

Revised Rules

MEU Retirement Fund

V1583

(incorporating Amendments 1 to 5 into 22 August 2016 Revised Rules)

CERTIFICATE IN ACCORDANCE WITH REGULATION 18 OF THE PENSION FUNDS ACT 1956

The BOARD OF TRUSTEES of the MEU RETIREMENT FUND resolved through a round robin procedure completed on 5 November 2014.

That the enclosed Revised RULES replace the RULES of the above-mentioned FUND with effect from 1 September 2014 and that the FUND shall be operated in terms of these Revised RULES.

Certified that the enclosed Revised RULES were adopted in accordance with the provisions of the RULES of the FUND.

The reasons for the Revised RULES are to:

1. issue a new set of RULES including all amendments;
2. improve the understanding of benefit descriptions where this is considered advisable;
3. comply with the provisions of the Financial Laws General Amendment Act 45 of 2013.

.....
CHAIRMAN OF THE BOARD OF TRUSTEE

.....
DATE

.....
TRUSTEE

.....
DATE

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PRINCIPAL OFFICER

.....
DATE

CONTENTS

	Page
ESTABLISHMENT AND OBJECT OF THE FUND	6
DEFINITIONS	7
SCHEDULE TO THE RULES	24
SECTION A	34
MEMBERSHIP, CONTRIBUTIONS AND	34
BENEFITS OF THE FUND	34
RULE A 1 - MEMBERSHIP	35
RULE A 2 - CONTRIBUTIONS	40
A 2.1 MEMBER	40
A 2.2 EMPLOYER	40
A 2.3 Transfers and voluntary contributions	40
A 2.4 Mode of payment of contributions	41
RULE A 3 - WITHDRAWAL BENEFIT	43
A 3.1 When payable	43
A 3.2 Payment of withdrawal benefit	43
RULE A 4 - RETIREMENT BENEFIT	49
A 4.1 When eligible	49
A 4.2 Amount of retirement benefit	50
A 4.3 Payment of the retirement benefit	50
RULE A 5 - DEATH BENEFIT	54
RULE A 6 - DISABILITY BENEFIT	55
A 6.1 Amount of DISABILITY benefit	55
A 6.2 Conditions for and manner of payment of DISABILITY benefit	55

SECTION B – OPERATIONS AND CONSTITUTION OF THE FUND	57
RULE B 1 - MANAGEMENT OF THE FUND	58
B 1.1 Legal person	58
B 1.2 BOARD OF TRUSTEES	58
B 1.3 Meetings, minutes and accounts	64
B 1.4 Powers and duties of the BOARD OF TRUSTEES	65
B 1.5 Personal liability of the BOARD OF TRUSTEES	69
B 1.6 Indemnification	69
B 1.7 Fidelity Insurance	69
B 1.8 Interpretation of the RULES	70
B 1.9 Expenses	71
B 1.10 Alteration to the RULES	72
B 1.11 Notification to MEMBERS	72
B 1.12 Currency	73
B 1.13 Annual Reviews	73
B 1.14 Unforeseen circumstances	73
B 1.15 CLIENT LIAISON OFFICER	73
B 1.16 ADMINISTRATION CLERK	74
RULE B 2 - GENERAL PROVISIONS CONCERNING BENEFITS	75
B 2.1 Operation of the FUND	75
B 2.2 Payments by the INSURER and/or ADMINISTRATOR	75
B 2.3 Insurance of benefits and liability	75
B 2.4 Proof of age	76
B 2.5 Payment of benefits	76
B 2.6 Deduction from benefits	77
B 2.7 Benefits inalienable	79
B 2.8 Transfer of benefits from or to other funds	80
B 2.9 Greater benefits	81
B 2.10 Investment portfolio choice	81
B 2.11 Right to use of ACTUARIAL SURPLUS	82
B 2.12 Apportionment of future ACTUARIAL SURPLUS	83
B 2.13 Existing EMPLOYER reserve account	83
B 2.14 Actuarial investigation	83
B 2.15 Temporary absence	84

B 2.16 Legal expenses with regard to legal action taken by the FUND	86
B 2.17 Accounts	86
RULE B 3 – RECONSTRUCTION AND DISSOLUTION OF THE FUND	87
B 3.1 Winding up of the EMPLOYER	87
B 3.2 BOARD OF TRUSTEES’ right to dissolve the FUND	92
B 3.3 Powers of the BOARD OF TRUSTEES and the PRINCIPAL OFFICER after dissolution	92
B 3.4 MEMBERS to consent to winding up of EMPLOYER’S participation in FUND	93
RULE B 4 - INVESTMENTS	94
SECTION C – SPECIAL PROVISIONS IN RESPECT OF PENSION BENEFIT	96
SECTION D - ACCOUNTS	97
RULE D 1 - MEMBER CONTRIBUTIONS ACCOUNT	98
RULE D 2 - NET EMPLOYER CONTRIBUTIONS ACCOUNT	100
RULE D 3 - ADDITIONAL CONTRIBUTIONS ACCOUNT	101
RULE D 4 – PRESERVATION PENSION ACCOUNT	103
RULE D 5 - EMPLOYER SURPLUS ACCOUNT	104
RULE D 6 - MEMBER SURPLUS ACCOUNT	106
RULE D 7 - RISK AND EXPENSE RESERVE ACCOUNT	108
RULE D 8 – PROCESSING ERROR RESERVE ACCOUNT	110
RULE E 1 - VESTED COMPONENT	112
E 1.1 Composition of VESTED COMPONENT	112
E 1.2 Intra-fund transfers from VESTED COMPONENT	113
RULE E 2 - SAVINGS COMPONENT	114
E 2.1 Composition of SAVINGS COMPONENT	114
E 2.2 Withdrawals from SAVINGS COMPONENT	115
E 2.3 Intra-fund transfers from SAVINGS COMPONENT	116

RULE E 3 - RETIREMENT COMPONENT 117

E 3.1 Amounts allocated to RETIREMENT COMPONENT 117

RULE E 4 - SPECIAL PROVISIONS IN RESPECT OF A MEMBER WHO WAS 55 YEARS OR OLDER ON 1 MARCH 2021, WHO REMAINED A MEMBER OF THE FUND UNTIL 1 SEPTEMBER 2024 118

ESTABLISHMENT AND OBJECT OF THE FUND

1. The FUND was established with effect from the COMMENCEMENT DATE to provide its MEMBERS with the following benefits:
 - (a) a cash amount or purchased monthly pension for MEMBERS who retire on pension on or before the retirement date;
 - (b) the payment of the benefits for which a MEMBER qualifies to his DEPENDANTS should he die before the retirement date; provided that in cases where the EMPLOYER has made provision therefore, death benefits will also be payable in the event of death after the retirement date;
 - (c) a cash amount or monthly pension in the event of disability, if this has been provided for.

2. The RULES of the FUND were revised with effect from the REVISION DATE.

DEFINITIONS

In these RULES, unless inconsistent with the context, words defined in the ACT bear the meanings assigned to them in the ACT and, where applicable, all words and expressions indicating the masculine gender include the feminine and words signifying the singular include the plural, and *vice versa*. The following words and expressions shall have the following meanings and are indicated in capital letters throughout:

ACT The Pension Funds Act, No. 24 of 1956 as amended and the regulations and directives framed thereunder;

ACTUARIAL SURPLUS The actuarial surplus as defined in the ACT:

ADDITIONAL CONTRIBUTIONS ACCOUNT An account held in terms of Rule D 3;

Amend 4
wef
01/03/2021

ADMINISTRATION CLERK The person appointed by the BOARD OF TRUSTEES in terms of Rule B 1.4.10;

ADMINISTRATOR Such administrator registered in terms of section 13B of the ACT and appointed by the BOARD OF TRUSTEES from time to time to perform the administrative duties of the FUND;

AGREEMENT The agreement concluded by the parties to the FUND as published in the Government Gazette No. 17328 dated 19 July 1996;

ANCILLARY BENEFIT The Accident Benefit (if applicable) as provided for the MEMBERS by the FUND through policies of insurance;

ANNIVERSARY DATE The day and month specified in the SCHEDULE;

ANNUAL SALARY The basic annual salary/wage which the MEMBER receives from the EMPLOYER and any other emoluments agreed upon between the EMPLOYER and/or the INSURER and/or the ADMINISTRATOR; provided that ANNUAL SALARY will be determined on joining the FUND and a change in ANNUAL SALARY will take effect in the manner set out in the SCHEDULE;

Amend 3
wef
01/03/2019

ANNUITY STRATEGY The annuity strategy adopted by the BOARD OF TRUSTEES in accordance with the provisions of Regulation 39 of the ACT;

APPROVED PENSION FUND A pension fund (excluding an APPROVED PRESERVATION PENSION FUND) registered in terms of the ACT and approved by the COMMISSIONER;

APPROVED PRESERVATION PENSION FUND An APPROVED PENSION FUND recognised as a preservation fund, registered in terms of the ACT and approved by the COMMISSIONER;

APPROVED PRESERVATION PROVIDENT FUND An APPROVED PROVIDENT FUND recognised as a preservation fund, registered in terms of the ACT and approved by the COMMISSIONER;

APPROVED PROVIDENT FUND A provident fund (excluding an APPROVED PRESERVATION PROVIDENT FUND) registered in terms of the ACT and approved by the COMMISSIONER;

APPROVED RETIREMENT ANNUITY FUND A retirement annuity fund registered in terms of the ACT and approved by the COMMISSIONER;

APPROVED UNCLAIMED BENEFIT PROVIDENT PRESERVATION FUND An APPROVED PROVIDENT FUND established to manage unclaimed benefits, recognised as a preservation fund, registered in terms of the ACT and approved by the COMMISSIONER;

AUDITOR The auditor appointed by the BOARD OF TRUSTEES in terms of these RULES;

AUTHORITY The Financial Sector Conduct Authority as defined in section 1 (1) of the Financial Sector Regulation Act, No. 9 of 2017;

Amend 4
wef
01/03/2021

BOARD OF TRUSTEES The managing body of the FUND appointed in terms of Rule B 1.2;

CATEGORY A MEMBER A MEMBER of the FUND who is part of the proposed transfer of MEMBERS to the E-Joburg Pension Fund;

Amend 4
wef
01/03/2021

CLIENT LIAISON OFFICER The person appointed by the BOARD OF TRUSTEES in terms of Rule B 1.4.9;

COMMENCEMENT DATE The date specified in Government Gazette number 17328 of 19 July 1996 or the date on which an EMPLOYER commences participating in the FUND, whichever is the latest;

COMMISSIONER The Commissioner for the South African Revenue Service appointed in terms of the Income Tax Act, No. 58 of 1962;

Amend 5
wef
01/09/2024

COMPONENTS

The MEMBER'S:

- (i) VESTED COMPONENT (if any);
- (ii) SAVINGS COMPONENT; and
- (iii) RETIREMENT COMPONENT;

**DATE OF DISABILITY
(if applicable)**

The date from which the MEMBER has suffered DISABILITY as determined by the INSURER; provided that in the case of DISABILITY arising as a consequence of pregnancy, abortion or childbirth, DATE OF DISABILITY shall be the date of the termination of the pregnancy;

DEPENDANT

The meaning assigned thereto in terms of the ACT;

**DEPUTY PRINCIPAL
OFFICER**

The person appointed as such in terms of Rule B 1.2.7;

**DISABILITY/
DISABLED/
DISABLEMENT**

A condition that satisfies the provisions governing DISABILITY as set out in the POLICY of insurance issued to the FUND by the INSURER;

Amend 1
wef
01/03/2015

ELECTION DATE

The date the MEMBER elects in writing to receive payment of his retirement benefit;

EMPLOYEE

A person in the permanent and full-time service of an EMPLOYER, provided that a person appointed:

- (i) on a trial basis; or
- (ii) in terms of articles of apprenticeship; or
- (iii) with an employment contract of at least five years,

shall be deemed to be appointed in a permanent capacity;

EMPLOYER	A local authority as described in Local Government: Municipal Structures Act, No. 117 of 1998 and shall include: (i) any organisation involved in providing any act, scheme or activity normally undertaken by a municipality as generally set out in Schedules 4 and 5 of the Constitution of the Republic of South Africa, Act, No. 108 of 1996 (as amended); and (ii) a water services institution as described in the Water Services Act, Act, No. 108 of 1997;
EMPLOYER SURPLUS ACCOUNT	The account maintained in terms of Rule D 5;
ENTRY DATE	The date on which the MEMBER joins the FUND in terms of these RULES;
FINAL SALARY	The ANNUAL SALARY a MEMBER earned at the date of his death or DATE OF DISABILITY;
FINANCIAL YEAR	The period specified in the SCHEDULE;
FUND	The MEU RETIREMENT FUND;
GAINS	“GAINS” shall include: (i) any income (received or accrued) less an allowance for any tax and part or all of any expenses (paid and accrued), including the specific allocation described in Rule B 2.16 to the RISK AND EXPENSE RESERVE ACCOUNT in terms of Rule D 7.11.1; and

- (ii) capital gains and losses (realised and unrealised) of the FUND.

GAINS shall be allocated to all the accounts as set out in Section D of the RULES, on such equitable basis as the BOARD OF TRUSTEES, in consultation with the VALUATOR, determine in their reasonable discretion from time to time. The basis to be used in allocating GAINS shall be recorded by the BOARD OF TRUSTEES;

Amend 4
wef
01/03/2021

**GROUP INSURANCE
BENEFIT**

The multiple of FUND SALARY lump sum benefit payable on the death and DISABILITY of a MEMBER, which are underwritten by an INSURER and in respect of which a POLICY of insurance has been issued to the FUND by the INSURER.

The GROUP INSURANCE BENEFIT payable on the DISABILITY of a MEMBER who elected to receive a retirement benefit in terms of Rule A 6.2.4, will comprise either a NON-VESTED GROUP INSURANCE BENEFIT or a VESTED-GROUP INSURANCE BENEFIT.

The death and DISABILITY (if any) benefit(s) indicated as such in the SCHEDULE;

Amend 4
wef
01/03/2021

INCOME TAX ACT

The Income Tax Act, No. 58 of 1962;

**INDEPENDENT
REPRESENTATIVE**

An independent BOARD OF TRUSTEES representative who is not an EMPLOYEE of the EMPLOYER nor controlled nor in common control with MEU, SALGA, the EMPLOYERS, the FUND, the ADMINISTRATOR or the sponsor of the FUND. The INDEPENDENT REPRESENTATIVE should preferably not provide any other services to MEU, SALGA, the EMPLOYERS, the FUND, the ADMINISTRATOR or the sponsor;

Amend 4
wef
01/03/2021

INSURER

The licensed insurer(s) in terms of the Insurance Act, No. 18 of 2017, and appointed by the FUND to underwrite any of the benefits provided by the FUND;

Amend 3
wef
01/03/2019

**INVESTMENT POLICY
STATEMENT**

The policy adopted by the BOARD OF TRUSTEES in accordance with the provisions of Regulation 37 of the ACT, in which the investment objectives and strategy of the FUND are recorded;

LIQUIDATION DATE

The date on which the liquidator commences with the liquidation of the FUND in terms of Rule B 3.1;

Amend 4
wef
01/03/2021

**LOCAL ADVISORY
COMMITTEE**

The local committee not exceeding eight persons in total elected by MEMBERS at each particular EMPLOYER and shall consists of representatives of the EMPLOYER and EMPLOYEES of such EMPLOYER;

MEMBER

A person who is a member of the FUND in terms of Rule A 1;

**MEMBER
CONTRIBUTIONS
ACCOUNT**

The account maintained in terms of Rule D 1;

**MEMBER SURPLUS
ACCOUNT**

The account maintained in terms of Rule D 6;

Amend 5
wef
01/0392024

**MEMBER'S INTEREST
IN THE RETIREMENT
COMPONENT**

Includes:

(i) any amount allocated to the RETIREMENT COMPONENT as set out in Rule E 3.1.1.1, together with any GAINS; plus

(ii) any amount credited to the RETIREMENT COMPONENT on or after 1 September 2024 together with any GAINS;

reduced

(iii) proportionately by any deduction in terms of section 37D of the ACT and the INCOME TAX ACT;

Amend 5
wef
01/0392024

**MEMBER'S INTEREST
IN THE SAVINGS
COMPONENT**

Includes:

(i) any amount allocated to the SAVINGS COMPONENT as set out in Rule E 2.1.1.1 and Rule E 2.1.1.2, together with any GAINS; plus

(ii) any amount credited to the SAVINGS COMPONENT on or after 1 September 2024 together with any GAINS;

reduced

(iii) by SAVINGS WITHDRAWAL BENEFITS; and

- (iv) proportionately by any deduction in terms of section 37D of the ACT and the INCOME TAX ACT;

Amend 5
wef
01/03/2024

**MEMBER'S INTEREST
IN THE VESTED
COMPONENT**

Includes:

- (i) the MEMBER'S SHARE that exists immediately prior to 1 September 2024 together with any GAINS; plus
- (ii) any amount credited to the VESTED COMPONENT on or after 1 September 2024 together with any GAINS;

reduced

- (iii) by the once-off seeding capital as set out in Rule E 2.1.1.1; and
- (iv) proportionately by any deduction in terms of section 37D of the ACT and the INCOME TAX ACT;

Amend 5
wef
01/03/2024

MEMBER'S SHARE

In respect of each MEMBER the sum of the amounts in the:

- (i) MEMBER CONTRIBUTIONS ACCOUNT; and
- (ii) MEMBER'S NET EMPLOYER CONTRIBUTIONS ACCOUNT; and
- (iii) MEMBER'S ADDITIONAL CONTRIBUTIONS ACCOUNT, and

reduced by

- (iv) any deduction made as permitted in terms of Section 37 D of the ACT;

- (v) any administration costs that may be payable in terms of Rule A 3.2.9 and Rule A 4.3.1.3.

The MEMBER'S SHARE shall at least be equal to the PRESCRIBED MINIMUM BENEFIT.

Where applicable, the MEMBER'S SHARE shall comprise of a VESTED MEMBER'S SHARE and/or a NON-VESTED MEMBER'S SHARE.

The FUND will maintain the following COMPONENTS in the MEMBER'S SHARE:

- (a) VESTED COMPONENT (if applicable); and
- (b) SAVINGS COMPONENT; and
- (c) RETIREMENT COMPONENT.

MEU

The Municipal Employees Union;

MONTHLY SALARY

The MEMBER'S basic ANNUAL SALARY divided by 12;

**NET EMPLOYER
CONTRIBUTIONS**

The net contributions indicated as such in the SCHEDULE;

**NET EMPLOYER
CONTRIBUTIONS
ACCOUNT**

The account maintained in terms of Rule D 2;

**NET MEMBER
CONTRIBUTIONS**

The net contributions indicated as such in the SCHEDULE;

Amend 1
wef
01/05/2012

Amend 4
wef
01/03/2021

**NON-VESTED GROUP
INSURANCE BENEFIT**

For a MEMBER who became DISABLED in terms of Rule A 6.2:

- (i) in respect of a MEMBER who was younger than age 55 as at 1 March 2021 and whose WAITING PERIOD expired after 1 March 2021, such MEMBER'S GROUP INSURANCE BENEFIT payable on DISABILITY.
- (ii) in respect of a MEMBER who was 55 years or older on 1 March 2021, who only became a MEMBER of the FUND after 1 March 2021, and whose WAITING PERIOD expired after 1 March 2021, such MEMBER'S GROUP INSURANCE BENEFIT payable on DISABILITY.
- (iii) in respect of any MEMBER who became a MEMBER of the FUND after 1 March 2021, such MEMBER'S GROUP INSURANCE BENEFIT payable on DISABILITY;

Amend 4
wef
01/03/2021

**NON- VESTED
MEMBER'S SHARE**

For each MEMBER it will mean the portion of his MEMBER'S SHARE equal to:

- (i) in respect of a MEMBER who was a member of any APPROVED PENSION FUND or APPROVED PRESERVATION PENSION FUND and who transferred to the FUND in terms of Rule B 2.8, the MEMBER'S total accumulated retirement savings in such APPROVED PENSION FUND or APPROVED PRESERVATION PENSION FUND on the transfer date.

- (ii) in respect of a MEMBER who was a MEMBER of the FUND on 1 March 2021 and who was younger than 55 years as at 1 March 2021, all the contributions made by and on behalf of such MEMBER to the FUND after 1 March 2021 plus the GAINS earned on these contributions.

- (iii) in respect of a MEMBER who was a member of any other APPROVED PROVIDENT FUND or APPROVED PRESERVATION PROVIDENT FUND on 1 March 2021, who was younger than 55 years as at 1 March 2021 and transferred his accumulated retirement savings to the FUND in terms of Rule B 2.8 after 1 March 2021:
 - (a) that part of the MEMBER'S accumulated retirement savings in such other APPROVED PROVIDENT FUND or APPROVED PRESERVATION PROVIDENT FUND on the transfer date comprising the contributions made by such MEMBER to any approved fund after 1 March 2021 plus the GAINS earned on these contributions; and
 - (b) all the contributions made by and on behalf of the MEMBER to the FUND plus the GAINS earned on these contributions.

- (iv) in respect of a MEMBER who was 55 years or older on 1 March 2021 and who became a MEMBER of the FUND after 1 March 2021, all the contributions made by or on behalf of such MEMBER to the FUND plus the GAINS earned on these contributions.

- (v) in respect of a MEMBER who became a MEMBER of the FUND on or after 1 March 2021, all the contributions made by or on behalf of such MEMBER to the FUND plus the GAINS earned on these contributions;

NORMAL RETIREMENT AGE	The age specified as such in the SCHEDULE;
NORMAL RETIREMENT DATE	The last day of the month in which the MEMBER attains his NORMAL RETIREMENT AGE as defined in the SCHEDULE;
PAID UP MEMBER	A MEMBER who is entitled to a deferred benefit in terms of Rule A 3.2.3;
PAST SERVICE	Any period of service in the same or a similar occupation completed by the MEMBER prior to his ENTRY DATE, and recognised by the EMPLOYER;
POLICY	The policies referred to in Rule B 1.4.2;
PRESCRIBED MINIMUM BENEFIT	The PRESCRIBED MINIMUM BENEFIT provided for in terms of section 14A of the ACT;
PREVIOUS SCHEME	A scheme that the EMPLOYER concluded before the COMMENCEMENT DATE and to which the MEMBER belonged before joining the FUND;
PRINCIPAL OFFICER	The person appointed as such in terms of Rule B 1.2.7;

Amend 4
wef
01/03/2021

**PROCESSING ERROR
RESERVE ACCOUNT**

The account in terms of Rule D 8;

Amend 3
wef
01/03/2019

**RETIREMENT
BENEFITS
COUNSELLING**

The retirement benefits counselling as envisaged in Regulations 38 and 39 to the ACT and set out in the retirement benefit counselling policy adopted by the BOARD OF TRUSTEES;

Amend 5
wef
01/09/2024

**RETIREMENT
COMPONENT**

The retirement component as set out in Rule E 3;

REVISION DATE

1 September 2014;

**RISK BENEFIT
OPTION A, B, C, D
and E**

The risk benefit options available to a MEMBER as described in the SCHEDULE;

**RISK AND EXPENSE
RESERVE ACCOUNT**

At the request of the BOARD OF TRUSTEES, the account maintained by the ADMINISTRATOR in terms of Rule D 7;

RULES

These rules and any amendment thereto from time to time, as registered by the AUTHORITY and approved by the COMMISSIONER;

SALGA

The South African Local Government Association;

Amend 5
wef
01/09/2024

**SAVINGS
COMPONENT**

The savings component as set out in Rule E 2;

Amend 5
wef
01/09/2024

**SAVINGS
WITHDRAWAL
BENEFIT**

Amounts the MEMBER elects to withdraw from his SAVINGS COMPONENT, in terms of Rule E 2.2 and subject to the provisions of the INCOME TAX ACT;

SCHEDULE

The schedule of benefits described in these RULES;

STAKEHOLDER A person who the BOARD OF TRUSTEES determines shall participate in the ACTUARIAL SURPLUS in terms of Rule B 2.11.2 and may include a MEMBER and an EMPLOYER;

SURPLUS 7 December 2001;

LEGISLATION DATE

Amend 5
wef
01/09/2024

TAX YEAR A period of 12 consecutive months commencing on 1 March to 28 or 29 February of the following year;

Amend 5
wef
01/09/2024

TOTAL RETIREMENT CONTRIBUTIONS Any amount contributed to the FUND on or after 1 September 2024 by the MEMBER or on behalf of the MEMBER, excluding any costs, fees and risk premiums in respect of the GROUP INSURANCE BENEFITS;

UNCLAIMED BENEFIT An unclaimed benefit as defined in the ACT;

VALUATOR An actuary approved as a valuator by the AUTHORITY;

Amend 5
wef
01/09/2024

VESTED COMPONENT The vested component as set out in Rule E 1;

Amend 4
wef
01/03/2021

VESTED GROUP INSURANCE BENEFIT In respect of a MEMBER who became DISABLED in terms of Rule A 6.2 and who was 55 years or older on 1 March 2021, and who remained a MEMBER of the FUND until his DISABILITY, it means his GROUP INSURANCE BENEFIT payable on DISABILITY;

Amend 4
wef
01/03/2021

**VESTED MEMBER'S
SHARE**

For each MEMBER it will mean the portion of his MEMBER'S SHARE equal to:

- (i) in respect of a MEMBER who was a MEMBER of the FUND on 1 March 2021 and who was younger than 55 years as at 1 March 2021, his MEMBER'S SHARE in the FUND as set at 28 February 2021 plus the GAINS earned on such amount.
- (ii) in respect of a MEMBER who was 55 years or older on 1 March 2021 and who remained a MEMBER until the MEMBER'S retirement from the FUND, his MEMBER'S SHARE in the FUND as at 28 February 2021 plus GAINS earned on such amount plus all the contributions made by and on behalf of such MEMBER to the FUND plus the GAINS earned on these contributions.
- (iii) in respect of a MEMBER who was 55 years or older on 1 March 2021 and who was as member of another APPROVED PROVIDENT FUND or APPROVED PRESERVATION PROVIDENT FUND on such date and transferred his accumulated retirement savings to the FUND in terms of Rule B 2.8 after 1 March 2021, his accumulated retirement savings as at the date of transfer plus the GAINS earned on this amount.
- (iv) in respect of a MEMBER who was a member of another APPROVED PROVIDENT FUND or APPROVED PRESERVATION PROVIDENT FUND on 1 March 2021 and who subsequently transferred his accumulated retirement savings to an APPROVED PENSION FUND or APPROVED PRESERVATION

PENSION FUND and who then transferred his accumulated retirement savings to the FUND in terms of Rule B 2.8, such MEMBER'S accumulated retirement savings as at:

- (a) 1 March 2021 plus the GAINS earned on this amount if the MEMBER was younger than 55 years as at 1 March 2021; or
- (b) the date of transfer to the APPROVED PENSION FUND or APPROVED PRESERVATION PENSION FUND from the other APPROVED PROVIDENT FUND or APPROVED PRESERVATION PROVIDENT FUND if the MEMBER was 55 years or older on 1 March 2021;

WAITING PERIOD

The period of 6 months starting on the DATE OF DISABILITY.

SCHEDULE TO THE RULES

GENERAL

ANNIVERSARY DATE	1 February each year
Changes in ANNUAL SALARY	Effective immediately
FINANCIAL YEAR	A period of 12 months commencing 1 February and ending 31 January each year
FUND TYPE	“Provident Fund” in terms of the ACT and a “paragraph (a) pension fund” in terms of the Income Tax Act, No 58 of 1962
Amend 4 wef 01/03/2021 Registered office	Bryanston Gate Office Park Block 1, First Floor Corner of Homestead Avenue and Main Road Bryanston 2021
Minimum Benefits	Notwithstanding any other provision contained in these RULES, with effect from 1 June 2005, all benefits payable in terms of the RULES will be at least equal to the PRESCRIBED MINIMUM BENEFIT.

(Refer to the DEFINITIONS where applicable)

ELIGIBILITY

Qualifications for membership

It is compulsory for all EMPLOYEES who are under the NORMAL RETIREMENT AGE to join this FUND or another approved fund as provided by his EMPLOYER.

(Refer to Rule A 1)

CONTRIBUTIONS

Amend 4
wef
01/02/2008

MEMBER'S contributions

In respect of:

- (a) a MEMBER who is an EMPLOYEE of participating EMPLOYER Ekurhuleni:

7,5% or 9% of the MEMBER'S MONTHLY SALARY, as elected by the MEMBER and notified in writing to the ADMINISTRATOR; and

- (b) a MEMBER who is an EMPLOYEE of participating EMPLOYER Benoni:

7,5% or 9% of the MEMBER'S MONTHLY SALARY, as elected by the MEMBER and notified in writing to the ADMINISTRATOR; and

(c) any other MEMBER:

7,5% of the MEMBER'S MONTHLY SALARY

Amend 1
wef
01/05/2012

NET MEMBER CONTRIBUTIONS

The MEMBER'S contributions minus, where the EMPLOYER'S contributions are insufficient to meet the costs set out under the NET EMPLOYER CONTRIBUTIONS section of the SCHEDULE, such shortfall as agreed by the MEMBER

Amend 4
wef
01/02/2008

EMPLOYER'S contributions

In respect of:

- (a) Participating EMPLOYER:
Lapelle Northern Water: 17,5%; and
- (b) Participating EMPLOYER:
Mogale City:
 - (aa) MEMBERS who joined before 1 May 2012: 22%
 - (bb) MEMBERS who joined on or after 1 May 2012: 18%
 - (cc) MEMBERS with 5-year fixed term, renewable contracts: 7,5%
- (c) Participating EMPLOYER:
Benoni:
 - (aa) in respect of MEMBERS who contribute 7,5%: 22%
 - (bb) in respect of MEMBER who contribute 9%: 24,36%

- (d) all other participating EMPLOYERS:
22%

of the MEMBER'S MONTHLY SALARY

NET EMPLOYER CONTRIBUTIONS The EMPLOYER'S contributions **minus** the following:

- (i) the administration charges;
- (ii) the premiums in respect of the GROUP INSURANCE BENEFITS (if any);
- (iii) the premiums payable in respect of the separate insurance scheme(s) operated by the EMPLOYER for the benefit of the MEMBERS;
- (iv) expenses in terms of Rule B 1.9;
- (v) the premiums payable in respect of the ANCILLARY BENEFIT (if any).

1. In respect of PAST SERVICE contributions made by an EMPLOYER:

Contributions made by an EMPLOYER for PAST SERVICE as set out in Rule A 2.3.3.

2. The EMPLOYER may make additional contributions towards the RISK AND EXPENSE RESERVE ACCOUNT from time to time on the advice of the VALUATOR.

(iii) RISK BENEFIT OPTION D,
1,5 times; or

(iv) RISK BENEFIT OPTION E,
5 times

the MEMBER'S FINAL SALARY

Where a MEMBER has not made an election for which receipt has been confirmed by the FUND, RISK BENEFIT OPTION A (default option) applies.

plus

ANCILLARY BENEFITS

If applicable

plus

Cash benefit

in respect of all MEMBERS, the MEMBER'S
SHARE

(Refer to Rule A 5)

Amend 1
wef
01/05/2012

DISABILITY BENEFIT

GROUP INSURANCE BENEFIT

(a) Prior to 1 August 2004:

3 times the MEMBER'S FINAL
SALARY

(b) With effect from 1 August 2004, in
respect of a MEMBER who elected:

- (i) RISK BENEFIT OPTION A,
3 times, or
- (ii) RISK BENEFIT OPTION B or
RISK BENEFIT OPTION C, nil;
or
- (iii) RISK BENEFIT OPTION D,
1,5 times; or
- (iv) RISK BENEFIT OPTION E,
5 times

the MEMBER'S FINAL SALARY subject to a maximum of R4 000 000,00, reduced during the 10-year period immediately preceding his NORMAL RETIREMENT DATE. The reduced benefit will be calculated by taking the full benefit and multiplying it by the number of complete months from the DATE OF DISABILITY to the NORMAL RETIREMENT DATE and dividing the result by 120.

Where a MEMBER has not made an election for which receipt has been confirmed by the FUND, RISK BENEFIT OPTION A (default option) applies.

plus

ANCILLARY BENEFITS

If applicable

plus

Amend 4
wef
01/03/2021

Cash benefit

the MEMBER'S SHARE

Amend 4
wef
01/03/2021

Mode of payment

As set out in Rule A 6.2

(Refer to Rule A 6)

BOARD OF TRUSTEES

The BOARD OF TRUSTEES is made up of:

Number of MEMBER representatives 4

Number of EMPLOYER representatives 2

Number of INDEPENDENT
REPRESENTATIVES 1

Minimum number for quorum 4, one of which must be the
INDEPENDENT REPRESENTATIVE

(Refer to Rule B 1.2)

LOCAL ADVISORY COMMITTEE

Each PARTICIPATING EMPLOYER will have a LOCAL ADVISORY COMMITTEE.

The EMPLOYER will appoint EMPLOYER 1
representatives

The EMPLOYEES of the EMPLOYER will 2
elect representatives

Number of MEU appointed officials 1

(Refer to Rule B 1.2)

SECTION A

**MEMBERSHIP, CONTRIBUTIONS AND
BENEFITS OF THE FUND**

RULE A 1 - MEMBERSHIP

A 1.1 Participation

A 1.1.1 Optional

Any person who is in the EMPLOYER'S service immediately before the COMMENCEMENT DATE and who is still in the EMPLOYER'S service on the COMMENCEMENT DATE, but who is not eligible for membership on that date according to the conditions set out in the SCHEDULE; has the option of becoming a MEMBER as soon as he becomes eligible for membership. Membership commences on the first day of the month following the date on which such person becomes eligible for membership. Any such person who does not exercise the right to become a MEMBER on that date, shall not be eligible for membership thereafter.

A 1.1.2 Compulsory

All MEMBERS who participated in the FUND immediately prior to 1 June 2005 shall continue to participate in the FUND.

A 1.1.3 New EMPLOYEES

It shall be a condition of employment and therefore compulsory for every person who enters the EMPLOYER'S service on or after 1 June 2005 and who is eligible for membership according to the conditions set out in the SCHEDULE; that such a person becomes a MEMBER of the FUND if he does not join another APPROVED PENSION FUND or APPROVED PROVIDENT FUND operated by the EMPLOYER for its employees. Membership commences on the first day of the month coinciding with, or following, the day on which he first becomes eligible.

A 1.1.4 New EMPLOYERS

New EMPLOYERS may be admitted to the FUND by arrangement with the BOARD OF TRUSTEES.

A 1.1.5 MEU members

A 1.1.5.1 All MEU members who are currently members of retirement funds for EMPLOYER employees will have the option of joining this FUND.

A 1.1.5.2 All MEU members will have the option of joining this FUND or any other APPROVED PENSION FUND or APPROVED PROVIDENT FUND provided by EMPLOYERS.

A 1.1.5.3 MEMBERS who wish to transfer their benefits from any APPROVED PENSION FUND or APPROVED PROVIDENT FUND for EMPLOYER employees to this FUND may do so.

A 1.1.5.4 MEU members who presently qualify to belong to an EMPLOYER fund, but chose for whatever reason not to do so, may join this FUND provided that EMPLOYER contributions may only start in the next FINANCIAL YEAR to allow the EMPLOYER to budget for this cost.

A 1.1.6 Non-MEU members

A 1.1.6.1 All non-MEU members who are currently members of APPROVED PENSION FUNDS or APPROVED PROVIDENT FUNDS for EMPLOYER employees will have the option of joining this FUND.

A 1.1.6.2 All non-MEU members will have the option of either joining this FUND, or any other APPROVED PENSION FUND or APPROVED PROVIDENT FUND provided by the EMPLOYERS.

A 1.1.6.3 Non-MEU members who wish to transfer their benefits from any APPROVED PENSION FUND or APPROVED PROVIDENT FUND for EMPLOYER employees to this FUND may do so.

A 1.1.6.4 Non-MEU members who presently qualify to belong to an EMPLOYER fund, but chose for whatever reason not to do so, may join this FUND provided that EMPLOYER contributions may only start in the next FINANCIAL YEAR to allow the EMPLOYER to budget for this cost.

A 1.1.7 Transfers from other funds

EMPLOYEES of an EMPLOYER who wish to transfer their benefits from any APPROVED PENSION FUND or APPROVED PROVIDENT FUND for EMPLOYER employees to this FUND may do so. In respect of asset transfers from funds that only allow a maximum of 1/3rd of the retirement capital to be commuted, Rule C 1 will be applicable. For other transfers the transfer value will be dealt with in terms of Rule A 2.3.

A 1.2 Conditions of employment not otherwise affected

Nothing contained in these RULES can limit the right of an EMPLOYER to terminate the services of an EMPLOYEE, or the right of an EMPLOYEE to leave the service of an EMPLOYER, subject to the conditions of his employment.

A 1.3 RISK BENEFIT OPTIONS

A 1.3.1 A MEMBER referred to in Rule A 1.1.2 above will participate in RISK BENEFIT OPTION A.

A 1.3.2 A MEMBER referred to in Rule A 1.1.3 above may, at the date his membership of the FUND commences, elect a RISK BENEFIT OPTION of his choice. The FUND must inform the INSURER and the ADMINISTRATOR, in writing, of the election within 1 month of the MEMBER'S entry into the FUND.

A 1.3.3 Where a MEMBER does not elect a RISK BENEFIT OPTION, he will automatically participate in RISK BENEFIT OPTION A until such date the MEMBER changes his RISK BENEFIT OPTION in terms of Rule A 1.3.4, subject to Rule A 1.3.5.

A 1.3.4 A MEMBER may change his RISK BENEFIT OPTION at the following events:

A 1.3.4.1 at the ANNIVERSARY DATE; or

A 1.3.4.2 a single MEMBER marries; or

A 1.3.4.3 a married MEMBER divorces or is widowed; or

A 1.3.4.4 a MEMBER increases his DEPENDANTS through the birth of a child or the like; or

A 1.3.4.5 a MEMBER loses a DEPENDANT by way of death or a child reaching majority age,

subject to the approval of the INSURER.

A 1.3.5 If a MEMBER changes from one RISK BENEFIT OPTION to another, the MEMBER must inform the INSURER and the ADMINISTRATOR thereof, in writing, within 1 month of the event that gives rise to the MEMBER being able to effect a change in his RISK BENEFIT OPTION.

A 1.4 Cessation of membership

A MEMBER'S membership ceases only:

A 1.4.1 when he ceases to be an EMPLOYEE; or

A 1.4.2 when he becomes entitled to any benefit in terms of this FUND; or

A 1.4.3 at dissolution of the FUND; or

A 1.4.4 when he transfers to another fund for EMPLOYEES of EMPLOYERS.

whichever occurs first.

RULE A 2 - CONTRIBUTIONS

A 2.1 MEMBER

Every MEMBER is required to make monthly contributions to the FUND unless the contrary is specified in the SCHEDULE. The contribution rates are set out in the SCHEDULE. Such contributions are rounded off to the nearest cent.

A 2.2 EMPLOYER

A 2.2.1 The EMPLOYER is required to make monthly contributions to the FUND unless the contrary is specified in the SCHEDULE. The contribution rates are set out in the SCHEDULE. Such contributions are rounded off to the nearest cent.

A 2.2.2 Any EMPLOYER contribution for GROUP INSURANCE BENEFITS, ANCILLARY BENEFITS and administration expenses that are not applied as such will be applied under the RISK AND EXPENSE RESERVE ACCOUNT for stability of future costs and contributions.

A 2.2.3 If the NET EMPLOYER CONTRIBUTIONS as set out in the SCHEDULE are at any time less than 0, the BOARD OF TRUSTEES may decide to meet the deficit by drawing from the RISK AND EXPENSE RESERVE ACCOUNT, or alternatively the GROUP INSURANCE BENEFITS and/or ANCILLARY BENEFITS will be reduced to eliminate the deficit.

A 2.3 Transfers and voluntary contributions

A 2.3.1 Subject to the BOARD OF TRUSTEES agreeing thereto, a MEMBER may make contributions to the FUND by way of:

Amend 4
wef
01/03/2021

- (a) a lump sum to which he has become entitled on his withdrawal from another APPROVED PENSION FUND, APPROVED PROVIDENT FUND, APPROVED PRESERVATION PENSION FUND or APPROVED PRESERVATION PROVIDENT FUND; or
- (b) regular amounts not otherwise recognised for the purpose of calculating his benefits under the FUND.

A 2.3.2 These contributions shall be kept in a separate account, namely, the ADDITIONAL CONTRIBUTIONS ACCOUNT held in respect of the MEMBER.

A 2.3.3 Subject to an agreement between a MEMBER and an EMPLOYER, the EMPLOYER may make additional contributions for PAST SERVICE, on the basis agreed between the MEMBER and the EMPLOYER and notified to the FUND in writing, into the ADDITIONAL CONTRIBUTIONS ACCOUNT of the MEMBER in terms of Rule A 2.3.2.

A 2.4 Mode of payment of contributions

A 2.4.1 The EMPLOYER shall remit the total of the contributions to the FUND at the end of each month.

A 2.4.2 7 days' grace shall be allowed for the payment of contributions. All contributions not received by the due date will attract such penalties and interest as provided for in the ACT.

- A 2.4.3 If a MEMBER'S membership ceases before the 15th day of a month, no contributions by the MEMBER or the EMPLOYER shall be remitted in respect of that month. If membership ceases on or after the 15th day of a month, the full MEMBER and EMPLOYER contribution for the relevant month shall be made by the EMPLOYER.
- A 2.4.4 Where the EMPLOYER fails to contribute in full within the days of grace referred to in Rule A 2.4.2 above, the BOARD OF TRUSTEES shall ensure that the necessary actions stipulated in the ACT are taken against the EMPLOYER. Any failure to pay contributions within 7 days after the end of any month is a criminal offence punishable with a fine in terms of section 13A read with section 37 of the ACT.

The BOARD OF TRUSTEES has the right, in its sole discretion, after having considered the interest of the MEMBERS and the FUND, to give notice to the EMPLOYER that unless all outstanding contributions plus interest in terms of the ACT are paid at such date decided upon by the BOARD OF TRUSTEES, the EMPLOYER'S participation in the FUND will be dissolved in terms of Rule B 3.1.

RULE A 3 - WITHDRAWAL BENEFIT

A 3.1 When payable

A 3.1.1 If a MEMBER terminates his service with the EMPLOYER before the NORMAL RETIREMENT AGE and such MEMBER is not entitled to any other benefits under the FUND, the withdrawal benefit set out in the SCHEDULE shall be available to him subject to the restrictions on the application thereof set out in Rule A 3.2. This Rule applies *mutatis mutandis* to a MEMBER whose service is terminated by the EMPLOYER.

A 3.1.2 A MEMBER who is retrenched or made redundant, may continue with the GROUP INSURANCE BENEFITS for a period of 12 months. The contributions for these benefits will be deducted from his withdrawal benefit in terms of Rule B 2.6.

A 3.1.3 The MEMBER in Rule A 3.1.2 may choose that his withdrawal benefit be paid out to him. This will mean that he loses the benefit of all the GROUP INSURANCE BENEFITS in Rule A 3.1.2.

A 3.1.4 The continuation of the benefits in Rule A 3.1.2 is not conditional on the MEMBER being employed. The definition of disablement that will apply after retrenchment or redundancy under Rule A 3.1.2 will be total and permanent disablement to perform any occupation, as determined by the INSURER.

A 3.2 Payment of withdrawal benefit

A 3.2.1 The withdrawal benefit will be retained in the FUND and the MEMBER will become a PAID UP MEMBER.

Amend 5
wef
01/09/2024

A 3.2.2 The PAID UP MEMBER may, at any time and subject to having access to RETIREMENT BENEFITS COUNSELLING, elect to:

A 3.2.2.1 transfer his whole withdrawal benefit to an APPROVED PENSION FUND, APPROVED PRESERVATION PENSION FUND, APPROVED PROVIDENT FUND, APPROVED PRESERVATION PROVIDENT FUND or APPROVED RETIREMENT ANNUITY FUND; or

A 3.2.2.2 take in cash his full VESTED COMPONENT and his full SAVINGS COMPONENT, and either:

(a) retain his RETIREMENT COMPONENT in the FUND; or

(b) transfer his RETIREMENT COMPONENT to another APPROVED PENSION FUND, APPROVED PRESERVATION PENSION FUND, APPROVED PROVIDENT FUND, APPROVED PRESERVATION PROVIDENT FUND or APPROVED RETIREMENT ANNUITY FUND; or

A 3.2.2.3 take in cash a portion of his VESTED COMPONENT and a portion of his SAVINGS COMPONENT and transfer his full remaining withdrawal benefit to another APPROVED PENSION FUND, APPROVED PRESERVATION PENSION FUND, APPROVED PROVIDENT FUND, APPROVED PRESERVATION PROVIDENT FUND or APPROVED RETIREMENT ANNUITY FUND; or

A 3.2.2.4 take in cash his full VESTED COMPONENT, and either:

- (a) retain his full remaining withdrawal benefit in the FUND; or
- (b) transfer his full remaining withdrawal benefit to another APPROVED PENSION FUND, APPROVED PRESERVATION PENSION FUND, APPROVED PROVIDENT FUND, APPROVED PRESERVATION PROVIDENT FUND or APPROVED RETIREMENT ANNUITY FUND; or

A 3.2.2.5 take in cash a portion of his VESTED COMPONENT and transfer his full remaining withdrawal benefit to another APPROVED PENSION FUND, APPROVED PRESERVATION PENSION FUND, APPROVED PROVIDENT FUND, APPROVED PRESERVATION PROVIDENT FUND or APPROVED RETIREMENT ANNUITY FUND; or

A 3.2.2.6 take in cash a portion or his full SAVINGS COMPONENT, and either:

- (a) retain his full remaining withdrawal benefit in the FUND; or
- (b) transfer his full remaining withdrawal benefit to another APPROVED PENSION FUND, APPROVED PRESERVATION PENSION FUND, APPROVED PROVIDENT FUND, APPROVED PRESERVATION PROVIDENT FUND or APPROVED RETIREMENT ANNUITY FUND,

subject to the provisions of the INCOME TAX ACT and Rule E 2.2, where applicable.

In the event of transfers to more than one APPROVED PENSION FUND, APPROVED PRESERVATION PENSION FUND, APPROVED PROVIDENT FUND, APPROVED PRESERVATION PROVIDENT FUND or APPROVED RETIREMENT ANNUITY FUND in terms of the INCOME TAX ACT, the COMPONENTS will be transferred proportionately to such other funds.

Amend 4
wef
01/03/2021

- A 3.2.3 Once any portion of the PAID UP MEMBER'S withdrawal benefit has been paid in cash or transferred to an APPROVED PROVIDENT FUND, APPROVED PENSION FUND, APPROVED RETIREMENT ANNUITY FUND, APPROVED PRESERVATION PROVIDENT FUND or an APPROVED PRESERVATION PENSION FUND, the PAID UP MEMBER shall have no further claim against the FUND in respect of the amount paid or transferred.
- A 3.2.4 No contributions are payable to the FUND by or in respect of a PAID UP MEMBER.
- A 3.2.5 The GROUP INSURANCE BENEFITS in respect of the PAID UP MEMBER will cease unless he was retrenched or made redundant.
- A 3.2.6 A PAID UP MEMBER who was retrenched or made redundant, may continue with the GROUP INSURANCE BENEFITS for a period of 12 months. The contributions for these benefits will be deducted from his withdrawal benefit in terms of Rule B 2.6.
- A 3.2.7 The PAID UP MEMBER in Rule A 3.2.6 may choose that his withdrawal benefit be paid out to him. This will mean that he loses the benefit of all the GROUP INSURANCE BENEFITS in Rule A 3.2.6.

A 3.2.8 The continuation of the benefits in Rule A 3.2.6 is not conditional on the PAID UP MEMBER being employed. The definition of disablement that will apply after retrenchment or redundancy under Rule A 3.2.6 will be total and permanent disablement to perform any occupation, as determined by the INSURER.

A 3.2.9 The FUND'S expenses in respect of a PAID UP MEMBER will be deducted from his MEMBER'S SHARE.

A 3.2.10 If a PAID UP MEMBER dies his withdrawal benefit will become payable and the provisions of Section 37C of the ACT will apply.

A 3.2.11 A PAID UP MEMBER will be entitled to retire once he reaches the age of 55 years. The provisions of Rules A 4.2 and A 4.3 will apply *mutatis mutandis*. The retiring PAID UP MEMBER'S retirement benefit will become payable on his ELECTION DATE.

A 3.2.12 A PAID UP MEMBER may retire prior to attaining the age of 55 years if he becomes permanently incapable of carrying on his occupation due to sickness, accident, injury, or incapacity through infirmity of mind or body. The provisions of Rules A 4.2 and A 4.3 will apply *mutatis mutandis*. The retiring PAID UP MEMBER'S retirement benefit will become payable on his ELECTION DATE.

Amend 4
wef
01/03/2021

A 3.2.13 An election notification must be given to the FUND in writing by the EMPLOYER or the PAID UP MEMBER and must include details of the option(s) referred to in Rule A 3.2.2, that the PAID UP MEMBER selected. The notification will only be regarded as having been given once all the required and fully completed documents are received by the ADMINISTRATOR.

Amend 4
wef
01/03/2021

A 3.2.14 Should the PAID UP MEMBER die before the payment of the withdrawal benefit was dealt with in accordance with Rule A 3.2.13, the provisions of Rule B 2.5.3 will apply.

Amend 5
wef
01/09/2024

A 3.2.15 A PAID UP MEMBER may, prior to his ELECTION DATE, elect payment of a portion or his full:

A 3.2.15.1 RETIREMENT COMPONENT and/or VESTED COMPONENT, if the PAID UP MEMBER:

- (a) ceased to be a South African resident for an uninterrupted period of three years or longer on or after 1 March 2021; or
- (b) departed from the Republic of South Africa at the expiry of a work or visit visa; or
- (c) was a South African resident who emigrated from the Republic of South Africa; and

A 3.2.15.2 SAVINGS COMPONENT, subject to the provisions of Rule E 2.2,

if allowed in terms of the INCOME TAX ACT.

RULE A 4 - RETIREMENT BENEFIT

Amend 1
wef
01/03/2015

A 4.1 When eligible

A MEMBER will be eligible for the retirement benefit due to the MEMBER reaching:

A 4.1.1 his NORMAL RETIREMENT DATE
or;

A 4.1.2 Voluntary early retirement

A MEMBER may, with the EMPLOYER'S consent and subject to the provisions of the Income Tax Act, No 58 of 1962, retire from the service of the EMPLOYER on the last day of any month after the age of 55, subject to the MEMBER giving 1 month's written notice;
or;

A 4.1.3 Ill-health early retirement

A MEMBER may, with the EMPLOYER'S consent, retire from the service of the EMPLOYER due to ill-health on the last day of any month before his NORMAL RETIREMENT DATE
or;

A 4.1.4 Late retirement

A MEMBER may, with the EMPLOYER'S consent, retire from the service of the EMPLOYER on the last day of any month after his NORMAL RETIREMENT DATE, but not later than his 70th birthday. The MEMBER'S contributions to the FUND will cease after his NORMAL RETIREMENT DATE.

A 4.2 Amount of retirement benefit

The amount payable to a MEMBER who retires shall be as set out in the SCHEDULE.

Amend 1
wef
01/03/2015

A 4.3 Payment of the retirement benefit

A 4.3.1 On a MEMBER'S retirement from the SERVICE of the EMPLOYER, the following provisions will apply:

A 4.3.1.1 no further contributions will be payable in respect of the MEMBER;

A 4.3.1.2 the MEMBER will not be entitled to any GROUP INSURANCE BENEFITS;

A 4.3.1.3 the MEMBER'S retirement benefit will remain in the FUND. It will incur administration charges and other expenses and will increase or decrease by GAINS until the ELECTION DATE;

A 4.3.1.4 if the MEMBER dies before the ELECTION DATE, the FUND shall effect payment of the retirement benefit in terms of these RULES and section 37C of the ACT; and

Amend 4
wef
01/03/2021

A 4.3.1.5 if the MEMBER dies on or after his ELECTION DATE but before the retirement benefit was dealt with in accordance with Rule A 4.3.2, the provisions of Rule B 2.5.3 will apply.

Amend 5
wef
01/09/2024

A 4.3.2 On the ELECTION DATE and after receiving RETIREMENT BENEFITS COUNSELLING:

A4.3.2.1 the MEMBER may elect to:

- (a) purchase an annuity from an INSURER with his retirement benefit; or
- (b) transfer his retirement benefit to another APPROVED PRESERVATION PENSION FUND, APPROVED PRESERVATION PROVIDENT or APPROVED RETIREMENT ANNUITY FUND, if allowed in terms of the INCOME TAX ACT;

provided that the MEMBER may also exercise any of the options as described below:

A 4.3.2.2 the MEMBER may elect to take as a lump sum from the MEMBER'S INTEREST IN THE VESTED COMPONENT:

- (a) the whole or any portion of his VESTED MEMBER'S SHARE, if any; and
- (b) 1/3rd or any smaller portion of his NON-VESTED MEMBER'S SHARE,

as allowed in terms of the INCOME TAX ACT, in which case the annuity so purchased in terms of Rule A 4.3.2.1(a) or amount so transferred in terms of Rule A 4.3.2.1(b) shall be correspondingly reduced.

A 4.3.2.3 the MEMBER may elect the following in respect of the MEMBER'S INTEREST IN THE SAVINGS COMPONENT:

- (a) take the whole or any portion of the MEMBER'S INTEREST IN THE SAVINGS COMPONENT as a lump sum, if allowed in terms of the INCOME TAX ACT; in which case the annuity so purchased in terms of Rule A 4.3.2.1(a) or amount so transferred in terms of Rule A 4.3.2.1(b) shall be correspondingly reduced; and/or
- (b) transfer the whole or any portion of the MEMBER'S INTEREST IN THE SAVINGS COMPONENT to his RETIREMENT COMPONENT; and/or

A 4.3.2.4 the MEMBER shall purchase an annuity from an INSURER with the total value of his MEMBER'S INTEREST IN THE RETIREMENT COMPONENT, except where:

- (a) the MEMBER'S INTEREST IN THE RETIREMENT COMPONENT, plus
- (b) $\frac{2}{3}$ ^{rds} of the MEMBER'S INTEREST IN THE VESTED COMPONENT, less his VESTED MEMBER'S SHARE, if any

does not exceed the *de minimis* as set out in the INCOME TAX ACT, in which case the retiring MEMBER may take the combined value in cash.

On the ELECTION DATE, an election notification must be given to the FUND in writing by the EMPLOYER or the retiring MEMBER and must include details of how his retirement benefit must be dealt with. The notification will only be regarded as having been given once all the required and fully completed documents are received by the ADMINISTRATOR.

Amend 3
wef
01/03/2019

A 4.3.3 After the MEMBER has been given access to RETIREMENT BENEFITS COUNSELLING, an annuity which becomes payable in terms of Rule A 4.3.2 shall be purchased by the FUND in the MEMBER'S name from an INSURER of the MEMBER'S choice. Thereafter the FUND shall have no further liability in respect of the MEMBER, such liability resting with the INSURER from whom the pension is purchased. The annuity so purchased shall be a compulsory, non-commutable, non-assignable annuity, payable for at least the life of the MEMBER and may but need not form part of the FUND'S ANNUITY STRATEGY adopted by the BOARD OF TRUSTEES in accordance with Regulation 39 of the ACT. The other features of the annuity may be selected by the MEMBER. Each MEMBER hereby appoints the BOARD OF TRUSTEES as his duly authorised agent to do all things necessary to procure the purchase of the annuity.

RULE A 5 - DEATH BENEFIT

Amend 4
wef
01/03/2021

A 5.1 Death in service

Should a MEMBER die before his NORMAL RETIREMENT DATE then, provided that satisfactory proof of the MEMBER'S death, FINAL SALARY and membership of the FUND is provided to the INSURER, the lump sum death benefit set out in the SCHEDULE shall be payable to the person or persons entitled thereto, subject to Rule B 2.2 and Rule B 2.5.

A 5.2 Death in deferred retirement

If a MEMBER, who has not retired, but who continued in the service of the EMPLOYER after his NORMAL RETIREMENT DATE dies, the MEMBER shall be regarded as having retired on the last day of the month immediately preceding his death and Rule A 4 shall apply.

RULE A 6 - DISABILITY BENEFIT

A 6.1 Amount of DISABILITY benefit

The DISABILITY benefit of each MEMBER shall be as set out in the SCHEDULE, subject to such maxima as set out in the POLICIES issued to the FUND by the INSURER.

Amend 4
wef
01/03/2021

A 6.2 Conditions for and manner of payment of DISABILITY benefit

A 6.2.1 Should a MEMBER become DISABLED prior to his NORMAL RETIREMENT AGE, all contributions on behalf of the MEMBER shall cease and the MEMBER shall become entitled to the DISABILITY benefit upon the expiry of the WAITING PERIOD, provided that entitlement to the DISABILITY benefit will be subject to acceptance of the claim by the INSURER and to the terms and conditions set out in the POLICIES issued to the FUND by the INSURER.

A 6.2.2 The MEMBER will have a choice, after being given access to RETIREMENT BENEFIT COUNSELLING, to either be regarded in terms of the INCOME TAX ACT as having withdrawn from service due to DISABLEMENT or as having retired from service due to DISABLEMENT.

Amend 5
wef
01/09/2024

A 6.2.3 If the MEMBER elects to receive a withdrawal benefit, his DISABILITY benefit will be treated as a withdrawal benefit in terms of Rule A 3.2.

Amend 5
wef
01/09/2024

A 6.2.4 If the MEMBER elects to receive a retirement benefit, his DISABILITY benefit will be treated as a retirement benefit in terms of Rule A 4.3.

Amend 4
wef
01/03/2021

A 6.2.5 Should the MEMBER die before the DISABILITY benefit was dealt with in accordance with this Rule A 6, the DISABILITY benefit set out in the SCHEDULE shall be payable in terms of Rule B 2.5.

SECTION B

OPERATION AND CONSTITUTION OF THE FUND

RULE B 1 - MANAGEMENT OF THE FUND

B 1.1 Legal person

B 1.1.1 The FUND is a separate corporate body and legal person distinct from its MEMBERS, the lawful owner of its property and capable in law of suing and of being sued in its own name.

B 1.1.2 The FUND shall have the power to furnish a guarantee in respect of a loan by some other person to a MEMBER for the purpose referred to in Section 19(5)(a) of the ACT. Such guarantee shall be subject to the requirements of the ACT.

B 1.2 BOARD OF TRUSTEES

B 1.2.1 National representation

B 1.2.1.1 The EMPLOYERS shall appoint the number of EMPLOYER representatives referred to in the SCHEDULE. The EMPLOYERS may, at their discretion, appoint an alternate for each EMPLOYER representative, to act during the absence of that EMPLOYER representative.

B 1.2.1.2 MEU shall appoint the number of MEMBER representatives referred to in the SCHEDULE as well as an alternate for each MEMBER representative to act during the absence of that MEMBER representative.

Amend 4
wef
01/03/2021

- B 1.2.1.3 The INDEPENDENT REPRESENTATIVE will be appointed by the BOARD OF TRUSTEES and the BOARD OF TRUSTEES may where necessary, appoint an alternate INDEPENDENT REPRESENTATIVE to act during the absence of the INDEPENDENT REPRESENTATIVE.
- B 1.2.1.4 The office of an alternate shall, where applicable, be subject to the same conditions to which the office of a representative is subject.
- B 1.2.1.5 Alternates may attend all BOARD OF TRUSTEES meetings. They will have the right to vote, only if the representative for whom they alternate is not present.
- B 1.2.1.6 The representatives shall hold office for a period of 3 years. Retiring representatives shall be eligible for re-appointment.
- B 1.2.1.7 Vacancies shall be filled by the EMPLOYERS, MEU or the BOARD OF TRUSTEES, as appropriate.

B 1.2.2 Persons not eligible to hold office as representative

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

- B 1.2.2.1 a minor;
- B 1.2.2.2 any person who is insane or otherwise incapable of acting;

- B 1.2.2.3 any person who is disqualified from being a director in terms of an order under the Companies Act No 71 of 2008;
- B 1.2.2.4 an unrehabilitated insolvent;
- B 1.2.2.5 any person removed from an office of trust on account of misconduct;
- B 1.2.2.6 any person who has been convicted and sentenced either to imprisonment, or to a fine for 1 of the following: theft, fraud, forgery or uttering a forged document, perjury, an offence under the Prevention and Combating of Corrupt Activities Act 12 of 2004, any offence involving dishonesty or any offence in connection with the promotion, formation or management of a company.

B 1.2.3 Termination of office

A representative or alternate representative shall cease to hold office if:

- B 1.2.3.1 he resigns by giving written notice to the FUND;
- B 1.2.3.2 he fails to attend 3 consecutive BOARD OF TRUSTEES meetings without a good reason as accepted by the FUND;
- B 1.2.3.3 in the case of a representative appointed in terms of Rule B 1.2.1.1, if he is removed from office by the EMPLOYERS;

B 1.2.3.4 in the case of a representative appointed in terms of Rule B 1.2.1.2, if he is removed from office by MEU;

B 1.2.3.5 in the case of an INDEPENDENT REPRESENTATIVE, if he is removed from office by the BOARD OF TRUSTEES.

The representative or alternate representative shall cease to hold office in the circumstances set out in Rules B 1.2.3.1 to B 1.2.3.5 above, with 1 month's written notice to/by (as the case may be) the BOARD OF TRUSTEES.

If a representative or alternate representative is removed from office in terms of Rules B 1.2.3.3, B 1.2.3.4 or B 1.2.3.5 then such representative shall notify the AUTHORITY in writing within 21 days of such removal detailing the representative's perceived reasons for such removal.

B 1.2.4 LOCAL ADVISORY COMMITTEE

B 1.2.4.1 For each participating EMPLOYER a LOCAL ADVISORY COMMITTEE will be established.

B 1.2.4.2 The EMPLOYER participating in the FUND shall appoint the number of EMPLOYER representatives referred to in the SCHEDULE. The EMPLOYER may, at its discretion, appoint an alternate for each EMPLOYER representative, to act during the absence of that representative.

B 1.2.4.3 The EMPLOYEES shall elect the number of representatives referred to in the SCHEDULE. The EMPLOYEES may, at their discretion, appoint an alternate for each EMPLOYEE representative, to act during the absence of that representative. The third MEMBER representative as well as his alternate will be a MEU official.

B 1.2.4.4 Each EMPLOYER will have direct representation. Local representatives will make recommendations to the BOARD OF TRUSTEES for decision and action. The main function of local representatives is to facilitate good communication with EMPLOYEES and EMPLOYERS.

B 1.2.5 Chairperson

The representatives shall appoint or elect from among themselves a chairperson and vice-chairman to serve for no longer than 3 years. The chairperson or vice-chairperson need not be a MEMBER of the FUND nor an appointed representative. Both the chairperson and vice-chairperson shall be eligible for re-appointment or re-election. Alternatively, any other representative may be elected to serve as chairperson/vice-chairperson. If the chairperson is absent from any meeting, the vice-chairperson shall preside at the meeting. If both the chairperson and vice-chairperson are absent from a meeting, the representatives shall elect one of the other representatives to act as chairperson for that meeting.

B 1.2.6 Vacancies

All vacancies shall be filled within 2 months (or such shorter period as the AUTHORITY may prescribe) after having become vacant, in the manner referred to in Rule B 1.2.1.

B 1.2.7 PRINCIPAL OFFICER and DEPUTY PRINCIPAL OFFICER

B 1.2.7.1 The PRINCIPAL OFFICER of the FUND shall be appointed by the BOARD OF TRUSTEES.

B 1.2.7.2 The PRINCIPAL OFFICER shall represent the FUND in all respects as far as its dealings with the AUTHORITY and COMMISSIONER is concerned.

B 1.2.7.3 If the PRINCIPAL OFFICER is absent from the Republic of South Africa or is otherwise unable to perform his duties, then the DEPUTY PRINCIPAL OFFICER will assume such roles and responsibilities as have been delegated to him during the absence of the PRINCIPAL OFFICER.

B 1.2.7.4 If the BOARD OF TRUSTEES have not appointed a DEPUTY PRINCIPAL OFFICER then they will within 30 days appoint another person as PRINCIPAL OFFICER for the period of his absence or inability.

B 1.2.7.5 The AUTHORITY shall be notified of:

- (i) all appointments of a PRINCIPAL OFFICER; and DEPUTY PRINCIPAL OFFICER; and
- (ii) terminations and/or resignations of the previous appointed PRINCIPAL OFFICER or DEPUTY PRINCIPAL OFFICER,

as stipulated in the applicable legislation.

B 1.3 Meetings, minutes and accounts

Amend 4
wef
01/03/2021

- B 1.3.1 The BOARD OF TRUSTEES shall meet at least four times *per annum*. The chairperson of the BOARD OF TRUSTEES may, whenever he finds it necessary, convene a meeting of the BOARD OF TRUSTEES to discuss the business of the FUND.

In all such meetings the BOARD OF TRUSTEES shall endeavour to reach consensus on decisions. In the event of consensus not being reached, the decision of the majority shall be binding. Should there be an equality of votes, the INDEPENDENT REPRESENTATIVE shall have a casting vote.

- B 1.3.2 Any representative may request the chairperson in writing to convene a meeting of the BOARD OF TRUSTEES in order to deal with such matters as are set out in the request. If the chairperson regards the request as reasonable he shall convene a meeting as soon as possible, but in any event not later than 21 days after the date of receipt of the request, provided that if the request is supported by a majority of representatives and the chairperson fails to convene a meeting, they may themselves convene a meeting after notifying the chairperson of their intentions.

- B 1.3.3 A quorum of the BOARD OF TRUSTEES is qualified to carry out any duties of the BOARD OF TRUSTEES despite any vacancy that may arise on the BOARD OF TRUSTEES. If a quorum is present the decision made by consensus shall be binding.

- B 1.3.4 Minutes must be kept of the meeting of the BOARD OF TRUSTEES and at each meeting the minutes of the previous meeting must be signed by the chairperson after they have been approved by the meeting.

B 1.3.5 A resolution, in writing, signed by a quorum of the BOARD OF TRUSTEES for the time being, shall be as valid and effectual as if it had been passed at a properly called and constituted meeting of the BOARD OF TRUSTEES.

B 1.3.6 The MEMBERS and the EMPLOYER are entitled at all reasonable times to view the books of the FUND and the minutes of the meetings of the BOARD OF TRUSTEES and may, on payment of an amount determined by the BOARD OF TRUSTEES, obtain copies of the RULES and the latest financial statement relating to the FUND.

B 1.4 Powers and duties of the BOARD OF TRUSTEES

Subject to the provisions of the ACT and other applicable legislation the BOARD OF TRUSTEES is empowered to manage and control the FUND in accordance with this Rule in order to realise the objectives of the FUND and, without in any way detracting from the general intent of this Rule, possesses the following powers and duties:

B 1.4.1 to arrange that the FUND be registered in terms of the ACT;

B 1.4.2 to effect POLICIES of insurance with one or more INSURERS for the purpose of investing the FUND'S monies in order to meet the cost of providing benefits in terms of these RULES and/or to insure, in whole or in part, the GROUP INSURANCE BENEFITS and any ANCILLARY BENEFITS payable in terms of these RULES;

B 1.4.3 to arrange for the EMPLOYER to pay the contributions to the FUND;

B 1.4.4 to deal with any amounts payable by the INSURER in terms of the POLICIES in accordance with these RULES, subject to requirements that may legally be imposed by the AUTHORITY;

- B 1.4.5 to appoint a VALUATOR (when required);
- B 1.4.6 to appoint the ADMINISTRATOR and to provide it with such particulars about MEMBERS as it may require for the purposes of the FUND;
- B 1.4.7 to appoint a PRINCIPAL OFFICER and, where necessary, a DEPUTY PRINCIPAL OFFICER and inform the AUTHORITY accordingly;
- B 1.4.8 to annually review the fitness and propriety of the appointed PRINCIPAL OFFICER and, where necessary, the DEPUTY PRINCIPAL OFFICER, and inform the AUTHORITY accordingly;
- B 1.4.9 to appoint a CLIENT LIAISON OFFICER;
- B 1.4.10 to appoint an ADMINISTRATION CLERK;
- B 1.4.11 to appoint a liquidator, when necessary;
- B 1.4.12 to provide the INSURER with such particulars about MEMBERS as it may require for the purposes of the FUND;
- B 1.4.13 to make the necessary arrangements with the ADMINISTRATOR for deducting tax, where applicable;
- B 1.4.14 to declare any personal interest in any matter under discussion and refrain from voting thereon;
- B 1.4.15 to delegate any power or decision or authority in respect of any matter that is vested in the BOARD OF TRUSTEES on such terms and conditions as it may specify, to one or more sub-committee which shall be constituted as determined by the BOARD OF TRUSTEES. All decisions of a sub-committee to which a power has

Amend 4
wef
01/03/2021

so been delegated shall be reported to and recorded in the minutes of the next meeting of the BOARD OF TRUSTEES, and shall be regarded as a decision of the FUND. The BOARD OF TRUSTEES shall, in accordance with the law, retain full responsibility for all decisions of any sub-committee to which it has delegated any power of decision making in terms of these RULES;

B 1.4.16 in general, to take such steps as shall, in its opinion, be in the interests of the FUND;

B 1.4.17 to appoint an AUDITOR;

B 1.4.18 to invest, lend, put out at interest, place on deposit, make advances of, or otherwise deal with all monies of the FUND upon such securities and in such manner as they may determine from time to time, and, in particular, to invest the whole or part of the monies of the FUND, for such period and on such terms as they may determine, in an investment policy issued by an INSURER; provided the BOARD OF TRUSTEES may delegate their powers to make investments of any nature to any 1 or more of their MEMBERS, or to a financial institution or to a person approved in terms of applicable legislation at the time, and may defray expenses incurred as a result of such delegation out of the monies of the FUND;

B 1.4.19 to ensure good governance of the FUND by implementing appropriate and cost effective policies and processes that complies with the requirements of the RULES and the law, including formal publications by the AUTHORITY, the South African Revenue Service and other relevant regulatory authorities.

- B 1.4.20 to authorise by resolution such persons as they may approve from time to time, and upon such terms and conditions as they may approve, to sign any contract or other document binding the FUND or any document authorising the performance of any act on behalf of the FUND, provided that documents to be deposited with the AUTHORITY must be signed in the manner prescribed by the ACT;
- B 1.4.21 to make, amend or rescind any practice note in respect of any matter concerning the practical implementation of any administrative function or Rule which shall be binding on the BOARD OF TRUSTEES representatives, MEMBERS, DEPENDANTS, nominees, the ADMINISTRATOR or other service providers, provided such practice notes do not conflict with the RULES or the ACT;
- B 1.4.22 to act independently;
- B 1.4.23 to have a fiduciary duty to MEMBERS and beneficiaries in respect of accrued benefits or any amount accrued to provide a benefit, as well as a fiduciary duty to the FUND, to ensure that the FUND is financially sound and is responsibly managed and governed in accordance with the RULES and the ACT;
- B 1.4.24 to comply with any other prescribed requirements of the ACT;
- B 1.4.25 to furnish on behalf of the FUND a guarantee in respect of a loan granted by a third party to a MEMBER for the purpose referred to in section 19(5)(a) of the ACT. Such guarantee shall be subject to the requirements of the ACT, and the amount in respect of which the guarantee is furnished shall not exceed the maximum percentage stipulated in the ACT, of an amount equal to the MEMBER'S withdrawal benefit (after consideration of estimated tax deductions) at the time that the application for the said loan is made.

Amend 5
wef
01/09/2024

The powers, duties and authorities of the BOARD OF TRUSTEES set out in these RULES shall in no way limit or usurp the generally accepted responsibilities of the BOARD OF TRUSTEES, including those duties set out in the Financial Institutions (Protection of Funds) Act No. 28 of 2001.

B 1.5 Personal liability of the BOARD OF TRUSTEES

The BOARD OF TRUSTEES members are not personally liable for any loss that may be suffered by the EMPLOYERS, the MEMBERS or their DEPENDANTS, even should such loss have occurred as a result of an action of the BOARD OF TRUSTEES, provided that such action was taken in good faith and in accordance with the RULES, and that such loss does not arise from their dishonesty or fraud.

Where necessary, the liability of a representative may be relieved by a court in terms of Section 7F of the ACT.

B 1.6 Indemnification

The FUND shall indemnify the BOARD OF TRUSTEES against all proceedings, costs and expenses incurred by any reason of any claim in connection with the FUND, not arising from their dishonesty or fraud.

B 1.7 Fidelity Insurance

The BOARD OF TRUSTEES shall insure the FUND against all losses resulting from the dishonesty or fraud of any of the FUND'S officers (including the representatives).

The ADMINISTRATOR will maintain fidelity cover to indemnify the FUND against any loss resulting from the negligence, dishonesty or fraud of any person in its employ.

B 1.8 Interpretation of the RULES

In all matters relating to the interpretation of these RULES and/or the administration of the FUND, the decision of the BOARD OF TRUSTEES shall be final and binding on the FUND, the EMPLOYER and the MEMBERS, provided that such ruling is not contrary to these RULES.

An aggrieved party has the right to lodge a written complaint relating to e.g. the administration of the FUND and/or the investment of the FUND'S assets and/or the interpretation and application of the RULES, with the FUND or EMPLOYER. A complaint so lodged shall be properly considered and replied to in writing by the FUND or the EMPLOYER within 30 days after the receipt thereof. If the complainant is not satisfied with the reply, or if the FUND or the EMPLOYER fails to reply within 30 days after the receipt of the complaint the complainant may lodge the complaint with the Adjudicator.

Notwithstanding anything to the contrary contained in the provisions above, the party may refer the matter for arbitration in terms of and in the manner set out in the Arbitration Act, No 42 of 1965, and according to the rules of the Association of Arbitrators (Southern Africa), provided that:

- (1) such referral takes place within 2 months of the date of the BOARD OF TRUSTEES' decision,
- (2) such matter is a competent and compellable matter for arbitration, and
- (3) the decision of the BOARD OF TRUSTEES shall remain binding during the process of arbitration.

Once the arbitration process is concluded, the decision of the arbitrator shall be binding. The payment of the cost of the arbitration shall follow the award of the arbitrator.

B 1.9 Expenses

B 1.9.1 The FUND undertakes to pay all expenses of the FUND.

B 1.9.2 The FUND undertakes to pay the following expenses specifically with regard to the BOARD OF TRUSTEES:

- (i) any expenses incurred in the performance of its duties in terms of the RULES e.g. travel and accommodation costs;
- (ii) the chairperson and vice-chairperson each receive a fixed rand amount retainer fee *per annum*;
- (iii) the INDEPENDENT REPRESENTATIVE receives a fixed rand amount retainer fee per month;
- (iv) the members of the BOARD OF TRUSTEES' receive an attendance allowance per BOARD OF TRUSTEES' meeting, including an electronic communication allowance as considered necessary by the BOARD OF TRUSTEES; and
- (v) no other remuneration is payable to BOARD OF TRUSTEES' representatives.

Amend 4
wef
01/03/2021

The fees described above are determined by the BOARD OF TRUSTEES, documented in BOARD OF TRUSTEES minutes and adjusted each year in line with inflation.

B 1.10 Alteration to the RULES

These RULES may be altered by the BOARD OF TRUSTEES at any time, provided that the alteration is approved by:

B 1.10.1 the EMPLOYERS, where it affects the EMPLOYER'S contribution rate, the maximum or minimum GROUP INSURANCE BENEFIT and/or ANCILLARY BENEFITS, or any other EMPLOYER costs,

B 1.10.2 a majority of the MEMBERS, where it affects the MEMBER contribution rate or where the alteration requires the MEMBERS to contribute to the FUND,

B 1.10.3 the VALUATOR, if it affects the financial soundness of the FUND,

and is registered by the AUTHORITY and approved by the COMMISSIONER, on the understanding that if such alterations affect the INSURER'S and/or ADMINISTRATOR'S rights and liabilities, such alterations shall be binding on the INSURER and/or ADMINISTRATOR only in so far as the INSURER and/or ADMINISTRATOR has approved such alterations.

The PRINCIPAL OFFICER shall request the ADMINISTRATOR to notify the AUTHORITY and the COMMISSIONER officially of any alteration to the RULES and the ADMINISTRATOR shall be provided with any documents that the FUND is required to provide by law.

B 1.11 Notification to MEMBERS

B 1.11.1 The BOARD OF TRUSTEES shall notify the MEMBERS of the alterations to the RULES, at least once a year.

B 1.11.2 Every MEMBER shall, on request, be entitled to inspect these RULES at the registered office of the FUND.

B 1.12 Currency

Payments due to or by the FUND, shall be made at the registered office of the FUND in the currency of the Republic of South Africa; provided that the BOARD OF TRUSTEES may, in special circumstances, authorise payments to or by the FUND elsewhere or in such other currency as it may decide. The rate of exchange and the mode of payments shall then be determined by the representatives.

B 1.13 Annual Reviews

The cost of the GROUP INSURANCE BENEFITS, ANCILLARY BENEFITS and administration expenses payable by the EMPLOYER shall be calculated by the INSURER and the ADMINISTRATOR on the COMMENCEMENT DATE and reviewed on every ANNIVERSARY DATE.

B 1.14 Unforeseen circumstances

In the event of a contingency arising which has not been provided for in these RULES, the decision of the BOARD OF TRUSTEES thereon, if not inconsistent with the provisions of these RULES, shall be final and conclusive.

B 1.15 CLIENT LIAISON OFFICER

A CLIENT LIAISON OFFICER shall be appointed from time to time by the BOARD OF TRUSTEES. The CLIENT LIAISON OFFICER'S functions shall include the arrangement of meetings, the counting of votes and the recording of resolutions at meetings. Fees payable, where applicable, for services rendered by the CLIENT LIAISON OFFICER shall be determined by the BOARD OF TRUSTEES from time to time and shall be payable by the FUND.

B 1.16 ADMINISTRATION CLERK

An ADMINISTRATION CLERK shall be appointed from time to time by the BOARD OF TRUSTEES. The ADMINISTRATION CLERK'S functions shall include submitting claims and attending to general admin duties. Fees payable, where applicable, for services rendered by the ADMINISTRATION CLERK shall be determined by the BOARD OF TRUSTEES from time to time and shall be payable by the FUND.

RULE B 2 - GENERAL PROVISIONS CONCERNING BENEFITS

B 2.1 Operation of the FUND

The ADMINISTRATOR shall maintain such accounts as may be required for the administration of the FUND and/or as requested by the BOARD OF TRUSTEES and in consultation with the VALUATOR. These accounts are set out in Part D of the RULES.

B 2.2 Payments by the INSURER and/or ADMINISTRATOR

All amounts which are payable by the INSURER and/or the ADMINISTRATOR in terms of the POLICIES are paid directly to the persons entitled thereto in terms of these RULES, subject to Rule B 2.3 and according to the instructions of the FUND. This procedure, as well as the other provisions of this Rule B 2, is subject to such alternative procedures for the payment of benefits as may be agreed on from time to time by the FUND and the INSURER and/or the ADMINISTRATOR, subject to the provisions of the ACT.

B 2.3 Insurance of benefits and liability

B 2.3.1 Group POLICIES will be effected with one or more INSURERS in respect of all the benefits which apply to MEMBERS in terms of these RULES. The insurance of benefits in terms of these group POLICIES is subject to the acceptance of such insurance in respect of each MEMBER by the INSURER and subject to the FUND paying the required contributions and premiums to the INSURER.

B 2.3.2 The liability of the INSURER is determined exclusively by the conditions of the POLICIES and, subject to the provisions of the POLICIES, the INSURER is not bound by these RULES or by any amendments thereto.

B 2.3.3 The liability of the FUND in respect of the payment of the GROUP INSURANCE BENEFIT and the ANCILLARY BENEFIT in terms of these RULES shall not be greater than the liability assumed by the INSURER.

B 2.4 Proof of age

Proof of the age of a MEMBER shall be required before any benefit in respect of such MEMBER is paid and shall be submitted by the MEMBER on entry to the FUND.

B 2.5 Payment of benefits

B 2.5.1 The FUND shall pay the benefits that become payable in terms of these RULES in respect of any person, to such person if he is still alive.

B 2.5.2 Where the death benefit in terms of Rule A 5 is due and the benefit is not payable to a specific DEPENDANT in terms of these RULES, the FUND shall effect payment in terms of Section 37C of the ACT.

B 2.5.3 Should a MEMBER die after the date of accrual of his:

(i) withdrawal benefit in terms of Rule A 3; or

(ii) retirement benefit in terms of Rule A 4; or

(iii) his DISABILITY benefit in terms of Rule A 6,

but prior to the payment of such benefit, the FUND shall effect payment of the benefit to the deceased MEMBER'S estate.

Notwithstanding the above, the executor of the deceased MEMBER'S estate may advise the FUND to pay such benefit as instructed by the MEMBER at the accrual date of the benefit (where applicable).

B 2.5.4 Notwithstanding the above, the FUND may direct that a MEMBER'S or beneficiary's benefit be paid to a third party if that MEMBER or beneficiary provides sufficient proof that he or she is not able to open a bank account. Any such payment must be regarded as being a payment to that MEMBER or beneficiary.

B 2.6 Deduction from benefits

B.2.6.1 Notwithstanding anything to the contrary contained in these RULES, the FUND may deduct the following amounts from benefits that are payable according to the RULES, and pay such amounts to the persons to whom or bodies to which they are due:

B 2.6.1.1 debts to the FUND or the EMPLOYER in respect of a loan by some other person to a MEMBER for the purpose referred to in Section 19(5)(a) of the ACT. Such guarantee shall be subject to the requirements of the ACT;

B 2.6.1.2 compensation in respect of damage caused to the EMPLOYER by reason of theft, dishonesty, fraud or misconduct by the MEMBER, and in respect of which the MEMBER has in writing admitted liability to the EMPLOYER, or judgment has been obtained against the MEMBER in a court of law.

The amount deductible by the FUND in terms of Rule B 2.6.1.1 above may not exceed the amount which in terms of the Income Tax Act Act, No 58 of 1962 may be taken by the MEMBER or beneficiary as a lump sum benefit on the date the MEMBER becomes entitled to a benefit;

B 2.6.1.3 any amount that the FUND has paid or will pay by arrangement with, and on behalf of, the MEMBER or beneficiary in respect of:

- (i) the subscription of such person to a medical scheme, registered otherwise than provisionally in terms of the Medical Schemes Act 1967; or
- (ii) an insurance premium payable by such person to an insurer registered in terms of the Long Term Insurance Act, No 5 of 1998.

B 2.6.2 Notwithstanding anything to the contrary contained in these RULES, the FUND may deduct an amount as permitted in terms of section 37D of the ACT from:

B 2.6.2.1 benefits which are payable according to the RULES;
and

B 2.6.2.2 the MEMBER'S SHARE.

Such amounts will be paid to the persons to whom or bodies to which they are due, provided that a claim has been lodged in writing within reasonable time, as decided by the BOARD OF TRUSTEES.

B 2.6.3 Where a benefit becomes payable in terms of these RULES, the BOARD OF TRUSTEES may, if necessary, appoint tracing agents to locate the MEMBER or the deceased MEMBER'S DEPENDANT(S) and/or such other person(s) entitled thereto (as the case may be). The costs incurred in tracing such MEMBER, DEPENDANT(S) and/or such other person(s) will be deducted from the said benefit before payment is made in terms of Rule B 2.5.

B 2.6.4 Any other administrative costs arising, other than:

(i) the agreed upon administration fee that is payable to the ADMINISTRATOR to administer the FUND; and

(ii) the costs set out in Rule B 2.6.3 above,

will be applied to the effected group of MEMBERS and deducted from their MEMBERS' SHARES.

Amend 5
wef
01/09/2024

B 2.6.5 Notwithstanding anything to the contrary contained elsewhere in these RULES, deductions in terms of section 37D of the ACT and deductions as permitted by the INCOME TAX ACT, will be made proportionately from the COMPONENTS, and consequently, the benefit or a pension will be reduced by the deduction or adjustment.

B 2.7 Benefits inalienable

B 2.7.1 Save to the extent permitted by the ACT, the Income Tax Act and the Maintenance Act, no MEMBER or DEPENDANT has the right to transfer, cede, pledge or hypothecate any benefit available in terms of these RULES. Such benefit and any contributions made by or in respect of the MEMBER are safeguarded against any form of confiscation under a judgement or order of a court of law, and do not vest in the estate of the MEMBER or DEPENDANT on insolvency or assignment.

B 2.7.2 If a MEMBER, DEPENDANT and/or any other person attempts to assign, transfer, cede, pledge, alienate, or otherwise dispose of any benefit available in terms of these RULES, the benefits under the FUND may be withheld from such person and applied by the FUND in the interest of the MEMBER'S DEPENDANT(S), immediately or in the course of time, in such manner as the FUND may determine.

B 2.8 Transfer of benefits from or to other funds

In collaboration with the MEMBER and other funds and subject to the requirements of the ACT and the COMMISSIONER, the FUND is empowered to:

Amend 4
wef
01/03/2021

B 2.8.1 receive transfers of benefits from:

- (i) APPROVED PENSION FUNDS;
- (ii) APPROVED PROVIDENT FUNDS; and
- (iii) APPROVED PRESERVATION PROVIDENT FUNDS; and
- (iv) APPROVED PRESERVATION PENSION FUNDS,

B 2.8.2 and effect transfers of benefits to:

- (i) APPROVED PENSION FUNDS;
- (ii) APPROVED PROVIDENT FUNDS;
- (iii) APPROVED RETIREMENT ANNUITY FUND;
- (iv) APPROVED PRESERVATION PENSION FUND, provided a MEMBER'S benefit may not be split between more than one APPROVED PRESERVATION PENSION FUND,

- (v) APPROVED PRESERVATION PROVIDENT FUND, provided a MEMBER'S benefit may not be split between more than one APPROVED PRESERVATION PROVIDENT FUND,

on such conditions as the FUND, in consultation with the ADMINISTRATOR, may lay down.

The FUND is also empowered to effect transfers to APPROVED UNCLAIMED BENEFIT PROVIDENT PRESERVATION FUNDS, subject to the requirements of the ACT and the COMMISSIONER, on such conditions as the FUND, in consultation with the ADMINISTRATOR, may lay down.

Where transfers are received from other funds, such transfers are subject to the provisions of these RULES, unless otherwise agreed on by the parties concerned.

B 2.9 Greater benefits

Subject to any conditions that the ADMINISTRATOR and the FUND may impose, and subject to the approval of the COMMISSIONER, the EMPLOYER has the right to instruct the FUND to allocate greater benefits than those provided for in these RULES.

B 2.10 Investment portfolio choice

B 2.10.1 The FUND determines which investment portfolios of the INSURER must be made available for the investment of assets and moneys of the FUND.

B 2.10.2 A MEMBER may choose from time to time in which proportion the amount standing to their credit (or any part of it) is to be invested in the investment portfolios referred to above. This choice and any change to it are subject to the conditions that the FUND, its investment managers, the ADMINISTRATOR and the INSURER may lay down.

The cost of switching a MEMBER'S choice of investment is recouped from the MEMBER'S SHARE.

B 2.10.3 The FUND must choose one or more investment portfolios for that part of the amount standing to a MEMBER'S credit in respect of which the MEMBER has not properly conveyed their choice of investment portfolios or has chosen that the FUND makes the election.

B 2.11 Right to use of ACTUARIAL SURPLUS

B 2.11.1 All ACTUARIAL SURPLUS in the FUND belongs to the FUND.

B 2.11.2 Once ACTUARIAL SURPLUS is apportioned to the MEMBER SURPLUS ACCOUNT or the EMPLOYER SURPLUS ACCOUNT in terms of the RULES, the party acquires rights to such ACTUARIAL SURPLUS as provided for in Section 15A of the ACT.

B 2.11.3 The only portion of the assets of the FUND that may be utilised by or for the benefit of the EMPLOYER, is any credit balance in the EMPLOYER SURPLUS ACCOUNT except as otherwise provided for in subsection 15A(3) of the ACT.

B 2.11.4 Any credit balance in the MEMBER SURPLUS ACCOUNT shall be used for the benefit of MEMBERS as provided for in Rule D 6.

B 2.12 Apportionment of future ACTUARIAL SURPLUS

The apportionment of any ACTUARIAL SURPLUS arising under the FUND after 1 June 2005 shall be determined by the BOARD OF TRUSTEES in consultation with the VALUATOR taking into account the interests of all the STAKEHOLDERS in the FUND; provided that, notwithstanding anything to the contrary in the RULES, neither the EMPLOYER nor the MEMBERS may veto such apportionment.

B 2.13 Existing EMPLOYER reserve account

B 2.13.1 The BOARD OF TRUSTEES in consultation with the VALUATOR may transfer all or some of the credit balance in the EMPLOYER reserve account operated in terms of the RULES immediately prior to 1 June 2005 to the EMPLOYER SURPLUS ACCOUNT.

B 2.13.2 Any portion of the credit balance in the EMPLOYER reserve account not transferred in terms of Rule B 2.13.1 above shall be treated as ACTUARIAL SURPLUS.

B 2.14 Actuarial investigation

The VALUATOR will in accordance with the provisions of Regulation 15 of the ACT, undertake an actuarial review at least once every 3 years. Copies of the actuarial report will be furnished to both the BOARD OF TRUSTEES and the AUTHORITY within 12 months of the expiry of the period to which the review relates.

B 2.15 Temporary absence

B 2.15.1 Absence with full remuneration

While a MEMBER receives his full remuneration from the EMPLOYER, his membership of the FUND and the benefits and contributions which are applicable under the FUND are not affected by his absence from the EMPLOYER'S service.

B 2.15.2 Approved temporary absence

B 2.15.2.1 A MEMBER'S absence from the EMPLOYER'S service without remuneration or with reduced remuneration is, subject to the EMPLOYER'S discretion, regarded as approved temporary absence. Membership of the FUND continues during such temporary absence, subject to the following:

- (a) The FUND must notify the INSURER and the ADMINISTRATOR in writing, within 30 days of the commencement of such absence, that the EMPLOYER regards the absence as approved temporary absence and that the EMPLOYER still regards the person as an EMPLOYEE.
- (b) The FUND must provide the INSURER and the ADMINISTRATOR with such information as the INSURER and the ADMINISTRATOR may from time to time require in order to recognise the interruption of service as approved temporary absence.

If such information is not acceptable to the INSURER and/or the ADMINISTRATOR in terms of Rule B 2.2, then the GROUP INSURANCE BENEFIT and ANCILLARY BENEFIT for that MEMBER shall cease during such period of temporary absence.

- (c) The maximum period of approved temporary absence for any MEMBER is 12 months. In the case of a MEMBER who through injury or illness is unable to follow his normal occupation, the maximum period of approved temporary absence will be 6 months. Periods of approved temporary absence which are interrupted by less than 6 consecutive calendar months are regarded for the purposes of these provisions as 1 period of approved temporary absence.

B 2.15.2.2 During the period of approved temporary absence the EMPLOYER will continue payment of the GROUP INSURANCE BENEFIT and ANCILLARY BENEFITS premiums in respect of the MEMBER concerned.

B 2.15.2.3 If the period of approved temporary absence is terminated (as a result of the expiry of the maximum period of approved temporary absence or otherwise) and the MEMBER concerned is again an EMPLOYEE, his membership continues in the normal way.

If, however, he is not an EMPLOYEE at the termination of such absence, the withdrawal benefits described in these RULES shall be available as if he had then terminated service unless his membership is reinstated with the consent of the INSURER and the ADMINISTRATOR.

B 2.16 Legal expenses with regard to legal action taken by the FUND

The legal expenses incurred in any legal action taken by the FUND will be recovered from the RISK AND EXPENSE RESERVE ACCOUNT.

B 2.17 Accounts

B 2.17.1 All money received on account of the FUND must be paid into a banking account opened in the name of the FUND.

B 2.17.2 The BOARD OF TRUSTEES will cause full and true accounts of the FUND to be kept, such accounts to be made up as at the end of each FINANCIAL YEAR, be audited by the AUDITOR and submitted to the AUTHORITY.

RULE B 3 – RECONSTRUCTION AND DISSOLUTION OF THE FUND

B 3.1 Winding up of the EMPLOYER

B 3.1.1 If the EMPLOYER is wound up, whether voluntarily or not, or if the EMPLOYER ceases to carry on business, the BOARD OF TRUSTEES must, with the AUTHORITY'S approval, appoint a liquidator who will commence with the liquidation of the FUND in terms of Rule B 3.1.3, Rule B 3.1.4 and Rule B 3.1.6.

B 3.1.2 As at the LIQUIDATION DATE all amounts still to be debited or credited to accounts maintained by the ADMINISTRATOR in respect of the FUND shall be so debited or credited (including any debt in terms of subsection 30(3) of the ACT and any bonuses already earned but not yet credited and benefits due to MEMBERS but not yet paid) and the balances in the accounts determined. Such balances shall be applied in accordance with the provisions of Rule B 3.1.3 or Rule B 3.1.4, as the case may be.

Amend 1
wef
01/11/2006

B 3.1.3 The credit balances in the MEMBER SURPLUS ACCOUNT, EMPLOYER SURPLUS ACCOUNT, RISK AND EXPENSE RESERVE ACCOUNT and PROCESSING ERROR RESERVE ACCOUNT shall be dealt with by the liquidator in the order of the following priority:

Amend 4
wef
01/03/2021

B 3.1.3.1 All credit balances in such accounts (together with any interest and bonus additions thereto after the LIQUIDATION DATE) shall be drawn upon to secure the rights and reasonable benefit expectations of the MEMBERS then participating in the FUND in a manner similar to that set out in Rule B 3.1.4 or Rule B 3.1.6, as may be appropriate, provided that the credit balances in any such accounts (together with any interest and bonus additions thereto after the

LIQUIDATION DATE) shall be reduced by the same proportion.

Amend 4
wef
01/03/2021

B 3.1.3.2 Any remaining credit balances in the MEMBER SURPLUS ACCOUNT, RISK AND EXPENSE RESERVE ACCOUNT and PROCESSING ERROR RESERVE ACCOUNT (if any) and any ACTUARIAL SURPLUS which has not been allocated to the MEMBER SURPLUS ACCOUNT and EMPLOYER SURPLUS ACCOUNT (together with any interest and bonus additions thereto after the LIQUIDATION DATE) shall be used as the liquidator, acting on the advice of the VALUATOR, shall determine.

B 3.1.3.3 Any remaining balance in the EMPLOYER SURPLUS ACCOUNT (together with any interest and bonus additions thereto after the LIQUIDATION DATE) shall be paid to the EMPLOYER unless the EMPLOYER was liquidated prior to the LIQUIDATION DATE, in which case it shall be used in the following order of priority, namely:

- (a) to meet contributions deducted from MEMBERS' earnings and not paid to the FUND;
- (b) to meet contributions due from the EMPLOYER but not paid to the FUND; and
- (c) to be distributed amongst the MEMBERS at the LIQUIDATION DATE as are eligible in terms of the RULES to participate in the distribution.

B 3.1.4 Each MEMBER'S equitable share of the balances in any FUND accounts other than those referred to in Rule B 3.1.3 shall be determined and shall be dealt with by the liquidator in the following manner:

B 3.1.4.1 annuities already fully purchased from an INSURER shall continue to be paid directly to the respective retired members;

B 3.1.4.2 the amount available for a person in receipt of an annuity or prospectively entitled to an annuity shall be used to purchase an annuity or a deferred annuity for him from an INSURER;

B 3.1.4.3 if a person to whom a cash amount is payable cannot be traced, the liquidator shall, subject to legal requirements, transfer the amount into an APPROVED UNCLAIMED BENEFIT PROVIDENT PRESERVATION FUND.

Amend 5
wef
01/09/2024

B 3.1.4.4 the value of a MEMBER'S RETIREMENT COMPONENT will be transferred to an APPROVED PENSION FUND, APPROVED PROVIDENT FUND, APPROVED PRESERVATION PENSION FUND, APPROVED PRESERVATION PROVIDENT FUND or APPROVED RETIREMENT ANNUITY FUND for his benefit.

With the agreement of the liquidator, the value of the MEMBER'S VESTING COMPONENT and/or SAVINGS COMPONENT will either be:

- (a) transferred to an APPROVED PENSION FUND, APPROVED PROVIDENT FUND, APPROVED PRESERVATION PENSION FUND, APPROVED PRESERVATION PROVIDENT FUND or APPROVED RETIREMENT ANNUITY FUND for his benefit; or
- (b) paid to him in cash.

If the EMPLOYER is wound up for the purpose of restructuring in a similar or amended form, the restructured company or organisation shall however have the right to take the place of the EMPLOYER and if the EMPLOYER exercises that right, the FUND shall not be affected except that "EMPLOYER" shall then mean the company or organisation as restructured.

- B 3.1.5 If more than one EMPLOYER participates in the FUND and if one of the EMPLOYERS is wound up, whether voluntarily or not, or ceases to carry on business, then, unless a restructured company or organisation takes the place of that EMPLOYER, the BOARD OF TRUSTEES must, with the AUTHORITY'S approval, appoint a liquidator to determine the interest in the FUND of the MEMBERS in the service of that EMPLOYER and to dissolve such interest in the FUND, subject to the provisions of Rule B 3.1.3 *mutatis mutandis*, on a date determined by that EMPLOYER and the amount of each such MEMBER'S interest shall, with the agreement of that EMPLOYER and the ADMINISTRATOR, be transferred to an APPROVED PRESERVATION PROVIDENT FUND, APPROVED PRESERVATION PENSION FUND, APPROVED RETIREMENT ANNUITY FUND, APPROVED PENSION FUND or another APPROVED PROVIDENT FUND for his benefit or paid to him in cash and that the EMPLOYER and those MEMBERS shall cease to be an EMPLOYER and MEMBERS with effect from that date.

Amend 4
wef
01/03/2021

B 3.1.6 If the EMPLOYER amalgamates with, or if the control of the EMPLOYER is transferred or sold to a company or organisation not associated with the FUND, the EMPLOYER may elect:

Amend 4
wef
01/03/2021

B 3.1.6.1 with the ADMINISTRATOR'S agreement, that the interest of each MEMBER and beneficiary, as determined by the ADMINISTRATOR, be transferred to a new or existing APPROVED PROVIDENT FUND, APPROVED PENSION FUND, APPROVED RETIREMENT ANNUITY FUND, APPROVED PRESERVATION PROVIDENT FUND or APPROVED PRESERVATION PENSION FUND for his benefit; or

B 3.1.6.2 to continue the FUND in respect of existing MEMBERS and beneficiaries, in which event the FUND shall not be affected; or

B 3.1.6.3 to withdraw wholly from the FUND, in which event the FUND shall be dissolved in accordance with Rule B 3.1.3.

B 3.1.7 If more than one EMPLOYER participates in the FUND and if one of the EMPLOYERS amalgamates with, or if the control of one of the EMPLOYERS is transferred or sold to a company or organisation not associated with the FUND, or if one of the EMPLOYERS ceases to participate in the FUND for any reason whatsoever, the provisions of Rule B 3.1.3 shall apply *mutatis mutandis*.

B 3.1.8 A MEMBER'S total benefit in terms of Rule B 3.1.3 and Rule B 3.1.4 shall be subject to a minimum of the MEMBER'S SHARE plus

B 3.1.8.1 the MEMBER'S fair share of any credit balance in the MEMBER SURPLUS ACCOUNT, and

B 3.1.8.2 at the discretion of the liquidator in consultation with the VALUATOR, the MEMBER'S fair share of any credit balance in the RISK AND EXPENSE RESERVE ACCOUNT (if any),

after any adjustment thereto in accordance with the provisions of section 14A(1)(b) of the ACT, where applicable.

For the purposes of this Rule, the MEMBER'S fair share of the accounts referred to in Rule B 3.1.8.1 and Rule B 3.1.8.2 above shall be determined by the liquidator in consultation with the VALUATOR and the provisions of section 15G of the ACT.

B 3.2 BOARD OF TRUSTEES' right to dissolve the FUND

The BOARD OF TRUSTEES may, on giving written notice to the ADMINISTRATOR and/or INSURER, dissolve the FUND. In this event Rules B 3.1.1 or B 3.1.6.1, as shall be decided by the BOARD OF TRUSTEES, shall apply.

B 3.3 Powers of the BOARD OF TRUSTEES and the PRINCIPAL OFFICER after dissolution

If the FUND is liquidated, the offices of the BOARD OF TRUSTEES and the PRINCIPAL OFFICER shall automatically be dissolved. The liquidator appointed in terms of Rule B 3.1.1 will settle all matters in connection with the dissolution as if the liquidator were the BOARD OF TRUSTEES.

B 3.4 MEMBERS to consent to winding up of EMPLOYER'S participation in FUND

Notwithstanding any rule above, if any one of the EMPLOYERS elect to withdraw wholly from the FUND, such withdrawal will only occur if at least 80% of the MEMBERS in the service of that EMPLOYER agree thereto. The other provisions of Rule B 3 shall apply *mutatis mutandis* thereafter.

RULE B 4 - INVESTMENTS

MEMBER individual investment choice

B 4.1 The investment powers of the BOARD OF TRUSTEES may be delegated to MEMBERS of the FUND on such terms and conditions and in accordance with such procedures as the BOARD OF TRUSTEES may describe from time to time. These terms, conditions and procedures include, but are not limited to:

B 4.1.1 the right of the BOARD OF TRUSTEES to determine, and change from time to time, the number, range and composition of any investment portfolios from which a MEMBER may elect to invest all or part of his MEMBER'S SHARE;

Amend 4
wef
01/03/2021

B 4.1.2 in the case of a MEMBER who does not elect within such timeframe specified by the BOARD OF TRUSTEES an investment portfolio in respect of all or part of his MEMBER'S SHARE, the right of the BOARD OF TRUSTEES to select and change the appropriate investment portfolio applied to such a MEMBER taking into account the period remaining to a notional target retirement age as determined by the BOARD OF TRUSTEES in accordance with the FUND'S INVESTMENT POLICY STATEMENT.

B 4.2 The BOARD OF TRUSTEES shall take reasonable steps to ensure that MEMBERS are adequately informed of the investment choices available to them and the consequences of their decisions. The BOARD OF TRUSTEES shall in no way advise, influence or assist MEMBERS in making their choices, such advice to be obtained by MEMBERS from their personal financial planners or such other financial advisors as the BOARD OF TRUSTEES may from time to time arrange for the benefit of MEMBERS.

B 4.3 Whilst the BOARD OF TRUSTEES shall take reasonable steps to ensure that the interests of all MEMBERS are protected, the BOARD OF TRUSTEES and the FUND shall not be liable for any loss, damage or prejudice suffered, or alleged to be suffered, by any MEMBER or other person claiming to be entitled to a benefit or any other amount under the FUND, as a result of or in connection with any investment choice made by a MEMBER.

SECTION C

Amend 5
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01/09/2024
SECTION C
DELETED

**SPECIAL PROVISIONS IN RESPECT OF
PENSION BENEFIT**

SECTION D
ACCOUNTS

RULE D 1 - MEMBER CONTRIBUTIONS ACCOUNT

D 1.1 A MEMBER CONTRIBUTIONS ACCOUNT will be held in respect of each MEMBER and will contain the contributions paid in terms of Rules A 2.1, together with GAINS credited to such contributions as described hereunder.

D 1.2 Subject to Rule D 3.3, the MEMBER CONTRIBUTIONS ACCOUNT is equal to:

D 1.2.1 the balance in the MEMBER CONTRIBUTIONS ACCOUNT at the most recent ANNIVERSARY DATE; **plus**

Amend 1
wef
01/05/2012

D 1.2.2 NET MEMBER CONTRIBUTIONS made in terms of Rule A 2.1 since the ANNIVERSARY DATE; **plus**

Amend 4
wef
01/03/2021

D 1.2.2A any amount transferred from the PROCESSING ERROR RESERVE ACCOUNT in terms of Rule D 8.4; **plus**

D 1.2.3 GAINS as declared by the ADMINISTRATOR, provided that where the MEMBER'S CONTRIBUTIONS ACCOUNT is invested in a selected investment portfolio or portfolios, the GAINS relating to such MEMBER'S investment within each portfolio shall be allocated to such MEMBER'S benefit within the portfolio. The GAINS shall be calculated from the date on which all or part of the MEMBER'S CONTRIBUTIONS ACCOUNT is actually invested in the investment portfolio. Such GAINS may be positive or negative; **less**

Amend 1
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01/09/2014

D 1.2.4 in respect of a PAID UP MEMBER or a CATEGORY A MEMBER, if so directed by the BOARD OF TRUSTEES, all or part of:

D 1.2.4.1 the premiums in respect of the GROUP INSURANCE BENEFITS (if any),

D 1.2.4.2 the premiums payable in respect of the ANCILLARY BENEFITS (if any), as well as

D 1.2.4.3 the administration cost that is not met from the NET EMPLOYER CONTRIBUTIONS ACCOUNT.

RULE D 2 - NET EMPLOYER CONTRIBUTIONS ACCOUNT

D 2.1 A NET EMPLOYER CONTRIBUTIONS ACCOUNT will be held in respect of each MEMBER and will contain the contributions paid in terms of Rule A 2.2.1, together with GAINS credited to such contributions as described hereunder.

D 2.2 Subject to Rule D 3.3, the NET EMPLOYER CONTRIBUTIONS ACCOUNT is equal to:

D 2.2.1 the balance in the NET EMPLOYER CONTRIBUTIONS ACCOUNT at the most recent ANNIVERSARY DATE; **plus**

D 2.2.2 NET EMPLOYER CONTRIBUTIONS since the ANNIVERSARY DATE (if any) made in terms of Rule A 2.2.1; **plus**

D 2.2.3 GAINS as declared by the ADMINISTRATOR, provided that where the NET EMPLOYER'S CONTRIBUTIONS ACCOUNT is invested in a selected investment portfolio or portfolios, the GAINS relating to such MEMBER'S investment within each portfolio shall be allocated to such MEMBER'S benefit within the portfolio. The GAINS shall be calculated from the date on which all or part of the NET EMPLOYER'S CONTRIBUTIONS ACCOUNT is actually invested in the investment portfolio. Such GAINS may be positive or negative; **less**

Amend 1
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01/09/2014

D 2.2.4 in respect of a CATEGORY A MEMBER only, if so directed by the BOARD OF TRUSTEES, all or part of:

D 2.2.4.1 the premiums in respect of the GROUP INSURANCE BENEFITS (if any),

D 2.2.4.2 the premiums payable in respect of the ANCILLARY BENEFITS (if any), as well as

D 2.2.4.3 the administration cost.

RULE D 3 - ADDITIONAL CONTRIBUTIONS ACCOUNT

- D 3.1 An ADDITIONAL CONTRIBUTIONS ACCOUNT will be held in respect of each MEMBER and will contain the contributions paid in terms of Rule A 2.3 together with GAINS credited to such contributions as described hereunder.
- D 3.2 Subject to Rule D 3.3, the amount in the MEMBER'S ADDITIONAL CONTRIBUTIONS ACCOUNT will be:
- D 3.2.1 the balance in the MEMBER'S ADDITIONAL CONTRIBUTIONS ACCOUNT at the most recent ANNIVERSARY DATE; **plus**
 - D 3.2.2 contributions made in terms of Rule A 2.3 since the ANNIVERSARY DATE; **plus**
 - D 3.2.3 GAINS as declared by the ADMINISTRATOR, provided that where the ADDITIONAL CONTRIBUTIONS ACCOUNT is invested in a selected investment portfolio or portfolios, the GAINS relating to such MEMBER'S investment within each portfolio shall be allocated to such MEMBER'S benefit within the portfolio. The GAINS shall be calculated from the date on which all or part of the ADDITIONAL CONTRIBUTIONS ACCOUNT is actually invested in the investment portfolio. Such GAINS may be positive or negative.
- D 3.3 Notwithstanding anything to the contrary contained in these RULES, the sum of the balances in the MEMBER CONTRIBUTIONS ACCOUNTS plus the sum of the balances in the NET EMPLOYER CONTRIBUTIONS ACCOUNTS plus the sum of the balances in the MEMBER'S ADDITIONAL CONTRIBUTIONS ACCOUNTS plus the sum of the balances in the PRESERVATION PENSION ACCOUNTS plus the sum of the balances of any of the accounts maintained, at the request of the BOARD OF TRUSTEES, in terms of Rules D 5 to D 8 shall not exceed the value of the assets of the FUND.

The balances in each of the said accounts will be adjusted proportionally to achieve equality between the said amounts at any time but at least at each ANNIVERSARY DATE.

- D 3.4 Notwithstanding anything to the contrary contained in these RULES, a MEMBER'S benefits under the FUND at any time, excluding the GROUP INSURANCE BENEFITS and ANCILLARY BENEFITS specified in the SCHEDULE, are limited to the MEMBER'S SHARE.

Amend 5
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01/09/2025
RULE D 4
DELETED

RULE D 4 – PRESERVATION PENSION ACCOUNT

RULE D 5 - EMPLOYER SURPLUS ACCOUNT

At the request of the BOARD OF TRUSTEES, from 1 June 2005 the ADMINISTRATOR shall maintain an EMPLOYER SURPLUS ACCOUNT to which shall be credited:

- D 5.1 any amounts apportioned to the EMPLOYER SURPLUS ACCOUNT by the BOARD OF TRUSTEES in terms of Rule B 2.12 or Rule B 2.13;
- D 5.2 any amounts transferred to the EMPLOYER SURPLUS ACCOUNT by the BOARD OF TRUSTEES in terms of Rule B 2.14;
- D 5.3 GAINS as declared by the ADMINISTRATOR; and
- D 5.4 subject to the approval of the AUTHORITY and the requirements of subsection 15E(2) of the ACT, any portion or the whole of the balance in the employer surplus account in another fund where the EMPLOYER is a participating employer transferred by the EMPLOYER to the EMPLOYER SURPLUS ACCOUNT,

and to which shall be debited:

- D 5.5 that portion of any credit balance in the EMPLOYER SURPLUS ACCOUNT that the EMPLOYER requests be transferred to any other FUND account;
- D 5.6 the cost of funding a contribution holiday, as defined in the ACT, at the request of the EMPLOYER;
- D 5.7 any amount that the EMPLOYER determines is attributable to the payment of pensions, or an increase in pensions in the course of payment, so as to compensate former MEMBERS whose pensions were purchased in their names in terms of these RULES as well as MEMBERS for the loss of any subsidy from the EMPLOYER of their medical costs after retirement.

- D 5.8 all or part, as determined by the EMPLOYER, of any expenses which the EMPLOYER is obliged to pay in terms of the RULES;
- D 5.9 the cost of improving the benefits to all MEMBERS, or a category of MEMBERS as determined by the EMPLOYER;
- D 5.10 subject to the approval of the AUTHORITY and the requirements of subsection 15E(2) of the ACT, any portion or the whole of the balance in the EMPLOYER SURPLUS ACCOUNT transferred by the EMPLOYER to the employer reserve account in another fund where the EMPLOYER is a participating employer;
- D 5.11 any cash payment to the EMPLOYER in terms of section 15J of the ACT in order to avoid retrenchment of a significant proportion of the workforce; and
- D 5.12 any amount required to fund a deficit arising under the FUND in accordance with the provisions of section 15H of the ACT,

provided that the MEU appointed BOARD OF TRUSTEES representatives shall not have a vote in any deliberation over the use of any credit balance in the EMPLOYER SURPLUS ACCOUNT.

RULE D 6 - MEMBER SURPLUS ACCOUNT

At the request of the BOARD OF TRUSTEES, from 1 June 2005 the ADMINISTRATOR shall maintain a MEMBER SURPLUS ACCOUNT to which shall be credited:

D 6.1 any amounts apportioned to the MEMBER SURPLUS ACCOUNT by the BOARD OF TRUSTEES in terms of Rule B 2.12 and Rule B 2.13;

D 6.2 GAINS as declared by the ADMINISTRATOR; and

D 6.3 any amount transferred from the EMPLOYER SURPLUS ACCOUNT in terms of Rule D 5.5,

and to which shall be debited:

D 6.4 any amount allocated to a MEMBER from the MEMBER SURPLUS ACCOUNT on withdrawal, retirement and death as set out in the SCHEDULE;

D 6.5 the cost, as determined by the BOARD OF TRUSTEES, of improving benefits previously paid to former MEMBERS or the amounts previously transferred in respect of former MEMBERS;

D 6.6 any amount that the BOARD OF TRUSTEES determines is required to reduce current contributions due from MEMBERS;

D 6.7 the cost, in full or in part, of FUND expenses which the BOARD OF TRUSTEES determines would otherwise reduce the proportion of the MEMBERS' contributions that are invested for retirement; and

D 6.8 any amount required to fund a deficit arising under the FUND in accordance with the provisions of section 15H of the ACT,

provided that the EMPLOYER appointed BOARD OF TRUSTEES representatives shall not have a vote in any deliberation over the use of any credit balance in the MEMBER SURPLUS ACCOUNT unless the proposal before BOARD OF TRUSTEES will increase the contribution rate payable by the EMPLOYER.

RULE D 7 - RISK AND EXPENSE RESERVE ACCOUNT

At the request of the BOARD OF TRUSTEES the ADMINISTRATOR shall maintain a RISK AND EXPENSE RESERVE ACCOUNT to which shall be credited:

Amend 1
wef
01/09/2014

- D 7.1 that portion of the EMPLOYER contributions in terms of paragraphs (ii) to (v) and paragraph 2 in the CONTRIBUTIONS Section in the SCHEDULE as well as any part of the costs payable by a MEMBER in terms of paragraph (a) of the MEMBER'S contributions section of the SCHEDULE;
- D 7.2 the amount or amounts payable in respect of GROUP INSURANCE BENEFITS and ANCILLARY BENEFITS by the INSURER with whom such benefits are insured in terms of Rule B 2.3;
- D 7.3 GAINS as declared by the ADMINISTRATOR; and
- D 7.4 any amount transferred from the EMPLOYER SURPLUS ACCOUNT in terms of Rule D 5.5,

and to which shall be debited:

- D 7.5 GROUP INSURANCE BENEFIT and ANCILLARY BENEFITS premium payments to the INSURER referred to in Rule D 7.2;
- D 7.6 the premium payments to the INSURER of the separate insurance scheme(s) operated by the EMPLOYER for the benefit of the MEMBERS;
- D 7.7 GROUP INSURANCE BENEFIT and ANCILLARY BENEFITS payments to beneficiaries in accordance with the provisions of the RULES;
- D 7.8 any amount allocated to a MEMBER from the RISK AND EXPENSE RESERVE ACCOUNT on withdrawal, retirement and death as set out in the SCHEDULE;

- D 7.9 any administrative expenses incurred by the FUND; and
- D 7.10 subject to the approval of the VALUATOR, any amount that the BOARD OF TRUSTEES requests be transferred to any other FUND account.
- D 7.11 It is specifically provided that for the purposes of Rule B 2.16, the RISK AND EXPENSE RESERVE ACCOUNT shall be credited with:
 - D 7.11.1 such portion of the GAINS in terms of paragraph (i) of "GAINS" in the DEFINITION section of the RULES;and which shall be credited with:
 - D 7.11.2 subject to the approval of the VALUATOR, the amount requested by the BOARD OF TRUSTEES to cover the legal expenses incurred by the FUND in terms of Rule B 2.16.

Amend 1
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01/09/2014

RULE D 8 – PROCESSING ERROR RESERVE ACCOUNT

At the request of the BOARD OF TRUSTEES the ADMINISTRATOR shall maintain an PROCESSING ERROR RESERVE ACCOUNT to account for any difference in value between:

- (a) The sum of the balances in the:
 - (i) MEMBERS' NET CONTRIBUTION ACCOUNTS; plus
 - (ii) MEMBERS' NET EMPLOYER CONTRIBUTIONS ACCOUNTS; plus
 - (iii) MEMBERS' ADDITIONAL CONTRIBUTIONS ACCOUNTS; plus
 - (iv) RISK AND EXPENSE RESERVE ACCOUNT;

and

- (b) The value of the net assets of the FUND, less the value of the surplus accounts of the FUND:
 - (i) the value of the net assets of the FUND; less
 - (ii) the value of the EMPLOYER SURPLUS ACCOUNT; less
 - (iii) the value of the MEMBER SURPLUS ACCOUNTS.

The purpose of the PROCESSING ERROR RESERVE ACCOUNT is to allow for any mismatching and for timing differences in the actual investment or disinvestment of moneys from the times when they are deemed to have occurred in the calculation of benefit or the accrual of investment returns and other miscellaneous mismatches that occur in the normal functioning of the FUND.

After completion of each financial review of the FUND, the balance of the PROCESSING ERROR RESERVE ACCOUNT shall be evaluated.

The PROCESSING ERROR RESERVE ACCOUNT shall be credited with:

D 8.1 where the value of the assets of the FUND less the value of the surplus accounts of the FUND, is less than the sum of the balances in the FUND accounts referred to in (a) above, the difference in value between the sum of the balances in the FUND accounts referred to in (a) above and the value of the net assets of the FUND less the value of the surplus accounts of the FUND referred to in (b) above; and

D 8.2 GAINS,

and shall be debited with:

D 8.3 where the value of the assets of the FUND less the value of the surplus accounts of the FUND referred to in (b) above, exceeds the sum of the balances in the FUND accounts referred to in (a) above, part or all of the difference, as determined by the BOARD OF TRUSTEES in consultation with the VALUATOR, may be transferred to the MEMBER CONTRIBUTIONS ACCOUNT in terms of Rule D 1.2.2A.

Amend 5
wef
01/09/2024

RULE E 1 - VESTED COMPONENT

E 1.1 Composition of VESTED COMPONENT

E 1.1.1 The MEMBER'S VESTED COMPONENT will comprise of the following:

E 1.1.1.1 the value of the MEMBER'S SHARE that exists immediately prior to 1 September 2024.

The above value, after taking into account the allocation of the seeding capital in Rule E 1.1.1.2, is subject to and must be paid in accordance with the RULES and tax regime that existed immediately prior to 1 September 2024;

E 1.1.1.2 reduced by the once-off seeding capital allocated to the SAVINGS COMPONENT, as determined in Rule E 2.1.1.1;

E 1.1.1.3 no contributions may be made to the VESTED COMPONENT on or after 1 September 2024, except:

- (a) arrear contributions relating to the period before 1 September 2024; and
- (b) in respect of a MEMBER referred to in Rule E 4.2, his TOTAL RETIREMENT CONTRIBUTIONS on or after 1 September 2024;

E 1.1.1.4 any vested component amounts transferred from another APPROVED PENSION FUND, APPROVED PRESERVATION PENSION FUND, APPROVED PROVIDENT FUND or APPROVED PRESERVATION PROVIDENT FUND in terms of Rule B 2.8 and as allowed in terms of the INCOME TAX ACT;

E 1.1.1.5 reduced by a portion of or the full value in his VESTED COMPONENT which a MEMBER elected to transfer into his RETIREMENT COMPONENT subject to Rule E 1.2;

E 1.1.1.6 any GAINS.

E 1.2 Intra-fund transfers from VESTED COMPONENT

E 1.2.1 A MEMBER may transfer a portion of or the full value in his VESTED COMPONENT to his RETIREMENT COMPONENT, once every FINANCIAL YEAR, subject to the approval of the BOARD OF TRUSTEES. Such transfer is irrevocable, and the decision cannot be reversed.

E 1.2.2 Legislation in effect prior to 1 September 2024 will no longer apply to the amount so transferred from the MEMBER'S VESTED COMPONENT.

Amend 5
wef
01/09/2024

RULE E 2 - SAVINGS COMPONENT

E 2.1 Composition of SAVINGS COMPONENT

E 2.1.1 The MEMBER'S SAVINGS COMPONENT, excluding a MEMBER referred to in Rule E 4.1, will comprise of the following:

E 2.1.1.1 a once-off seeding capital of 10% of the total value of the opening balance of the MEMBER'S VESTED COMPONENT as at 1 September 2024, limited to R30 000.00, is allocated to his SAVINGS COMPONENT on or after 1 September 2024. Provided that:

- (a) in respect of a MEMBER referred to in Rule E 4.2, the once-off seeding capital is determined on or after 1 September 2024. The once-off seeding capital will be based on the value of such MEMBER'S VESTED COMPONENT and calculated on the date in accordance with the INCOME TAX ACT;
- (b) in respect of a MEMBER who was younger than 55 years on 1 March 2021, the once-off seeding amount is to be calculated proportionately between:
 - (i) the MEMBER'S SHARE on 28 February 2021 together with any GAINS up to and including 31 August 2024, and
 - (ii) the value of his TOTAL RETIREMENT CONTRIBUTIONS received on or after 1 March 2021, together with any GAINS;

- E 2.1.1.2 1/3rd of his TOTAL RETIREMENT CONTRIBUTIONS on or after 1 September 2024;
- E 2.1.1.3 any amount allocated from a lump sum DISABILITY benefit paid to the MEMBER in terms of Rule A 6 (if any), if allowed in terms of the INCOME TAX ACT;
- E 2.1.1.4 any amount allocated in terms of paragraph (b)(bb) in the Withdrawal Benefit section of the Schedule, if allowed in the INCOME TAX ACT;
- E 2.1.1.5 any savings component amounts transferred from another APPROVED PENSION FUND, APPROVED PRESERVATION PENSION FUND, APPROVED PROVIDENT FUND or APPROVED PRESERVATION PROVIDENT FUND in terms of Rule B 2.8 and as allowed in terms of the INCOME TAX ACT;
- E 2.1.1.6 reduced by a portion of or the full value in his SAVINGS COMPONENT which a MEMBER elected to transfer into his RETIREMENT COMPONENT, subject to Rule E 2.3;
- E 2.1.1.7 less any SAVINGS WITHDRAWAL BENEFIT payments;
- E 2.1.1.8 any GAINS.

E 2.2 Withdrawals from SAVINGS COMPONENT

- E 2.2.1 A MEMBER may prior to the termination of his membership of the FUND, elect once in a TAX YEAR a SAVINGS WITHDRAWAL BENEFIT, the value of which is subject to a minimum amount as prescribed by the INCOME TAX ACT before taking into account any charges or transaction costs.

E 2.2.2 Where a MEMBER has taken a SAVINGS WITHDRAWAL BENEFIT and he terminates his membership of the FUND in the same TAX YEAR, and the remaining value of the MEMBER'S INTEREST IN THE SAVINGS COMPONENT is less than the minimum amount as prescribed by the INCOME TAX ACT, the MEMBER may be allowed a second SAVINGS WITHDRAWAL BENEFIT in that TAX YEAR from the total balance in his SAVINGS COMPONENT.

E 2.3 Intra-fund transfers from SAVINGS COMPONENT

E 2.3.1 A MEMBER may transfer a portion of or the full value of the MEMBER'S SAVINGS COMPONENT to his RETIREMENT COMPONENT once every FINANCIAL YEAR, subject to the approval of the BOARD OF TRUSTEES. Such transfer is irrevocable, and the decision cannot be reversed.

Amend 5
wef
01/09/2024

RULE E 3 - RETIREMENT COMPONENT

E 3.1 Amounts allocated to RETIREMENT COMPONENT

E 3.1.1 The MEMBER'S RETIREMENT COMPONENT, excluding a MEMBER referred to in Rule E 4.2, will comprise of the following:

E 3.1.1.1 2/3^{rds} of the MEMBER'S TOTAL RETIREMENT CONTRIBUTIONS on or after 1 September 2024;

E 3.1.1.2 any amount allocated from a lump sum DISABILITY benefit paid to the MEMBER in terms of Rule A 6 (if any), if allowed in terms of the INCOME TAX ACT;

E 3.1.1.3 any amount allocated in terms of paragraph (b)(bb) in the Withdrawal Benefit section of the Schedule, if allowed in the INCOME TAX ACT;

E 3.1.1.4 any retirement component amounts transferred from another APPROVED PENSION FUND, APPROVED PRESERVATION PENSION FUND, APPROVED PROVIDENT FUND or APPROVED PRESERVATION PROVIDENT FUND in terms of Rule B 2.8 and as allowed in terms of the INCOME TAX ACT;

E 3.1.1.5 allocations received from the MEMBER'S SAVINGS COMPONENT and VESTED COMPONENT;

E 3.1.1.6 any GAINS.

RULE E 4 - SPECIAL PROVISIONS IN RESPECT OF A MEMBER WHO WAS 55 YEARS OR OLDER ON 1 MARCH 2021, WHO REMAINED A MEMBER OF THE FUND UNTIL 1 SEPTEMBER 2024

E 4.1 Where such MEMBER does not opt into the two-component system in terms of the INCOME TAX ACT:

E 4.1.1 his benefits as at 31 August 2024 will be subject to and must be paid in accordance with the RULES that exist immediately prior to 1 September 2024,

E 4.1.2 contributions by the MEMBER or on behalf of the MEMBER will continue and are allocated to the MEMBER'S VESTED COMPONENT; and

E 4.1.3 legislation in place prior to 1 March 2021 will apply;

provided that if such MEMBER subsequently transfers to another retirement fund after 1 September 2024, the MEMBER will then automatically participate in in the two-component system.

E 4.2 Such MEMBER may elect on or after 1 September 2024, within a period as prescribed by the INCOME TAX ACT, to participate in the two-component system and his TOTAL RETIREMENT CONTRIBUTIONS will, from the date in accordance with the INCOME TAX ACT, be allocated to the MEMBER'S SAVINGS COMPONENT and RETIREMENT COMPONENT respectively.