

**RULES**

**OF THE**

**SANLAM LINKED RETIREMENT  
ANNUITY FUND**

Reference numbers:

Financial Services Board	12/8/37801/1
South African Revenue Service	18/20/4/42066

The Fund was established on 9 October 2007.

Where a rule has been amended/deleted/inserted after 5 January 2015 it is indicated with a note below that rule.

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## PART 1 : ESTABLISHMENT OF FUND

1. A pension fund known as the "Sanlam Linked Retirement Annuity Fund" (the FUND) is established with effect from 9 October 2007 by the following parties, namely:

Sanlam Life Insurance Limited on the one side and

- (a) E.J. Kruger
- (b) L.P. la Grange
- (c) M.P. Saayman
- (d) A.L. Mohohlo
- (e) A.F. Marais
- (f) H.T. Kriel

(the TRUSTEES) on the other side, with the object of providing, in accordance with these RULES, as amended from time to time, benefits in the interest of persons who qualify for participation in the FUND, at retirement, disability or death.

2. The above-mentioned parties accept that these RULES constitute a trust between them and in particular:

2.1 Sanlam Life Insurance Limited accepts the obligations imposed on it in terms of the RULES; and

2.2 the TRUSTEES accept their nomination with the powers and duties as set out in the RULES.

3. The FUND is administered by Sanlam Life Insurance Limited and has its physical address at 2 Strand Road, Bellville, South Africa. The postal address of the Fund is PO Box 1, Sanlamhof, 7532.

## PART 2 : DEFINITIONS

In these RULES, unless the context indicates otherwise, words defined in the ACT and not defined below shall have the meanings assigned to them in the ACT and all words and expressions denoting males shall include females and the singular shall likewise denote the plural and vice versa, and:

ACT shall mean the Pension Funds Act, 1956 (as amended).

ADMINISTRATOR shall mean the ADMINISTRATOR of the FUND appointed by the TRUSTEES; initially, until it is legally superseded, it shall be Sanlam Life Insurance Limited.

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 an annuity or annuities by the FUND or to purchase an annuity on behalf of the MEMBER from an external provider, which annuity or annuities 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]*

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 04/06/2019]*

COLLECTIVE INVESTMENT shall mean an investment in a collective investment scheme as defined in section 1 of the Collective Investment Schemes Control Act, 45 of 2002.

COMMISSIONER shall mean the Commissioner for the South African Revenue Service.

DEPENDANT, in relation to a MEMBER, shall mean:

1. a person in respect of whom the MEMBER is legally liable for maintenance;
2. a person in respect of whom the MEMBER is not legally liable for maintenance, if such person:
  - 2.1 was, in the opinion of the TRUSTEES, upon the death of the MEMBER in fact dependent on the MEMBER for maintenance;
  - 2.2 is the spouse of the MEMBER;
  - 2.3 is a child of the MEMBER, including a posthumus child, an adopted child and a child born out of wedlock.
3. a person in respect of whom the MEMBER would have become legally liable for maintenance, had the MEMBER not died.

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

FINANCIAL YEAR shall mean the period from 1 January in one year to 31 December of that year.

FUND shall mean the Sanlam Linked Retirement Annuity Fund as constituted by these RULES, and also known by the literal translation of its name, being the 'Sanlam Gekoppelde Uittredingannuïteitsfonds'.

INCOME TAX ACT shall mean the Income Tax Act, 1962 (as amended).

INDEPENDENT TRUSTEE shall mean a TRUSTEE who is not:

- an employee of the FUND or the ADMINISTRATOR;
- controlled by the FUND or the ADMINISTRATOR;
- in common control with the ADMINISTRATOR of the FUND and does not provide any other services to the FUND or the ADMINISTRATOR.

INSURER shall mean a life insurer registered to transact long-term insurance business in terms of the Long-Term Insurance Act, 1998.

MEMBER shall mean a person admitted as a MEMBER of the FUND in terms of these RULES and who continues to be a MEMBER in terms of these RULES and MEMBERSHIP has a corresponding meaning.

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 annuity 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.

*[amendment effective from 21/02/2020]*

RULES shall mean the RULES as amended from time to time and as have been registered in

terms of the ACT and approved for income tax purposes in accordance with the provisions of the INCOME TAX ACT.

SANLINK shall mean Sanlam Linked Investments (Pty) Ltd.

SPOUSE shall mean a person who is the permanent life partner or spouse or civil union partner of a member in accordance with the Marriage Act, No. 68 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.

TRUSTEES shall mean the TRUSTEES of the FUND from time to time in terms of the RULES.

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;
- 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 07/11/2017]*

- 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.

*[amendment effective from 06/09/2016]*

UNITS are the COLLECTIVE INVESTMENTS held by the FUND through SANLINK for the benefit of the MEMBERS.

### **PART 3 : ASSETS**

1. The FUND accumulates the assets it requires to provide benefits to MEMBERS by securing a COLLECTIVE INVESTMENT portfolio in respect of each MEMBER.
2. The MEMBER decides upon the composition of the COLLECTIVE INVESTMENT portfolio from the range, which SANLINK makes available to the FUND 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 COLLECTIVE INVESTMENT portfolios to ensure compliance with the limits prescribed by the ACT and the regulations.
3. The monetary value of the MEMBER's benefits is equal to the value of the UNITS from time to time held by the FUND for the benefit of the MEMBER after the deduction of early termination charges, if applicable.
4. The FUND is the owner of the UNITS purchased with the MEMBER's contributions.
5. The contributions of the MEMBER less advice or other fees, if applicable, are used exclusively to buy UNITS in the COLLECTIVE INVESTMENT portfolio selected by the MEMBER.
6. The ADMINISTRATOR levies investment or administration charges from the COLLECTIVE INVESTMENT portfolio in respect of each MEMBER at a rate approved by the TRUSTEES.

## **PART 4 : MEMBERSHIP**

### **Commencement of membership**

1. Any person may apply for MEMBERSHIP of the FUND and the TRUSTEES shall have the right, at their absolute discretion, to accept or refuse any application for MEMBERSHIP.
2. MEMBERSHIP of the FUND shall commence as from the date such person participates in the benefits of the FUND.

### **Cessation of membership**

3. MEMBERSHIP of the FUND will cease once the FUND has paid the INSURER an amount equal to its liability towards the MEMBER as contemplated in Part 9 and, if applicable, has paid any cash benefit to the MEMBER, or when the MEMBER's benefits have been transferred to another retirement annuity fund, or at the MEMBER's death.

### **Categories of membership**

4. MEMBERS will be divided into two categories, professionals and non-professionals.
  - 4.1 Professionals must practice a professional occupation or must have obtained a professional qualification as determined by the INSURER. A list of all the qualifying occupations are on request available from the FUND.
  - 4.2 Non-professionals are all MEMBERS who do not satisfy the definition of professional in 4.1.
  - 4.3 The ADMINISTRATOR will levy lower investment or administration charges for professionals compared to the charges levied for non-professionals.
  - 4.4 A non-professional MEMBER who subsequently satisfies the definition of professional in 4.1 may on request of the MEMBER be transferred to the professional category with effect from the date the FUND approves the MEMBER's request.

## PART 5 : CONTRIBUTIONS

### Recurring contributions and transfers

1. Each MEMBER shall make contributions to the FUND at such rate and intervals within limits as determined by the TRUSTEES.
2. A MEMBER shall have the right at any time to make a contribution to the FUND in the form of a lump sum payment arising from a transfer of his interest in a pension fund, an provident fund, a pension preservation fund, a provident preservation fund or a retirement annuity fund or from his own funds.
3. A MEMBER's contributions to the FUND shall cease on cessation of MEMBERSHIP or on a MEMBER's earlier election to cease contributions.
4. A MEMBER who discontinues his recurring contributions prematurely shall be entitled to:
  - 4.1 an annuity (payable from the date on which he would have become entitled to the payment of an annuity if he had continued his contributions) determined in relation to his actual contributions; or
  - 4.2 be reinstated as a contributing MEMBER under conditions prescribed by the FUND; or
  - 4.3 the payment of one or more lump sum benefits, where that MEMBER's interest in the FUND is less than an amount determined by notice in the Gazette from time to time.
  - 4.4 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 the MEMBER emigrated from the Republic and that emigration is recognised by the South African Reserve Bank for purposes of exchange control or where the MEMBER departed from the Republic at the expiry of a work visa or visitor's visa as contemplated in the Immigration Act of 2002 and is not regarded as a resident by the South African Reserve Bank for purposes of exchange control.

*[amendment effective from 26/03/2018]*

### **Application of contributions**

5. Each MEMBER's contributions to the FUND shall be deposited by the TRUSTEES in the bank account of the FUND not later than the first day of business following the day on which the contributions are received by the FUND.
6. The MEMBER may, after initial procurement of UNITS instruct the TRUSTEES in writing, and in such form as the TRUSTEES may require, to deal with such UNITS and the TRUSTEES shall act strictly in accordance with such instructions, subject to the provisions of the ACT.
7. The TRUSTEES will maintain a record in respect of each individual MEMBER which will reflect all items of income and expenditure relative to a MEMBER's UNITS. A copy of such record will be available to MEMBERS on request.

## PART 6 : RETIREMENT BENEFITS

### Retirement date

1. Upon application for MEMBERSHIP of the FUND, a MEMBER shall be required to elect and indicate on the application form his RETIREMENT DATE. A MEMBER may change his RETIREMENT DATE by giving the FUND at least one month's notice thereof in writing. The value of the UNITS held by the FUND for the benefit of the MEMBER may be reduced as a result of an advancement of the RETIREMENT DATE.
2. No MEMBER shall become entitled to the payment of an annuity:
  - 2.1 before he reaches the age of fifty-five years, except in the case of a MEMBER who has satisfied the TRUSTEES, based on medical evidence, that he has become permanently disabled, through infirmity of mind or body, of carrying on his occupation.

### Benefit at retirement

3. A MEMBER's retirement benefit when he reaches his RETIREMENT DATE is an annuity purchased with the UNITS held by the FUND in respect of the MEMBER. By applying to the FUND prior to his becoming entitled to the annuity, the MEMBER may convert a part, but not exceeding one-third, of the annuity into a lump sum payment. If the value of the UNITS that become available in respect of a MEMBER is less than or equal to the maximum annuity that may be commuted in full in terms of statutory measures, the full annuity may be commuted.
4. deleted [*effective from 28/02/2018*]
5. The value of the UNITS will be ascertained on the MEMBER's RETIREMENT DATE. Any risk as a result of movements of the markets between the RETIREMENT DATE elected by the MEMBER and the date on which the FUND receives the last of the requirements of the FUND, the INSURER and the South African Revenue Service to fix the MEMBER's RETIREMENT DATE will be carried by the MEMBER.

*[amendment effective from 06/09/2016]*

6. A MEMBER shall notify the FUND in writing at least 30 (thirty) days prior to his RETIREMENT DATE of his election regarding the benefits to be paid in terms of this Part.

## PART 7 : DEATH BENEFITS

### Benefit payable upon death prior to retirement

1. If a MEMBER dies before becoming entitled to a retirement benefit in terms of Part 6:
  - 1.1 the UNITS held in respect of the MEMBER which are not in a money market fund shall automatically be transferred by the FUND to a money market fund on the date that the FUND receives notice of the death of the MEMBER;
  - 1.2 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 he becomes entitled for a lump sum.
2. Subject to the prescriptions laid down by the FUND, a MEMBER may, in writing, designate a person (and revoke such as designation in writing) to receive the benefits at his death.
3. The benefits payable to the DEPENDANTS and/or nominees of a deceased MEMBER in terms of provisions contained elsewhere in the RULES, shall, notwithstanding these provisions, be paid by the FUND as follows:
  - 3.1 If within twelve months of the death of the MEMBER the FUND becomes aware of or traces a DEPENDANT or DEPENDANTS of the MEMBER, then subject to RULE 3.3 below, the benefit shall be paid to such DEPENDANT or, in such proportions as may be deemed equitable by the TRUSTEES, to such DEPENDANTS.
  - 3.2 If within twelve months of the death of the MEMBER the FUND does not become aware of or cannot trace any DEPENDANT of the MEMBER and the MEMBER has designated in writing to the FUND a nominee to receive the benefit or such portion of the benefit as is specified by the MEMBER in writing to the FUND, the benefit or such portion of the benefit shall be paid to such nominee, provided that where the aggregate amount of the debts in the estate of the MEMBER exceeds the aggregate amount of the assets in the estate, so much of the benefit as is equal to such excess shall be paid into the estate and the balance of such benefit or the balance of such portion of the benefit shall be paid to the nominee.

- 3.3 If a MEMBER has a DEPENDANT and the MEMBER has also designated in writing to the FUND a nominee to receive the benefit or such portion of the benefit as is specified by the MEMBER in writing to the FUND, the FUND shall within twelve months of the death of such MEMBER pay the benefit or such portion thereof to such DEPENDANT or nominee in such proportions as the TRUSTEES may deem equitable.
- 3.4 If within twelve months of the death of the MEMBER the FUND does not become aware of or cannot trace any DEPENDANT of the MEMBER and if the MEMBER has not designated a nominee or if the MEMBER has designated a nominee to receive a portion of the benefit specified by the MEMBER in writing to the FUND, the benefit or the remaining portion of the benefit after payment to the designated nominee, shall be paid into the estate of the MEMBER or, if no inventory in respect of the MEMBER has been received by the Master of the High Court in terms of section 9 of the Administration of Estates Act, 1965, into the Guardian's Fund or an UNCLAIMED BENEFIT FUND.

*[amendment effective from 06/09/2016]*

## **PART 8 : DISABILITY BENEFITS**

### **Benefit payable upon disablement**

1. If the TRUSTEES are satisfied, based on medical evidence, that a MEMBER has become permanently disabled, through infirmity of body or mind of carrying on his occupation, prior to attaining age 55 or such date as may be specified by legislation, such MEMBER shall be entitled to an annuity secured by his UNITS; provided that the MEMBER shall have the option to commute such annuity and to receive not more than one-third of the value of his UNITS or such other amount as may be permitted by legislation, as a lump sum payment.

## PART 9 : PAYMENT OF ANNUITY

1. Upon a MEMBER, DEPENDANT or nominee becoming entitled to an annuity in terms of the RULES, the TRUSTEES shall apply the relevant UNITS (or the balance thereof after commutation, if applicable) to purchase an annuity from an INSURER selected by the MEMBER, DEPENDANT or nominee with the particular person as owner.
2. The FUND's liability is limited to the conclusion of a contract with the INSURER for the payment of the annuity directly to the MEMBER, DEPENDANT or nominee.
3. After the FUND has applied the UNITS as contemplated in RULE 1 above and, if applicable, paid any benefit direct to the MEMBER, DEPENDANT or nominee, the FUND will have no further liability towards any of the above persons.
4. Any annuity payable to the MEMBER:
  - 4.1 shall be payable at least until the death of the MEMBER,
  - 4.2 shall be non-commutable (except as contemplated in Part 6, RULE 3) and non-surrenderable,
  - 4.3 shall not be transferred, assigned, reduced, hypothecated or attached by creditors as contemplated by the provisions of section 37A and 37B of the ACT.

## **PART 10 : OPERATION AND MANAGEMENT OF THE FUND**

### **Operation of the Fund**

1. The TRUSTEES shall invest the benefits received on behalf of the MEMBER in UNITS according to the instructions of the MEMBER and the MEMBER accepts the investment risks accompanied by his choice.

The ADMINISTRATOR and the FUND reserve the right to direct all investment instructions in respect of investment funds, including investment funds with offshore exposure, that are closed for new business, to an alternative fund as chosen by the ADMINISTRATOR and approved by the TRUSTEES.

The UNITS so purchased will be administered by the ADMINISTRATOR.

2. The FUND is the owner of any UNITS purchased and administered in accordance with RULE 1 above. No investments or assets belonging to the FUND shall vest in the name of an individual MEMBER or body of MEMBERS and shall always be deemed to remain the property of the FUND. All documents of title relating to UNITS shall be registered in the name of the FUND. The said documents shall be held in safe custody at the registered office of the FUND or at a banking institution as decided by the ADMINISTRATOR and approved by the TRUSTEES.

The costs pertaining to a MEMBER's choice of investment, administration fees payable to the ADMINISTRATOR and any taxes and levies pertaining to the investments, will be recouped from the MEMBER's individual fund value. The ADMINISTRATOR and TRUSTEES may negotiate the administration fees from time to time.

### **General powers and duties of Trustees**

3. The TRUSTEES and their assignees shall be obliged and be competent to perform all acts as may be necessary for or incidental to the execution of the objectives of the FUND; but no act of the TRUSTEES may be inconsistent with the provisions of the RULES.

### **Appointment and retirement of Trustees**

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

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

5. No person in any of the following categories shall be eligible for appointment and/or a TRUSTEE's term of office ends if and when he:
- 5.1 resigns from office by giving notice in writing to the BOARD; or
  - 5.2 is in terms of the provisions of the Companies Act, 2008, incapacitated to be the director of a company; or
  - 5.3 is a minor or becomes or is mentally incapacitated or otherwise incapable of acting; or
  - 5.4 is placed under curatorship by order of a competent court; or
  - 5.5 is an unrehabilitated insolvent; or
  - 5.6 is removed from an office of trust on account of misconduct; or
  - 5.7 has been convicted and sentenced to imprisonment without an 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
  - 5.8 ceases to be in employment of the INSURER; or
  - 5.9 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; or
  - 5.10 without permission of the BOARD fails to attend three consecutive meetings; or
  - 5.11 has served in the position for five years; or
  - 5.12 has attained the age of 70 years.

*[amendment effective from 04/06/2019]*

- 5A A person mentioned in RULES 5.8 and 5.11 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 04/06/2019]*

6. 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 07/11/2017]*

#### **Procedures of Trustees**

7. The TRUSTEES shall meet from time to time, at least once a year, to discuss and regulate the business of the FUND. Notice shall be given to all the TRUSTEES at least fifteen days before a meeting. If all the TRUSTEES agree thereto, the notice period can be waived. Five TRUSTEES shall form a quorum. The quorum must include two INDEPENDENT TRUSTEES.

The TRUSTEES elect a chairperson and vice-chairperson from their own ranks at their first meeting. A TRUSTEE elected as chairperson or vice-chairperson serves in that capacity until the first TRUSTEE 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 TRUSTEES elect a new chairperson or vice-chairperson. An incumbent may make himself available for re-election.

At every meeting all matters for discussion shall be put to the vote and the majority vote shall be binding. In the case of equal division the chairperson of the meeting shall have a casting vote in addition to his deliberative vote. Minutes of all meetings shall be kept.

A resolution in writing which has been signed by all the TRUSTEES, or a resolution which has been sent by electronic mail to all the TRUSTEES and ratified by them, shall be as valid as a resolution passed at a meeting of the TRUSTEES.

8. All documents pertaining to the FUND and required to be signed on behalf of the FUND shall be signed by a person appointed by the TRUSTEES.
9. The TRUSTEES may lay down regulations with regard to the procedures of the TRUSTEES which may not be inconsistent with the RULES.

### **Sub-committees**

9A The TRUSTEES 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, comprising of such of their number as they nominate. The TRUSTEES may appoint persons who are not TRUSTEES to any sub-committee and may terminate such an appointment at any time.

The decision of a sub-committee to which a power is so delegated shall, unless the TRUSTEES stipulate that it must be referred to them for ratification, be regarded as a decision made by the board of TRUSTEES.

The minutes of all sub-committee meetings will be circulated to the full board of TRUSTEES and will form part of the minutes of the next TRUSTEE meeting.

### **Personal liability**

10. The TRUSTEES and their assignees shall not be liable personally for any loss that the MEMBERS or their DEPENDANTS may suffer as a result of their actions, provided the action was in accordance with the provisions of the RULES and the loss did not arise from their negligence, dishonesty or fraud.

### **Indemnity and fidelity guarantee**

11.1 Each TRUSTEE and all officers of the FUND are indemnified by the ADMINISTRATOR 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 or fraud.

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 or she recklessly or knowingly allowed it or was an accessory thereto.

### **Expenditure of Trustees**

12. All expenses incurred by the TRUSTEES in relation to the control and management of the FUND shall be borne by the ADMINISTRATOR.

13. 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.

### **Direct payment of benefits by administrator and assurer**

14. The TRUSTEES shall cause the ADMINISTRATOR in respect of lump sum payments and the INSURER in respect of annuities to pay the benefits payable in terms of the RULES, direct to the MEMBERS and other beneficiaries as determined by the TRUSTEES in terms of the RULES.

### **Financial records, audit and valuation**

15. The TRUSTEES shall cause to be maintained and prepared in respect of each FINANCIAL YEAR of the FUND such financial records and statements as are required in terms of any applicable law.
16. The TRUSTEES shall appoint (and may remove) auditors to the FUND and shall cause the annual financial statements of the FUND to be audited by such auditors. The auditors shall have access to all books, accounts, vouchers and other documents pertaining to the FUND and must certify the result of each audit in the form of a balance sheet as at the end of each FINANCIAL YEAR.
17. The TRUSTEES shall appoint (and may remove) a valuator for the FUND as contemplated in the ACT.

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

18. 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.

**Bank account**

19. The TRUSTEES shall open a bank account in the name of the FUND.

## **PART 11 : MISCELLANEOUS PROVISIONS**

### **Mode of payment of benefits**

1. If a benefit becomes payable in terms of the RULES and the RULES do not require elsewhere that the benefit be paid in the form of a lump sum or an annuity the FUND shall, notwithstanding any provision to the contrary, come to an agreement with the MEMBER, DEPENDANT or nominee as to the form, whether by way of a lump sum or an annuity, in which the benefit shall be paid.

If no agreement has been reached after three months the TRUSTEES will decide whether the benefit shall be paid by way of a lump sum or an annuity.

### **To whom benefits are paid: Special provisions**

2. If the FUND deems fit, owing to particular circumstances, the FUND may pay the benefits payable to a MEMBER in terms of the RULES, to the MEMBER's DEPENDANTS.
3. Any payment to be made to a person in terms of the RULES, may be made for the benefit of such a person to a guardian or a curator or a trustee contemplated in the Trust Property Control Act, 1988 (who shall not be an official of the FUND) on conditions as may be decided upon by the FUND, and such payments shall relieve the FUND of any further obligation regarding such a person.
4. The FUND may at any time alter its decision to make a payment to a particular person and if a person, other than a MEMBER, to whom payment is made in terms of the RULES, dies before payment of the benefit to him has been completed, the FUND, at its discretion, may pay the benefit into the estate of such a person or to another DEPENDANT.

### **Benefits inalienable**

5. Save to the extent permitted by the ACT, the RULES, the INCOME TAX ACT, and the Maintenance Act, 1998, no benefit provided for in the RULES (including an annuity purchased or to be purchased by the FUND from an INSURER for a MEMBER), or right to such benefit, or right in respect of contributions made by or on behalf of a MEMBER, shall be capable of being reduced, transferred or otherwise ceded, or of being pledged or hypothecated, or be subject to attachment or any form of execution under a judgment or order of a court of law, or to the extent of not more than three thousand rand per annum, be capable of being taken into account in a determination of a judgment debtor's financial position in terms of section 65 of the Magistrates' Courts Act, 1944, and in the event of the MEMBER or beneficiary concerned attempting to transfer or otherwise cede or to pledge or hypothecate such benefit or right, the FUND may withhold or suspend

payment of it.

6. If the estate of any person entitled to a benefit payable in terms of the RULES is sequestrated or surrendered, such benefit shall not be deemed to form part of the assets in the insolvent estate of that person and may not in any way be attached or appropriated by the trustee in his insolvent estate or by his creditors.
7. Any benefit payable regarding a deceased MEMBER by the FUND, shall not form part of the assets in the estate of such a MEMBER.

### **Currency**

8. All amounts payable to or by the FUND in terms of the RULES shall be payable in the legal tender of the Republic of South Africa.

### **Transfers from or to other funds**

9. The FUND, in consultation with other funds, may receive benefits from or transfer benefits to those funds on the conditions laid down by the FUND.

### **Proof of claims**

10. The FUND shall not be obliged to grant any benefit unless it is satisfied with regard to the MEMBER's age and with regard to any other circumstance which it considers relevant to the benefit and for which it requested proof or information.

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

11. The RULES shall bind the MEMBERS, the FUND and its officials and anyone who lays a claim in terms of the RULES or anyone whose claim is derived from the aforesaid claim.

### **Interpretation of Rules and disputes**

12. 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 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

#### **Inspection of and copies of documents of the Fund**

13. The RULES and the latest financial statements of the FUND shall be open for inspection by MEMBERS at any reasonable time and they may, at a fee determined by the FUND, obtain copies of the RULES.

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

14. The TRUSTEES, in consultation with the ADMINISTRATOR, may at any time close the FUND to new MEMBERS or dissolve the FUND.
15. The TRUSTEES shall give notice to the MEMBERS of their intention to have the FUND dissolved. The TRUSTEES shall appoint a liquidator, which appointment shall be subject to the approval of the AUTHORITY, and the period of liquidation shall be deemed to commence as from the date of such approval.
16. During such liquidation the provisions of the ACT shall continue to apply to the FUND as if the liquidator were the TRUSTEES.
17. The liquidator shall as soon as may be possible deposit with the AUTHORITY the preliminary accounts prescribed by regulation, signed and certified by him as correct, showing the assets and liabilities of the FUND at the commencement of the liquidation and the manner in which it is proposed to realize the assets and to discharge the liabilities, including any liabilities and contingent liabilities to or in respect of MEMBERS. In discharging the liabilities and contingent liabilities to or in respect of MEMBERS full recognition shall be accorded to:
  - 17.1 the rights and reasonable benefit expectations of the persons concerned;
  - 17.2 additional benefits the payment of which by the FUND has become an established practice.

### **Amendment to the rules**

18. The TRUSTEES, in consultation with the ADMINISTRATOR, may amend the RULES at any time, provided that:
- 18.1 the approval of the COMMISSIONER and the AUTHORITY is obtained; and
  - 18.2 the amendment is not contrary to the ACT.
19. The FUND shall arrange for the AUTHORITY and the COMMISSIONER to be notified of every amendment to the RULES.

### **Unclaimed benefits**

20. UNCLAIMED BENEFITS contemplated in RULE 3.4 of Part 7 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:
- 20.1 any potential beneficiaries; or
  - 20.2 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.

*[amendment effective from 06/09/2016]*

### **Fund-proposed annuity**

21. Where the RULES allow for the purchase of an ANNUITY 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 ANNUITY will, however, only be purchased if the MEMBER elects such option.

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

### **Counselling**

22. 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]*