributions under conditions prescribed in RULE 17; or
  - 16.3 the payment of a lump sum benefit contemplated in paragraph 2(1)(b)(ii) of the Second Schedule to the Income Tax Act, 1962 where that MEMBER's interest in the FUND is less than an amount determined by the Minister of Finance by notice in the Government Gazette from time to time; or
  - 16.4 the payment of a lump sum benefit contemplated in paragraph 2(1)(b)(ii) of the Second Schedule to the Income Tax Act, 1962 where that MEMBER:
    - 16.4.1 Is or was a resident who emigrated from the Republic and that emigration is recognised by the South African Reserve Bank for purposes of exchange control in respect of applications for that recognition received on or before 28 February 2021 and approved by the South African Reserve Bank or an authorised dealer in foreign exchange for the delivery of currency on or before 28 February 2022; or
    - 16.4.2 departed from the Republic at the expiry of a work visa or visitor's visa as contemplated in the Immigration Act of 2002.
    - 16.4.3 is not a resident for an uninterrupted period of three years or longer on or after 1 March 2021;
- [amendments effective from 01/03/2021]*
17. Membership shall be reinstated on condition that:
- 17.1 the MEMBER complies with the conditions which the FUND may have from time to time in this respect; and
  - 17.2 the MEMBER provides satisfactory proof of insurability where the INSURER requires such proof.

*[amendment effective from 14/11/2017]*

## PART 5: ASSETS

### Accumulation of assets

18. The FUND accumulates the assets it requires to provide benefits to MEMBERS by taking out a POLICY in respect of each MEMBER.
19. The MEMBER himself chooses the type of POLICY, including the investment portfolios and other features of the POLICY, from the range which the FUND makes available for this purpose and the MEMBER accepts the investment risk accompanying his choice.

If a MEMBER does not respond to a request by the FUND to elect other investment options to ensure compliance with the ACT and regulations issued in terms thereof, the FUND reserves the right to change the allocation to and selection of the investment portfolios of a POLICY to ensure that the POLICY complies with the limits prescribed by the ACT and the regulations.

20. The CONTRIBUTIONS of the MEMBER are used exclusively as premiums for the POLICY which the FUND took out in respect of that MEMBER. The premiums less any charges as specified in the POLICY PRESCRIPTIONS are invested in the investment portfolios linked to the particular POLICY.
21. The FUND is the owner of the POLICY it took out in respect of the MEMBER.
22. The FUND is under no obligation to maintain the POLICY, except to the extent that the CONTRIBUTIONS are received from the MEMBER.
23. The FUND's liability from time to time to the MEMBER in respect of benefits is equal to the FUND's corresponding claim from time to time as policyholder against the INSURER for the POLICY benefits provided or to be provided by the INSURER under the POLICY in accordance with the POLICY PRESCRIPTIONS.
24. The POLICY is administered by the INSURER, and all values and benefits of the POLICY and charges in respect of it are determined, in accordance with the POLICY PRESCRIPTIONS.

25. Any change in the BENEFITS as the result of:
- 25.1 a CAUSAL EVENT, as determined in accordance with the POLICY PRESCRIPTIONS; or
  - 25.2 a change in the value of the accumulated assets in the period between the CAUSAL EVENT or the maturity date and date that the BENEFIT is paid

will result in the FUNDS's liability to the MEMBER changing accordingly.

*[amendment effective from 12/04/2017]*

26. The FUND must notify the MEMBER of any change contemplated in RULE 25 in respect of a CAUSAL EVENT.
27. The MEMBER decides on any amendments or other transactions regarding the POLICY, in accordance with the POLICY PRESCRIPTIONS.



## PART 6: BENEFITS

### General

28. The following benefits are available in terms of the RULES:
- 28.1 A PENSION that commences on the MEMBER's RETIREMENT DATE and which is payable at least until his death; or
  - 28.2 In the case of the death of the MEMBER before the retirement date a PENSION to the NOMINEE or DEPENDANT; or
  - 28.3 Should the POLICY on the MEMBER's life include a disability benefit and the MEMBER be declared disabled in terms of the definition of the POLICY, a PENSION which is paid at least until the death of the MEMBER; or
  - 28.4 If a MEMBER, due to a mental or physical disability, becomes permanently disabled and unable to practice his occupation and the POLICY securing his benefits has sufficient value, a PENSION which is paid at least until the death of the MEMBER.
29. The PENSION can be purchased with the FUND, the MEMBER, the DEPENDANT or NOMINEE as the owner thereof, depending on the request of the purchaser. In the case of a living annuity which is based on the continuation of the accumulation of assets under a POLICY, the FUND is the owner of such a PENSION. Where more than one annuity is selected by the MEMBER, the amount used to purchase or provide each annuity must exceed R165 000.
- (Amendment effective 01/03/2022)
30. With the FUND as owner, the PENSION is purchased:
- 30.1 from Sanlam Life Insurance Limited if the POLICY providing the benefits is underwritten by Sanlam Life Insurance Limited; or
  - 30.2 from Sanlam Life Namibia Limited if the POLICY providing the benefits is underwritten by Sanlam Life Namibia Limited.
31. The liability of the FUND towards the MEMBER, DEPENDANT or NOMINEE is limited to the proceeds of the PENSION contracted with the INSURER concerned.
32. With the MEMBER, DEPENDANT or NOMINEE as owner, the PENSION is purchased:

32.1 if the POLICY providing the benefits is underwritten by Sanlam Life Insurance Limited, from any insurer licensed in South Africa of the person's choice, on the understanding that should the PENSION be purchased in a country other than South Africa, the PENSION will be purchased from Sanlam Life Insurance Limited; or

(Amendment effective 01/03/2022)

32.2 if the POLICY providing the benefits is underwritten by Sanlam Life Namibia Limited, the PENSION will be purchased from any insurer registered in Namibia.

33. With the MEMBER, DEPENDANT or NOMINEE as owner, the responsibility of the FUND is limited to the conclusion of a contract with the insurer concerned in terms of which the insurer, upon receipt of payment by the FUND in favour of the person concerned, shall accept the latter's request for a PENSION payable directly to the person.

Membership of the FUND is terminated as soon as the FUND pays an amount equal to its responsibilities in respect of the MEMBER to the insurer concerned as well as any cash benefit to the MEMBER, if applicable.

After the FUND has paid the proceeds of a specific POLICY to the insurer concerned and any benefit directly to the MEMBER, DEPENDANT or NOMINEE, if applicable, the FUND shall have no further obligation to any of the above-mentioned persons with regard to the specific POLICY.

### **Policy continued**

34. Should a MEMBER whose benefits are funded by a POLICY with a fixed date of maturity, not notify the ADMINISTRATOR by the date on which the POLICY matures which retirement option he chooses or, alternatively, in which of the available investment portfolios he wishes to continue the POLICY, the POLICY is continued in an investment portfolio selected by the BOARD. This does not apply to a MEMBER whose benefits are funded by a POLICY underwritten by Sanlam Life Namibia Limited. These policies will be continued in the Stable Bonus Fund of Sanlam Life Namibia Limited.

[amendment effective from 01/03/2022]

### **Commutation**

35. At his retirement a MEMBER may commute a maximum of one-third of the total VALUE of his retirement interest for a single payment and the remainder must be taken in the form of an annuity (including a living annuity), except where two thirds of the total VALUE does not exceed the amount prescribed by legislation from time to time. In the latter case the total VALUE may be commuted for a single payment.
- 35A If the MEMBER's interest in a provident fund had been transferred to the FUND, with effect from 1 March 2021 the aggregate of the following parts of his retirement interest may be commuted in full in addition to the amount that may be commuted in terms of rule 35:
- 35A.1 any contribution made to the provident fund prior to 1 March 2021;
  - 35A.2 if the MEMBER was 55 years of age or older on 1 March 2021, any contributions made on or after 1 March 2021 to the provident fund;
  - 35A.3 any fund return as defined in the ACT, in relation to the contributions in RULES 35A.1 and 35A.2 above.
  - 35A.4 any retirement interest in the FUND relating to the period after 1 March 2021 if the remaining two-thirds does not exceed the de minimis amount prescribed in the Income Tax Act.

36. Subject to the terms of the annuity contract, an existing PENSION of a MEMBER may be commuted if:

36.1 the BOARD is satisfied that no portion of the retirement benefit has been commuted yet, and the remaining total value of all the PENSIONS which the MEMBER receives from the FUND and the VALUE of the remaining POLICIES which the FUND holds in respect of the MEMBER does not exceed the amount prescribed by the Commissioner for the South African Revenue Service from time to time; or

*[amendment effective from 14/11/2017]*

36.2 the BOARD cannot satisfy itself that no amount has previously been commuted and the total VALUE of all the PENSIONS which the MEMBER receives from the FUND and the VALUE of the remaining POLICIES which the FUND holds in respect of the MEMBERS do not exceed the amount prescribed by the Commissioner for the South African Revenue Service from time to time.

#### **Payment of benefits**

37. Benefits payable during the lifetime of a MEMBER are paid to the MEMBER.

Subject to the prescriptions laid down by the FUND, the MEMBER can appoint a person (and revoke an appointment) to be considered by the BOARD to receive benefits in the case of his death before retirement.

If at retirement a MEMBER chooses a PENSION with the FUND as owner, he can appoint the same or another person (and revoke such appointment) to receive benefits in the event of his death after retirement.

If the MEMBER appoints his SPOUSE or child to receive the PENSION after his death, the BOARD may not appoint another person to receive the PENSION.

38. The benefit that becomes payable in the event of the MEMBER's death before the RETIREMENT DATE, or where a MEMBER at retirement chose a PENSION with the FUND as owner which was calculated on his life only, and which is payable for a minimum term, or where a retired MEMBER appointed a person other than his SPOUSE or child to receive his PENSION after his death, and the MEMBER passes away before the expiry of the term, must be paid as follows:
- 38.1 If the MEMBER has a DEPENDANT or DEPENDANTS and did not appoint a NOMINEE to receive the benefit or part of the benefit, the benefit is paid to the DEPENDANT, or to one of such DEPENDANTS or to some or all such DEPENDANTS in the ratio upon which the BOARD decides; or
- 38.2 If there are no DEPENDANTS of the MEMBER or if no DEPENDANT of a MEMBER can be traced by the FUND within twelve months of the death of the MEMBER, and the MEMBER appointed a NOMINEE who is not a DEPENDANT of the MEMBER to receive the benefit or such a portion of the benefit as pertinently recommended to the FUND by the MEMBER, in writing, the benefit or such a portion of the benefit is paid to such a NOMINEE; provided that where the total amount of the debts against the estate of the MEMBER exceeds the total amount of assets in his estate, as much of the benefit as is equal to the difference between the intended total amount of debts and the intended total amount of assets, is paid to the estate and the balance of the intended benefit or the balance of such a portion of the benefit as expressly indicated by the MEMBER, in writing, to the FUND, is paid to the NOMINEE; or
- 38.3 If a MEMBER has a DEPENDANT and the MEMBER has also appointed a NOMINEE to receive the benefit or such a portion of the benefit as the MEMBER stated in writing to the FUND, the FUND must pay such a benefit or portion of it to such a DEPENDANT or NOMINEE within twelve months of the death of the MEMBER in the ratio deemed equitable by the BOARD; provided that this paragraph is only applicable to the appointment of NOMINEES that took place on or after 30 June 1989; with the proviso that the FUND can pay a benefit either to a DEPENDANT, or to a NOMINEE, or if there is more than one such DEPENDANT or NOMINEE, in ratio to any or all of those DEPENDANTS and NOMINEES; or

- 38.4 If the FUND does not become aware of or trace a DEPENDANT of the MEMBER within twelve months of the death of the MEMBER, and if the MEMBER did not appoint a NOMINEE, or if the MEMBER appointed a NOMINEE to receive a portion of the benefit expressly indicated by the MEMBER to the FUND, the remaining portion of the benefit after payment to the NOMINEE is paid into the estate of the MEMBER or, if no inventory in respect of the MEMBER was received in terms of section 9 of the Estates Act, No. 66 of 1965, by the Master of the High Court, it is paid into the Guardian's Fund or an UNCLAIMED BENEFIT fund.
39. Payment to a DEPENDANT or a NOMINEE includes payment to any person who is deemed capable by the BOARD to apply the benefit in the best interests of the recipient.
40. If a person to whom payment must be made should pass away before the benefit has been paid to him, the BOARD may pay the benefit to the estate of such a deceased in the BOARD's discretion, or to other DEPENDANTS or NOMINEES.
41. The executor of the MEMBER's estate, a DEPENDANT or NOMINEE, as the case may be, may commute the whole or a portion of the value of the annuities to which the estate, DEPENDANT or NOMINEE becomes entitled for a lump sum payment. In the case of a living annuity which is based on the continuation of the accumulation of assets under a POLICY, the living annuity is automatically commuted for a lump sum and paid to the estate, DEPENDANT or NOMINEE as the case may be.

#### **Information required**

42. No BENEFITS are paid before all information reasonably required by the FUND has been rendered by the MEMBER, DEPENDANT and NOMINEE on whose life a benefit was or must be calculated.

#### **Payment under special circumstances**

43. If there are substantial reasons why the BOARD should decide that it is not wise to pay a benefit in the way determined elsewhere in the RULES, the BOARD may pay it as follows in the BOARD's discretion:
- 43.1 to the relevant MEMBER in instalments, or
  - 43.2 as a whole or partially to the MEMBER's DEPENDANTS, or
  - 43.3 to trustees of a trust for the benefit of the MEMBER and/or his DEPENDANTS, or

43.4 in such a way as the BOARD may determine for the benefit of the MEMBER or his DEPENDANTS.

Any decision of the BOARD in terms of this RULE 43 may from time to time be amended in the BOARD's discretion.

#### **Increased benefits**

44. If a benefit, EXCEPT a PENSION instalment, is not paid by the FUND to, or applied for the benefit of the MEMBER, DEPENDANT or NOMINEE on the date on which it should in terms of the RULES and the practice of the INSURER be paid or applied, the following will apply:

44.1 the FUND will pay interest to the MEMBER, DEPENDANT or NOMINEE in respect of the amount commuted by the party concerned into a lump sum;

44.2 if the PENSION of a MEMBER, DEPENDANT or NOMINEE is purchased at the INSURER , the PENSION will be put into operation retroactively from the date on which it should have become operative in terms of the RULES, and all instalments in arrears will be paid to the party concerned together with the first recurring instalment;

44.3 if the PENSION of a MEMBER, DEPENDANT or NOMINEE is purchased at another insurer other than the INSURER, the benefit will increase from a date and at a rate as is the practice of the INSURER from time to time and the FUND transfers the increased benefit to the insurer concerned.

45. Interest in RULE 44.1 will be paid from a date and at a rate as is the practice of the INSURER and agreed with the BOARD from time to time.

#### **Inalienable benefits**

46. A PENSION, whether FUND owned or MEMBER owned, purchased in terms of the RULES for the benefit of the MEMBER cannot be commuted during the life-time of the MEMBER unless it is done in terms of rule 36.1.

A PENSION other than a living annuity payable to anybody else than a MEMBER may be commuted at any time on request of that person unless the PENSION contract prohibits such commutation.

A living annuity payable to anybody else than a MEMBER may be commuted at any time on request of that person if the full remaining value of the assets being held for purposes of providing the annuity at any time become less than an amount prescribed by the Minister of Finance in the Government Gazette.

47. If a MEMBER, NOMINEE, DEPENDANT or any other person attempts to act contrary to RULE 46 or if the estate of a MEMBER, NOMINEE or DEPENDANT is sequestrated, submitted or relinquished in favour of his creditors, all benefits payable in respect of the MEMBER, NOMINEE or DEPENDANT by the FUND will immediately vest in the FUND and the BOARD can immediately or in due course apply such benefits in the interests of the MEMBER, NOMINEE or DEPENDANTS in its sole discretion.



## PART 7 : TRANSFERS

48. A MEMBER's interest or a part of the MEMBER'S interest in the FUND may be transferred to another APPROVED RETIREMENT ANNUITY FUND (“**the other fund**”) on the following terms and conditions:

48.1 The MEMBER must request the transfer in writing;

48.2 The other fund must be registered under the ACT;

48.3 All regulatory requirements regarding the transfer, in particular all applicable requirements of the ACT must be complied with – and a charge will be levied by the FUND to cover the reasonable and necessary costs of this regulatory compliance;

*[amendment effective from 14/11/2017]*

48.4 The transfer is done entirely at the discretion, choice and risk of the MEMBER. The FUND and the BOARD will not give advice regarding a transfer, and are absolved from any liability or prejudice a MEMBER may suffer as a result of the transfer;

48.5 The amount to be transferred is equal to the surrender VALUE of the POLICY in the case of a POLICY which has not reached maturity date or the maturity VALUE in the case of a POLICY which is transferred on the maturity date or the continued maturity VALUE in the case of a POLICY which is transferred after the POLICY has been continued after the maturity date, reduced with:

48.5.1 an administration fee, which the INSURER determines from time to time in consultation with the BOARD; and

48.5.2 the cost related to the regulatory requirements calculated in accordance with:

48.5.2.1 the terms and ACTUARIAL BASIS of the POLICY, whether or not the ACTUARIAL BASIS has been expressly incorporated in the POLICY; and

48.5.2.2 Part 5 of the Regulations under the Long-term Insurance Act, 1998 if the POLICY is underwritten by Sanlam Life Insurance Limited.

49. In fulfilment of the fiduciary duty of the FUND and the BOARD to MEMBERS and in compliance with sections 7C(1)(a) and 14(8) of the ACT, the disadvantages typically attaching to transfer to another APPROVED RETIREMENT ANNUITY FUND need to be brought to the attention of MEMBERS.
50. As evidence that the disadvantages have indeed been brought to the attention of the MEMBERS, MEMBERS must sign a declaration to confirm this before the transfer is effected.
51. If the BOARD should allow a transfer in respect of a POLICY which is underwritten by Sanlam Life Namibia Limited to a retirement annuity fund registered in Namibia, the other fund must provide prior confirmation in writing to the FUND that no commission or other remuneration will be paid to an intermediary, directly or indirectly, from the amount to be transferred for the MEMBER to the other fund.
- 51A The capital underlying a living annuity which provides a MEMBER's, DEPENDANT's or NOMINEE's PENSION may on written request by the person concerned be transferred by the FUND to a licensed insurer of the person's choice whereupon the FUND's responsibility towards the person will be terminated.  
(Amendment effective 01/03/2022)
- 51B If, in the case of a POLICY that combines the accumulation of assets and a PENSION which is a living annuity as envisaged in RULE 29, the MEMBER wants to:
- transfer the living annuity to another fund; or
  - convert the living annuity to a member-owned living annuity or guaranteed annuity,
- the POLICY and the living annuity is terminated and the proceeds transferred to the other fund or insurer of the MEMBER's choice.
- 51C The Board may allow ownership transfer of a PENSION which is underwritten by Sanlam Life Namibia Limited from the Fund to the MEMBER.  
(Amendment effective from 01/03/2022)

## **PART 8 : MANAGEMENT**

### **Principal Officer and Deputy Principal Officer**

52. The BOARD shall appoint a PRINCIPAL OFFICER and may appoint a DEPUTY PRINCIPAL OFFICER as required by the ACT as it may deem appropriate and may withdraw any such appointments and make another appointment in their place at any time.

The BOARD shall notify the AUTHORITY within 30 days after the appointment of the PRINCIPAL OFFICER.

The PRINCIPAL OFFICER performs all functions which statutes and the BOARD require him to perform.

The PRINCIPAL OFFICER may delegate any of his functions to the DEPUTY PRINCIPAL OFFICER in writing, subject to conditions that the PRINCIPAL OFFICER must determine. The PRINCIPAL OFFICER is not divested or relieved of a function delegated to the DEPUTY PRINCIPAL OFFICER and may withdraw the delegation at any time.

The DEPUTY PRINCIPAL OFFICER shall act as PRINCIPAL OFFICER when the PRINCIPAL OFFICER is unable for any reason to discharge any duty of the PRINCIPAL OFFICER in terms of the ACT, until the PRINCIPAL OFFICER resumes his duties or the FUND formally appoints a new PRINCIPAL OFFICER.

### **Board of control**

53. The FUND is controlled and managed by the BOARD that binds the FUND regarding all the matters of the FUND and which has all the powers required to attain the objectives of the FUND.

54. The OBJECT of the BOARD shall be to direct, control and oversee the operations of the FUND in accordance with the applicable laws of the Republic of South Africa and the RULES. In pursuing its objects the BOARD shall:

- 54.1 take reasonable steps to ensure that the interest of MEMBERS in terms of the RULES and the provisions of the ACT are protected at all times;

- 54.2 act with due care, diligence and good faith;
- 54.3 avoid conflicts of interests;
- 54.4 act with impartiality in respect of all MEMBERS, DEPENDANTS and NOMINEES.

55. The BOARD consists of eight TRUSTEES. Fifty percent of the TRUSTEES must at all times be INDEPENDENT TRUSTEES.

55.1 The recruitment and appointment process of the Trustees and Principal Officer shall be conducted in terms of the Recruitment and Appointment Policy adopted by the BOARD

*[amendment effective from 01/03/2021]*

56. The ADMINISTRATOR has the right to appoint fifty percent of the TRUSTEES and the serving TRUSTEES appoint the other fifty percent.

57. deleted (*with effect from 10/06/2013*)

58. If a vacancy occurs on the BOARD another TRUSTEE must be appointed within ninety days of the vacancy occurring. If the ADMINISTRATOR has to appoint the TRUSTEE and fails to do so within the ninety day period the remaining TRUSTEES shall appoint the new TRUSTEE. Notwithstanding a vacancy, a decision taken by the BOARD will not be invalid, provided this Rule is complied with.

*[amendment effective from 14/11/2017]*

59. No person shall be eligible for appointment as TRUSTEE if he:

- 59.1 is a minor; or
- 59.2 is mentally incapacitated; or
- 59.3 is ineligible to be a director of a company in terms of the provisions of the Companies Act of 2008; or
- 59.4 has been placed under curatorship by a competent court; or
- 59.5 is an un-rehabilitated insolvent; or

59.6 has been convicted and sentenced to imprisonment without the option of a fine for any of the following: theft, fraud, forgery or uttering a forged document, perjury, an offence involving dishonesty or any offence in connection with the promotion, formation or management of a company.

*[amendment effective from 14/11/2017]*

59A A TRUSTEE'S term of office ends if he:

59A.1 resigns from office by giving notice to the BOARD; or

59A.2 is removed by the BOARD on account of poor performance, misconduct or because the BOARD believes that the TRUSTEE is not fit and proper to occupy the position of TRUSTEE and after having given him notice in writing and discharged him of office in accordance with the Code of Conduct adopted by the BOARD.

59B A TRUSTEE'S term of office ends automatically if he:

59B.1 becomes mentally incapacitated; or

59B.2 becomes ineligible to be a director of a company in terms of the provisions of the Companies Act of 2008; or

59B.3 is placed under curatorship by a competent court; or

59B.4 becomes insolvent; or

59B.5 is convicted and sentenced to imprisonment without the option of a fine for any of the following: theft, fraud, forgery or uttering a forged document, perjury, an offence involving dishonesty or any offence in connection with the promotion, formation or management of a company; or

59B.6 in the case of a TRUSTEE other than an INDEPENDENT TRUSTEE, ceases to be in the employ of the INSURER; or

59B.7 without permission of the BOARD fails to attend three consecutive meetings; or

59B.8 has served in the position for five years; or

59B.9 has attained the age of 70 years.

*[amendment effective from 02/05/2019]*

60. A person mentioned in RULES 59B.6 and 59B.8 can be appointed as a TRUSTEE again if he makes himself available and is otherwise capable of serving as a TRUSTEE. The maximum number of terms that a TRUSTEE may serve is three.

*[amendment effective from 02/05/2019]*

## Meetings and minutes

61. Proper notice of an ordinary meeting of the BOARD must be given at least 15 days in advance to each TRUSTEE. If all the TRUSTEES agree, a shorter period of notice is in order.
62. The BOARD elects a chairperson and vice-chairperson from its own ranks at the first meeting after any of those positions become vacant. A TRUSTEE elected as chairperson or vice-chairperson serves in that capacity until the first BOARD meeting after three years have expired since his appointment in that position or until his tenure as TRUSTEE expires, whichever occurs first. At that meeting the BOARD elects a new chairperson or vice-chairperson or both. An incumbent may make himself available for re-election.  
  
If the chairperson is temporarily not available to fulfil any of his duties, the vice-chairperson will perform those duties.
63. A quorum for a meeting of the BOARD comprises five TRUSTEES, always including two INDEPENDENT TRUSTEES. At all meetings, the decision of the majority will be final and obligatory, and, in the case of an equal vote, the chairperson of the meeting will have an ordinary as well as a decisive vote.
64. The CHAIRPERSON may, when he finds it necessary, schedule a meeting of the BOARD to deal with the business of the FUND.
65. Any TRUSTEE may request the chairperson to schedule a meeting of the BOARD to deal with such business as set out in the request. If the chairperson considers the request as reasonable, he should schedule a meeting as soon as possible, but in any case no later than thirty days of the date of receipt of the request, provided that if the request is supported by the majority of the TRUSTEES and the chairperson neglects to schedule a meeting, they may themselves schedule a meeting after having informed the chairperson of their intention, and if a quorum is present, the decision of the majority will be binding.
66. Minutes will be taken of the meetings of the BOARD and resolutions recorded.
67. A DECISION in writing, signed by all the TRUSTEES, or a decision dispatched by e-mail to all the TRUSTEES and confirmed by them, is just as valid as a resolution passed at a meeting of the BOARD.
68. The BOARD will meet at least four times per year.

## **Powers and duties of the Board**

69. The duties of the BOARD shall be to:
- 69.1 ensure that proper control systems are employed by or on behalf of the BOARD;
  - 69.2 ensure that adequate and appropriate information is communicated to MEMBERS informing them of their rights, benefits and duties in terms of the RULES;
  - 69.3 obtain expert advice on matters where the BOARD may lack sufficient expertise;
  - 69.4 ensure that the operation and the administration of the FUND comply with the ACT, the Financial Institutions (Protection of Funds) Act, 2001 and all other applicable laws of the Republic of South Africa;
  - 69.5 ensure that proper books and records of the operations of the FUND are kept, inclusive of proper minutes of all resolutions passed by the FUND.
70. The BOARD may do all things they deem necessary to attain the FUND's objectives, but always subject to applicable legislation and the RULES. Without limiting the generality of this, the BOARD may:
- 70.1 appoint an ADMINISTRATOR for the administration of the FUND;
  - 70.2 delegate any of their powers to any officer, committee, or the ADMINISTRATOR subject to the provisions they deem fit;
  - 70.3 schedule a general meeting of MEMBERS when the BOARD deems it fit, or on receiving a request, in writing, signed by at least 100 members. In the request the purpose for which the meeting is required, must be stated. Notice of such a meeting is published in the Government Gazette by the PRINCIPAL OFFICER within 21 days of the receipt of such a request. The meeting must be held more than 14 days and less than 30 days after such publication and should be kept at the registered office of the FUND. The quorum for such a meeting is 20 members. The meeting elects the chairperson of the meeting and each MEMBER has one vote that he can exercise personally or by proxy. A resolution passed at such a meeting serves as a recommendation to the BOARD, which is not compelled to carry out such a decision;

70.4 in the name of the FUND enter into and sign any contracts or documents and institute, conduct, defend, compound or abandon any legal proceedings by or against the FUND.

### **Sub-committees**

71. The BOARD may decide that any power of decision on any matter that is vested in them shall be delegated, on such terms and conditions as they may specify, to a sub-committee, or sub-committees, of such of their number as they nominate. The BOARD may appoint persons who are not TRUSTEES to any sub-committee and may terminate such an appointment at any time.
72. The decision of a sub-committee to which a power is so delegated shall, unless the BOARD stipulate that it must be referred to them for ratification, be regarded as a decision made by the BOARD.
73. The minutes of all sub-committee meetings will be circulated to the full BOARD and will form part of the minutes of the next BOARD meeting.

### **Signing of documents**

74. The BOARD is empowered to authorise such of its members and/or officers as it may approve FROM time to time, and upon such terms and conditions as may be approved by it, to sign any document binding the FUND or any documents authorising the performance of any act on behalf of the FUND, provided that documents to be deposited with the AUTHORITY shall be signed in the manner prescribed by the ACT.

### **Advice**

75. The FUND or the BOARD do not provide advice with regard to the selection of POLICIES by MEMBERS or beneficiaries (in particular regarding the investment and other related features of the POLICIES), or with regard to amendments or other transactions regarding POLICIES.



76. The FUND may pay a fee (including value added tax if applicable) to a financial adviser for ONGOING services and advice on request and on behalf of a MEMBER by surrendering a portion of a POLICY which the FUND holds in respect of the MEMBER. The MEMBER must specify the amount and frequency of the fee as well as which POLICIES must be partly surrendered in those cases where the FUND holds more than one POLICY in respect of a MEMBER.

#### **Review and approve policies**

77. The BOARD must, to reasonably satisfy themselves that the POLICIES made available to MEMBERS or beneficiaries for selection are suitable for the membership profile of the FUND:
- 77.1 approve all new POLICIES made available for selection by MEMBERS or beneficiaries;
- 77.2 annually review the range of POLICIES that are made available to MEMBERS or beneficiaries for selection.

#### **Interpretation and Disputes**

78. The DECISION of the BOARD as to the meaning of or interpretation of the RULES or part of a RULE shall be binding on the MEMBERS and every person claiming to be entitled to a benefit under the RULES, subject to the provisions of Section 30A of the ACT.
79. In a dispute regarding the interpretation of the RULES or the administration of the FUND, the complainant must submit his complaint directly to the FUND in writing. The FUND must reply in writing within thirty days of the receipt of the complaint. If the complainant is not satisfied with the FUND's answer and the complaint is a complaint as defined in the ACT, the complainant can refer the complaint to the Pension Funds Adjudicator. His contact details are as follows:
- Telephone : 012 346 1738
  - Fax : 086 693 7472
  - E-mail : [enquiries@pfa.org.za](mailto:enquiries@pfa.org.za)
  - Postal address : PO Box 580, Menlyn 0063

If a MEMBER has a complaint about the operation and implementation of a POLICY providing his benefits under the FUND, he may lodge such with Sanlam Life's Client Contact Centre. The contact details are:

- Telephone : 021 916 5000
- Fax : 021 947 9440
- E-mail : [life@sanlam.co.za](mailto:life@sanlam.co.za)

If the MEMBER is not satisfied with the answer in respect of the POLICY, he may lodge a complaint with the Ombudsman for Long-term Insurance. His contact details are as follows:

- Telephone : 021 657 5000
- Fax : 021 674 0951
- E-mail : [info@ombud.co.za](mailto:info@ombud.co.za)
- Postal address : Private Bag X45, Claremont 7735

If a MEMBER has a complaint as defined in the Financial Advisory and Intermediary Services Act, no 37 of 2002 the complaint must be submitted to the FUND in writing. If the MEMBER is not satisfied with the FUND's answer, he may lodge a complaint with the FAIS Ombud. His contact details are as follows:

- Telephone : 012 470 9080
- Fax : 012 348 3447
- E-mail : [info@faisombud.co.za](mailto:info@faisombud.co.za)
- Postal address : PO Box 74571, Lynnwood Ridge 0040

### **Personal liability**

80. The TRUSTEES are not personally liable for losses that may arise for the INSURER and for the MEMBERS of the FUND, even where such a loss arises from actions of the BOARD and provided that such actions took place in good faith and in accordance with the provisions or the RULES.

80A The Fund does not have the means to remunerate the TRUSTEES, members of sub-committees who are not TRUSTEES, the principal officer or any other functionary.

When the BOARD deems it appropriate, it will arrange with the ADMINISTRATOR to remunerate a functionary.

## **PART 9 : MISCELLANEOUS**

### **Financial year and Auditor**

81. The FINANCIAL year runs from 1 January to 31 December.

The AUDITOR of Sanlam Life Insurance Ltd is also the AUDITOR of the FUND.

### **Safekeeping of policies and Books of Account**

82. All POLICIES are issued in the name of the FUND and are kept safely by the ADMINISTRATOR.

83. The BOARD shall cause to be kept such registers and records as are essential to the proper functioning of the FUND.

### **Indemnity**

84. By means of an agreement with the ADMINISTRATOR, the BOARD will ensure that the ADMINISTRATOR:

84.1 indemnifies the FUND against any loss that the FUND can suffer as the result of the dishonesty or negligence of any employee of the ADMINISTRATOR;

84.2 indemnifies the BOARD and PRINCIPAL OFFICER against any liability that may arise from their various offices, except where liability is due to the dishonesty, fraud or gross negligence of the incumbent.

### **Binding force of the rules**

85. The PROVISIONS of the RULES bind the FUND, the MEMBERS and the BOARD and any person who lodges a claim in terms of the RULES or achieves his claim in this way.

86. The MEMBERS can obtain copies of the RULES of the FUND by paying the fee determined by the ADMINISTRATOR in this respect.

### **Liability**

87. The liability of THE FUND is restricted to the VALUES of the POLICIES held on behalf of a specific MEMBER.

88. The overall liability of the INSURER is determined by the conditions of the POLICIES held for the BENEFIT of a MEMBER and the INSURER is not restricted by the RULES or any amendments to the RULES.

89. No person SHALL have any claim concerning the FUND against either the FUND or the BOARD or the INSURER or the ADMINISTRATOR except in accordance with the RULES.

#### **Confidentiality of information**

90. The BOARD and officials of the FUND are only entitled to such information that they may reasonably REQUIRE in order to fulfil their responsibilities in terms of the RULES.

The information so obtained may only be used for the purposes of the administration and management of the FUND in terms of the RULES and it may not be disclosed to any person other than FUND officials, employees or agents of the FUND who may likewise only use the information for the purposes of the administration and management of the FUND in terms of the RULES.

#### **Closing the Fund for new Members**

91. The BOARD has the right to close the FUND for new MEMBERS.

#### **Amalgamation**

92. The BOARD has the right to amalgamate the business of the FUND with any other APPROVED RETIREMENT ANNUITY FUND on condition that:

- 92.1 the other fund's objectives are similar to those of the FUND; and
- 92.2 the benefits provided by the other fund are not less than those provided by the FUND; and
- 92.3 the AUTHORITY and the Commissioner for the South African Revenue Service agree to the amalgamation.

#### **Dissolution of the Fund**

93. The BOARD has the right, with the permission of the Commissioner for the South African Revenue Service and the AUTHORITY, to dissolve the FUND.
94. The BOARD appoints a liquidator, which appointment is subject to the approval of the AUTHORITY, and the liquidation term is deemed to take effect on the date of such approval.
95. During such a liquidation the provisions of the ACT remain applicable to the FUND as if the liquidator is the BOARD.

96. The liquidator must as soon as possible submit the preliminary accounts prescribed by regulation and signed by him and certified as correct, to the AUTHORITY, and these should reflect the assets and liabilities of the FUND at the commencement of the liquidation and the way in which it is proposed to realise the assets and to settle the liabilities, taking into account the liabilities and conditional liabilities that exist towards MEMBERS.
97. A MEMBER's withdrawal interest in the FUND must:
- 97.1 where the MEMBER receives an annuity on the date upon which the FUND is wound up, be used to purchase an annuity (including a living annuity); or
- 97.2 in any other case, be paid for the MEMBER's benefit into another APPROVED RETIREMENT ANNUITY FUND.
98. When all payments have been made in terms of RULE 97, the FUND shall have no further liability to any person and its requirements in terms of the ACT shall be fulfilled.

**Amendment of the rules**

99. The BOARD has the right to amend the RULES provided that:
- 99.1 the benefits of existing MEMBERS are not adversely affected by such an amendment;
- 99.2 the amendment does not contradict the provisions of the law and the practice of the Commissioner for the South African Revenue Service regarding APPROVED RETIREMENT ANNUITY FUNDS; and
- 99.3 the permission of the AUTHORITY for any such amendment has been obtained.

### **Unclaimed benefits**

100. UNCLAIMED BENEFITS contemplated in RULE 38.4 are dealt with as directed by that RULE. Any other UNCLAIMED BENEFITS may at the discretion of the BOARD be transferred to an UNCLAIMED BENEFIT fund. If any costs are incurred as a consequence of the BOARD tracing:

100.1 any potential beneficiaries; or

100.2 a non-member spouse who is entitled to a portion of the MEMBER's pension interest in terms of a decree of divorce or decree for the dissolution of a customary marriage,

such reasonable costs may be recovered from the benefits payable to such beneficiaries and non-member spouse.

### **Namibian legislation**

101. It is recorded that WHERE the RULES are irreconcilable with Namibian legislation in respect of POLICIES underwritten by Sanlam Life Namibia Limited and MEMBERS residing in Namibia, Namibian legislation will prevail.

### **Fund-proposed annuity**

102. Where the RULES allow for the purchase of a PENSION by a MEMBER at retirement or at permanent disability, the BOARD, in consultation with the INSURER, determines a proposed annuity option which is contained in the ANNUITY STRATEGY of the FUND. The proposed PENSION will, however, only be purchased if the MEMBER elects such option.

*[amendment effective from 01/03/2019]*

### **Counselling**

103. The FUND makes available RETIREMENT BENEFITS COUNSELLING, in the format or on the platform determined by the BOARD from time to time, upon a MEMBER contemplating retiring from the FUND.

*[amendment effective from 01/03/2019]*