



etfSA


RETIREMENT ANNUITY FUND

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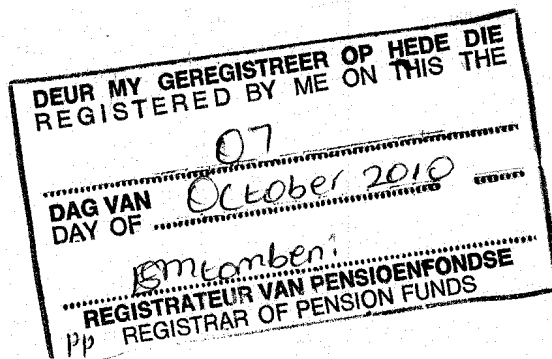
Certified that these are the Rules of the etfSA Retirement Annuity Fund, which will become effective on the date of commencement of the Fund.


.....
Chairperson of Trustees


.....
Trustee

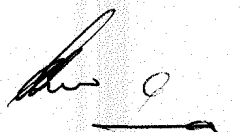

.....
Principal Officer

etfSA Retirement Annuity Fund



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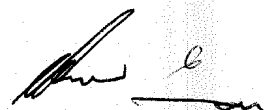
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ANNEXURE : EXTRACTS FROM THE ACT



1. GENERAL

- 1.1 The fund known as the etfSA Retirement Annuity Fund was established with effect from 1 July 2010.
- 1.2 The registered office of the Fund is at etfSA, 15 Philips Street, Ferndale, Randburg, 2194
- 1.3 The object of the Fund is to provide retirement benefits for its Members and benefits in the event of their death.
- 1.4 The Fund, in it's own name, shall be capable in law of suing and of being sued and of acquiring, holding and alienating property movable and immovable

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2. DEFINITIONS

In these Rules words defined in the Act and not in the Rules shall have the meaning assigned to them in the Act and, unless inconsistent with the context, all words and expressions signifying the masculine gender shall include the feminine, and the following words and expressions shall have the following meanings:

“Act” shall mean the Pension Funds Act, 1956, and the regulations and directives framed thereunder.

“Actuary” shall mean a member of the Actuarial Society of South Africa.

“Administrators” shall mean the personnel employed by the Fund or a company licensed to fulfil this function in terms of Section 13B of the Act, as appointed by the Trustees to undertake the fund administration in terms of these Rules.

“Approved Pension Fund” shall mean pension fund approved as such by the Revenue Authorities for the purpose of these Rules.

“Approved Provident Fund” shall mean provident fund approved as such by the Revenue Authorities for the purpose of these Rules.

“Approved Retirement Annuity Fund” shall mean a retirement annuity fund approved as such by the Revenue Authorities for the purpose of these Rules.

“Associated Company” shall mean any company held by the Founder or any company held by a company by the Founder.

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"Calculation Date" shall mean the date on which the Administrators, acting in terms of the agreed practice of the Fund, calculate the Member's benefit on the Member's retirement, or death, or in order to transfer the Member's benefit from the Fund in any of the circumstances contemplated in these Rules.

"Financial Year" shall mean each twelve-month period ending on the last day of June, with the first financial period being the twelve month period ending 30 June 2011.

"Founder" shall mean Michael Fitzclarence Brown.

"Fund" shall mean the etfSA Retirement Annuity Fund.

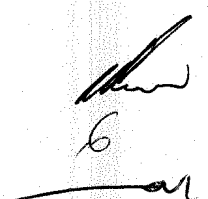
"Fund Credit" shall mean

- (a) the Member's total contribution to the Fund in terms of Rule 4.1
- (b) any amount transferred to the Fund in terms of Rule 8.1,

Less any expenses incurred in administering such amount, and increased or decreased by the Investment Return on the assets of the Fund until the Calculation Date.

"Investment Return" shall mean:

- (a) any income (received and accrued) less an allowance for any tax and, if applicable, part or all of any expenses (paid and accrued); and
- (b) any capital appreciation or depreciation (unrealized and realized).

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"Member" shall mean a person who, having been admitted to membership of the Fund, has not ceased to be a member.

"Normal Retirement Date" shall mean the date referred to in Rule 5.1

"Principal Officer" shall mean the Principal Officer of the Fund appointed in accordance with these Rules and approved by the Financial Services Board.

"Registered Insurer" shall mean an insurer registered in terms of the Long-Term Insurance Act, 1998.

"Registrar" shall mean the Registrar of Pension Funds, referred to in the Act.

"Revenue Authorities" shall mean the South African Revenue Service.

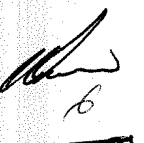
"Rules" shall mean these rules and such alterations as may at any time be in accordance with these Rules.

"Trustees" shall mean the Trustees or their alternates in accordance with these Rules.

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3. MEMBERSHIP

Every individual shall be eligible for admission to membership of the Fund and shall be admitted to membership on the date on which his application for membership is accepted by the Trustees or on the date of payment of his first contribution to the Fund, whichever is the later.

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4. CONTRIBUTIONS

4.1 Each member shall make regular periodical contributions to the Fund; provided that a Member whose contribution arises by way of a transfer of his interests in any Approved Pension Fund, Approved Provident Fund or other Approved Retirement Annuity Fund in terms of Rules 8.1, shall not necessarily be required to make regular periodical contributions. A Member may increase or decrease his contribution from time to time but not so as to exceed the maximum permitted by the income tax legislation in force from time to time in the Republic of South Africa.

4.2 Contributions by a Member shall be applied to secure benefits for that Member and, subject to the provisions of Rule 7, shall cease to be payable on

- (a) the Member's Normal Retirement Date; or
- (b) the Member's election to take his pension before Normal Retirement Date; or
- (c) the Member's election to take his pension after Normal Retirement Date; or
- (d) the Member's death; or
- (e) the winding-up of the Fund;
- (f) the payment of a lump sum benefit contemplated in paragraph 2(b)(ii) of the Second Schedule to the Income Tax Act, 1962 where that Member emigrated from the Republic and that emigration is recognized by the South African Reserve Bank for purposes of exchange control.

whichever shall first occur.

4.3 Contributions shall be paid to Fund within seven days after the expiration of the period in respect of which such contributions are being paid.



5. RETIREMENT BENEFITS

5.1 Normal Retirement Date

On entry into the Fund a Member shall select as his Normal Retirement Date; a date which is not earlier than his 55th birthday

5.2 Pension at Normal Retirement Date

On reaching his Normal Retirement Date a Member shall become entitled to a pension of such amount as can be secured by his Fund Credit.

5.3 Pension at Early Retirement Date

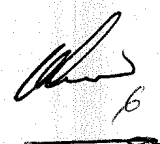
5.3.1 A Member may elect at any time prior to his Normal Retirement Date but not before his 55th birthday to take an immediate pension of such amount as can be secured by his Fund Credit.

5.3.2 A Member who has become permanently incapable through infirmity of mind or body of carrying on his occupation may elect at any time before his Normal Retirement Date to take an immediate pension of such amount as can be secured by his Fund Credit

In such event his pension shall be of such amount as can be secured by his Fund Credit.

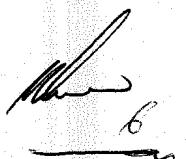
5.4 Payment of Annuity and Commutation

5.4.1 Each retirement benefit payable in terms of these Rules shall be provided by means of an annuity or annuities purchased from a Registered Insurer; provided that the person entitled to the benefit shall have the right to commute for a lump sum:

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- (a) the whole of the retirement benefit if it does not exceed the limit set by the relevant legislation from time to time.
- (b) If the retirement exceeds the limit referred to in (a) not more than one third of such amount.
- (c) the payment of a lump sum benefit contemplated in paragraph 2(b)(ii) of the Second Schedule to the Income Tax Act, 1962 where that Member emigrated from the Republic and that emigration is recognized by the South African Reserve Bank for purposes of exchange control

5.4.2 An annuity which becomes payable in terms of rule 5.5.1 shall be purchased by the Fund in the Member's name from a Registered Insurer, and thereafter the Fund shall have no further liability in respect of the member, such liability resting with the Registered Insurer from whom such annuity or annuities are purchased. The annuity or annuities so purchased shall be compulsory, non-commutable and non-assignable, payable for life and the purchase shall be subject to any further requirements of the Revenue Authorities if more than one annuity is purchased. Each Member hereby appoints the Trustees as his duly authorized agent to do all things necessary to procure the purchase of the annuity or annuities.



6. DEATH BENEFITS

6.1 Payment of Death Benefits

- 6.1.1 If within twelve months of the death of the Member the Fund becomes aware of or traces a dependant or dependants of the Member, then subject to Rule 6.1.3 below, the benefit shall be paid to such dependant or, in such proportions as may be deemed equitable by the Trustees, to such Dependants.
- 6.1.2 If within twelve months of the death of the Member the Fund does not become aware of or cannot trace any dependant of the Member and the Member has designated in writing to the Fund a nominee to receive the benefit or such portion of the benefit as is specified by the Member in writing to the Fund, the benefit or such portion of the benefit shall be paid to such nominee, provided that where the aggregate amount of the debts in the estate of the Member exceeds the aggregate amount of the assets in the estate, so much of the benefit as is equal to such excess shall be paid into the estate and the balance of such benefit or the balance of such portion of the benefit shall be paid to the nominee.
- 6.1.3 If a Member has a dependant and the Member has also designated in writing to the Fund a nominee to receive the benefit or such portion of the benefit as is specified by the Member in writing to the Fund, the Fund shall within twelve months of the death of such Member pay the benefit or such portion thereof to such dependant or nominee in such proportions as the Trustees may deem equitable.
- 6.1.4 If within twelve months of the death of the Member the Fund does not become aware of or cannot trace any dependant of the Member and if the Member has not designated a nominee or if the Member has designated a nominee to receive a portion of the benefit specified by the Member in writing to the Fund, the benefit or the remaining portion of the benefit after payment to the designated nominee, shall be paid into the estate of the Member or, if no inventory in respect of the Member has been received by the Master of the



Supreme Court in terms of section 9 of the Administration of Estates Act, 1965, into the Guardian's Fund, or an established Unclaimed Benefit Fund

Any payment to be made to a person in terms of the Rules, may be made for the benefit of such a person:

6.1.5 to a trustee contemplated in the Trust Property Control Act, 1988, nominated by:

- the Member;
- a major dependant or nominee; or
- a person recognised in law or appointed by a court as the person responsible for managing the affairs or meeting the daily care needs of a minor dependant or nominee, or a major dependant or nominee not able to manage his or her affairs or meet his or her daily care needs;

6.1.6 a person recognised in law or appointed by a court as the person responsible for managing the affairs or meeting the daily care needs of a dependant or nominee; or

6.1.7 a beneficiary Fund registered under the ACT.

Any benefit dealt with in terms of this Rule, payable to a major dependant or major nominee, may be paid in more than one payment if the dependant or nominee has consented thereto in writing, provided that:

- a) the amount of the payments, intervals of payment, interest to be added and other terms and conditions are disclosed in a written agreement; and
- b) the agreement may be cancelled by either party on written notice not exceeding ninety days.
- c) If the agreement is cancelled, the full balance will be paid to the dependant or nominee.

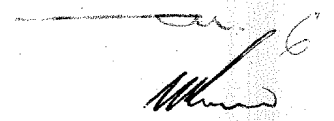
The Fund may at any time alter its decision to make a payment to a particular person and if a person, other than a Member, to whom payment is made in terms of the Rules, dies before payment of the benefit to him has been completed, the Fund, at its discretion, may pay the benefit into the estate of such a person or to another dependant.



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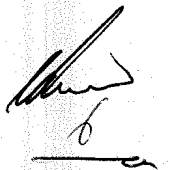
6.2 Payment of Annuity or Annuities to Beneficiaries

An annuity which becomes payable to a beneficiary in terms of Rule 6.2 shall be purchased by the Fund in such person's name from a Registered Insurer, and thereafter the Fund shall have no further liability in respect of the beneficiary, such liability resting with the Registered Insurer from whom such annuity or annuities are purchased. The annuity or annuities so purchased shall be compulsory, non-commutable and non-assignable, payable for life and the purchase shall be subject to any further requirements of the Revenue Authorities if more than one annuity is purchased. Each beneficiary hereby appoints the Trustees as his duly authorized agent to do all things necessary to procure the purchase of the annuity or annuities.



7 . PREMATURE DISCONTINUANCE OF MEMBER'S CONTRIBUTIONS

- 7.1** If a Member discontinues his contribution to the Fund before a date referred to in Rule 4.2 and does not recommence his contribution under Rule 7.3, then his Fund Credit as at the date of discontinuance shall be retained in the Fund until his Normal Retirement Date or such earlier date as he may elect in terms of Rule 5.3.1 or the date as he may elect in terms of Rule 5.3.1 or the date on which the Trustees accept that the conditions envisaged in Rule 5.3.2 apply. The Member shall then become entitled to an annuity or annuities equal to the value of his Fund Credit at Calculation Date.
- 7.3** If a Member referred to in Rule 7.1 dies before commencement of his pension in terms of Rule 5, then the provisions of Rule 6.1, Rule 6.2 and Rule 6.3 shall apply.
- 7.4** A Member referred to in Rule 7.1 may apply to the Trustees to recommence his contributions at any time before the date on which his pension has become payable. The trustees may make their acceptance of his application subject to such terms as they may determine.
- 7.5** Any annuity which becomes payable in terms of Rule 7.1 may be commuted for a lump sum in accordance with Rule 5.5.1 and shall be purchased from a Registered Insurer in terms of Rule 5.5.2.



8. TRANSFERS

8.1 Transfers into the Fund

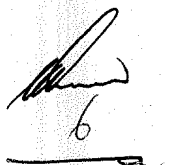
If a Member,

- (a) who was a member of any Approved Provident Fund, Approved Pension Fund or Approved Retirement Annuity Fund prior to becoming a Member of the Fund, chooses to transfer the benefit to which he is entitled on leaving that fund into the Fund; or
- (b) who was a member of an Approved Pension, Provident or Retirement Annuity Fund in which his employer participated and as a result of the restructuring of his employer's arrangements for retirement funding, is offered an option to transfer the benefit to which he is entitled on leaving that fund into the Fund; subject to the provisions of section 14 of the Act

the amount so transferred shall be applied as a contribution by the Member in accordance with the Rules of the Fund, less (if applicable) such costs incurred by the Fund to be able to receive the Member's transfer into the Fund.

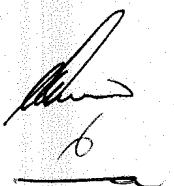
8.2 Transfers out of the Fund

If a Member elects, by notice in writing to the Trustees, to transfer to another Approved Retirement Annuity Fund, and subject further to the provisions of section 14 of the Act, an amount, secured by the Member's Fund Credit, less (if applicable) such costs incurred by the Administrator in arranging such transfers, as may be determined by the Trustees, and less any fees payable in terms of existing legislation, shall be transferred to that fund and the Member shall have no further claim on the Fund.



9. WINDING-UP OF THE FUND

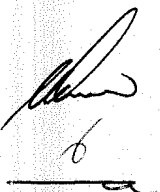
- 9.1 If the Trustees decide that the membership of the Fund has fallen below the minimum number which, on the advice of the Actuary, they judge to be necessary to allow for this continued operation, then they shall appoint a suitable person (who shall not himself be a Trustee and whose appointment shall be subject to the Registrar's approval) to act as liquidator of the Fund.
- 9.2 As from the date of the Registrar's approval of his appointment, the liquidator shall realise the assets of the Fund and, after payment of all expenses incurred in liquidating the Fund, apportion the proceeds amongst the Members and any other beneficiaries on an equitable basis recommended by the Actuary and approved by the liquidator.
- 9.3 The amount available in terms of Rule 9.2 for each person referred to therein shall, as the liquidator in consultation with the Actuary may decide, either.
- (i) be transferred for such person's benefit to another Approved Retirement Annuity Fund; or
 - (ii) be applied to purchase a policy for such person from a Registered Insurer, provided that the Revenue Authorities are satisfied that the policy provides benefits similar to those provided by the Fund.
- 9.4 If a person to whom a benefit is payable cannot be traced the benefit shall be paid to an unclaimed benefits fund.



- 9.5** It is especially provided that the provisions of the Pension Funds Second Amendment Act, Act 39 of 2001, shall over-ride any conflicting provisions in this Rule 9 in particular with regards to payment of minimum benefits and the right of the stakeholders.

Accordingly in making an appointment in terms of Rule 9.2 the liquidator shall take into consideration every former Member who retired in terms of Rule 5. The former Member's apportionment shall be reduced by amount of the benefit which he received on termination of membership of the Fund.

- 9.6** When all payments have been made by the Fund in terms of Rule 9.3 or Rule 9.4, the Fund shall have no further liability to any person and its registration in terms of the Act shall be cancelled.

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10. MANAGEMENT OF THE FUND

10.1 Management Structure

10.1.1 The Fund shall be managed by the board of Trustees, comprising of at least four Trustees, who are responsible for performing the obligations and duties as set out in the Act and these Rules.

10.1.2 The Trustees shall have the power in the name of the Fund to enter into and sign any contracts or documents and to institute, conduct, defend , compound or abandon any legal proceedings by or against the Fund and to make reasonable by-laws prescribing the form and the manner in which claims are logged and dealt with by the Fund.

10.2 Internal Trustees

10.2.1 The Founder shall appoint not less than one Trustee (hereinafter referred to as "Internal Trustees") who need not be directors of the Founder or any of its subsidiary companies or Associated Companies, and may also appoint one or more alternates to act during the absence of any Trustee, and may appoint a Trustee to fill a vacancy from time to time.

10.2.2 An Internal Trustee shall cease to hold office.

(a) if he gives written notice of registration of his appointment as a Trustee to the Fund; or



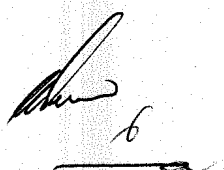
- (b) if he has failed to attend three consecutive Trustees' meetings without leave from the other Trustees, or
- (c) if the other Trustees resolves that he be removed from the office; or
- (d) if the Founder resolves that he be removed from the office.

10.3 External Trustees

10.3.1 The Founder shall appoint not less than one Trustee (who shall be known as an "External Trustee") who shall not be in the employment of the Founder or any one of its subsidiary companies or Associated Companies.

10.3.2 An External Trustee shall cease to hold office.

- (a) if he gives written notice of registration of his appointment as a Trustee to the Fund; or
- (b) if he had failed to attend three consecutive Trustees' meeting without leave from the other Trustees; or
- (c) if the majority of Members or the other Trustees resolve that he is to be removed from office; or
- (d) if the Founder resolves that he be removed from office.

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10.4 Disqualification from holding office as Trustee

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

- (a) any person removed from an office of trust on account of misconduct;
- (b) a minor or any person who is insane otherwise incapable of acting;
- (c) any person who is disqualified from being a director in terms of an order under the Companies Act 1973;
- (d) an unrehabilitated insolvent;
- (e) any person who has been convicted and sentenced either to imprisonment without the portion of a fine or to a fine exceeding R100 for one of the following: theft, fraud, forgery or uttering a forged document, perjury, an offence under the Corruption Act, 1992, any offence involving dishonesty or any offence in connection with the promotion, formation or management of a company.

10.5 Terms of Office and Remuneration

10.5.1 The Trustees and alternates appointed in terms of Rule 10.2 and 10.3 shall hold office until the close of the Trustees meeting which concludes the ordinary business of the Fund at the end of every second Financial Year. The Trustees and alternates so retiring shall be eligible for re-appointment.



10.5.2 Notwithstanding the provisions of Rule 10.5.1 the Trustees shall cease to hold office if the Fund is wound up in terms of Rule 9.1.

10.5.3 The Internal Trustees and their alternates appointed in terms of these Rules shall not be entitled to any remuneration for their services as such.

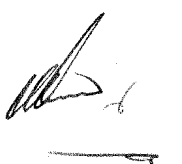
10.5.4 The External Trustees appointed in terms of these Rules shall be entitled to such remuneration for their services and for reimbursement of expenses occurred in the Fund's business as recommended by the Founder and decided by the Fund from time to time.

10.6 Meeting of Trustees

10.6.1 The Chairman shall be elected annually by all the Trustees from among their number. If a Chairman of the Trustees is absent from any meeting, the Trustees shall elect a Chairman for that meeting from their number.

10.6.2 The Trustees shall meet at least quarterly to conduct the business of the Fund. Four Trustees shall form a quorum; provided that at least one External Trustee is present.

10.6.3 Notice of at least fifteen days for ordinary meeting shall be given to the Trustees unless the Trustees agree to waive such notice period. Minutes of all meetings must be kept.

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10.6.4 At all meetings of the Trustees the decision of the majority shall be binding. If no majority decision can be reached on any matter, the matter shall be referred to the next meeting of the Trustees. If no majority decision can be reached at that meeting, the matter shall be referred, for recommendation, to a person agreed to by the Trustees and suitably qualified in the matter in dispute. If no majority decision can be reached on such person's recommendation, the matter shall be referred to an arbitrator agreed to by the Trustees and the arbitrator's decision on the matter shall be final and binding on all the Trustees. In the event that the Trustees are unable to agree to which person or arbitrator the matter should be referred, as the case may be, then the matter shall be referred by the Principal Officer to the President of the Law Society in order for the latter to determine such appointment. Any costs incurred in resolving disputes shall be met by the Fund.

10.6.5 A resolution in writing signed by all the Trustees (for which purpose an alternate may sign in the absence of any Trustee for whom he is a specifically appointed alternate) shall be of the same force and effect as a resolution passed at a meeting of Trustees and must be recorded in the Fund's minute book.

10.7 Other Appointments

10.7.1 The Trustees shall appoint a Valuator to the Fund and may withdraw any appointment and make another appointment in its place at any time.

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10.7.2 The Trustees shall appoint a Principal Officer in terms of the Act and may withdraw any such appointment and make another appointment in its place at any time. If the Principal Officer is absent from the Republic of South Africa or is otherwise unable to perform his duties, the Trustees shall within 30 days appoint another person to act as Principal Officer for the period of his absence or inability.

10.7.3 The Principal Officer shall be entitled to such remuneration for his services as recommended by the Founder and decided by the Trustees from time to time.

10.7.4 The Trustees or the Founder may appoint consultants on such terms as they may determine and may withdraw any such appointment at any time.

10.8 Indemnification of Officers of Fund

10.8.1 The Trustees and Principal Officer of the Fund shall be indemnified by the Fund against all proceedings, costs and expenses incurred by reason of any claim in connection with the Fund not rising from their gross negligence, dishonesty or fraud.

10.8.2 The Trustees shall ensure that the Fund is insured against any loss resulting from the gross negligence, dishonesty or fraud of any of the Trustees or the Principal Officer.

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11. FINANCIAL PROVISIONS

11.1 Investments

11.1.1 All moneys received on account of the Fund shall be paid into a banking account opened in the name of the Fund.

11.1.2 The Trustees shall have full power, subject to the provisions of the Act and the requirements of the Registrar, to receive, administer and apply the moneys of the Fund and in their absolute discretion to invest, put out at interest, place on deposit, make advances, or otherwise deal with such securities and other investments as they from time to time determine.

11.1.3 The Trustees shall have power to effect policies of insurance with one or more Registered Insurers for the purposes of investing the Fund's moneys in order to meet the cost of providing benefits in terms of these Rules.

11.1.4 On a lump sum benefit becoming payable from the Fund the Trustees may cede a policy of insurance owned by the Fund to the person entitled to the benefit instead of or all part of the benefit payable. The policy may only be ceded if the person entitled to the benefit agrees to accept the cession instead of the lump sum. The value of the policy as determined by the Registered Insurer that issued it shall be equal to the value of the benefit given up at the time of cession.



11.1.5 The Trustees may, subject to the requirements of the Registrar, obtain a loan from a bank or borrow from any person, on such terms as they think fit, such sums as they approve for the purpose of completing any investment or meeting any temporary unforeseen cash shortage and for this purpose may give such security as they decide.

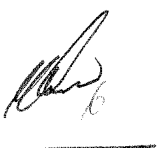
11.1.6 All title deeds and securities shall be registered in the name of the Fund or in the name of such nominee company acceptable to the Registrar as the Trustees may appoint.

The documents of title registered in the name of the Fund in connection with any investment or asset of the Fund shall be kept in safe custody at the registered office of the Fund or in a banking institution, as decided by the Trustees. Any documents of title registered in the name of a nominee company in connection with any investment or asset of the Fund shall be kept in safe custody at the registered office of that company or in a banking institution, as decided by that company.

11.1.7 The powers of the Trustees to make investments and to realise, vary, reinvest or otherwise deal with the securities concerned, may be delegated by the Trustees, on such terms and conditions as they may specify, to

- (a) a sub-committee of such of their members as they may nominate;
or
- (b) a financial institution as defined in the Financial Institutions (Investment of Funds) Act, 1984;
or
- (c) a person approved in terms of the Securities Services Act, 2004.

The Trustees shall not be liable for the negligence, dishonesty or fraud of an institution referred to in (b) or a person referred to in (c).



11.1.8 The Trustees, if they see fit, shall have the power to transfer the assets of the Fund or a part thereof to another Approved Retirement Annuity Fund or to take transfers of the assets or a part thereof of another Approved Retirement Annuity Fund.

11.1.9 (a) Notwithstanding the provisions of Rule 11.1.2, the investment powers of the Trustees may be delegated by the Trustees to each Member of the Fund on such terms and conditions and in accordance with such procedures as the Trustees may prescribe from time to time. These terms, conditions and procedures include but are not limited to:

- (i) the right of the 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 Fund Credit;
 - (ii) the right of the Trustees, in their sole discretion, to take into account any changes incurred in connection with any investment choice made by a Member when determining the Investment Return in respect of that Member;
 - (iii) in the case of Member who does not elect within such timeframe specified by the Trustees, an investment portfolio in respect of all or part of their Fund Credit, the right of the Trustees to select and change the appropriate investment portfolio best suited to such a Member taking into account the period remaining to a notional target retirement age as determined by the Trustees.
- (d) The Trustees shall take reasonable steps to ensure that members are adequately informed of their investment choices available to them and the consequences of their decisions.



- (e) Whilst the Trustees shall take reasonable steps to ensure that the interests of all Members are protected, the 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 choices made by a Member.

11.2 Expenses

Except where otherwise provided, the whole of the expenses in connection with or incidental to the management or administration of the Fund, including any fees payable to consultants appointed in terms of Rule 10.7.4, and the investment thereof shall be paid by the Fund. The Trustees shall determine the administration fee to be levied under the Fund.

11.3 Accounts

The Trustees shall 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, to be audited by the Auditor and then to be submitted to the Registrar.

11.4 Actuarial Valuations

If the Fund is not exempted from valuation in terms of the Act, the financial condition of the Fund, having regard to its assets and liabilities, shall be investigated and reported on by the Actuary at intervals not exceeding three years. A copy of the actuarial valuation report shall be sent to the Registrar.



12. ADMINISTRATION OF THE FUND

12.1 The Trustees may contract Administrators to perform such of the administrative functions of the Fund as deemed appropriate.

12.2 In carrying out the duties referred to in Rule 12.1, the Administrators shall act on the instructions of the Trustees.

12.3 The Administrators shall keep a complete record of all necessary particulars of the Members of the Fund and of all persons entitled to benefits and of all other matters essential to the operation of the Fund.

12.4 All cheques, contracts and other documents pertaining to the Fund shall be signed by such person as the Trustees by resolution may appoint; provided that documents to be deposited with the Registrar shall be signed in the manner prescribed by the Act.

12.5 Any Administrator licensed in terms of Section 13B of the Act shall maintain fidelity cover to indemnify the Fund against any loss resulting from the dishonesty or fraud of any person employed by them.

12.6

(a) An Administrator licensed in terms of Section 13B of the Act may resign from its responsibilities for the administration of the Fund by giving due notice in writing to the Trustees. On the expiry of the period of the notice the Administrator shall cease to have any further powers or responsibilities relating to the Fund.



In such case, the Trustees shall appoint another Administrator acceptable to them to assume the responsibility for the administration of the Fund and shall alter the Rules in such other respects as may be necessary to have regard to the cessation of the Administrator's powers and responsibilities.

- (b) If no agreement can be reached on appointment of the new organisation for the purpose of clause (a) the provisions of Rule 9. shall apply.

13. ALTERATIONS

- 13.1** The Trustees in consultation with the Founder may alter these Rules at any time but no such alteration shall have effect of reducing the benefits already secured by Members' contributions up to the effective date of the amendment.
- 13.2** Any alteration to the Rule affecting the financial condition of the Fund must be referred to the Actuary and the Founder before being adopted.
- 13.3** All alterations to the Rules shall be submitted to the Registrar, the Revenue Authorities and any other statutory authority who so requires.
- 13.4** If the registration of any alteration to these Rules in terms of the Act is effected on a date after the effective date of the alteration, the alteration shall nevertheless take effect from the effective date as stated in the alteration.



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14. INTERPRETATION OF RULES AND DISPUTES

- 14.1** The decision of the Trustees as to the meaning of the or interpretation of these Rules or of any particular Rule or part of a Rule shall be final and binding on the Founder, Members and every person claiming to be entitled to the benefit under these Rules, subject to the provisions of Section 30A of the Act. (The contents of Section 30A of the Act are contained in the Annexure to the Rules).
- 14.2** Any questions which may arise with regard to a claim by any person under these Rules shall be decided by the Trustees, subject to the provisions of Section 30A of the Act.
- 14.3** If any person affected by a decision of the Trustees in terms of Rule 14.1 or Rule 14.2 is dissatisfied with the decision, he shall have the right to lodge his complaint with the Pension Funds Adjudicator appointed in terms of the Act, which shall be dealt with in accordance with Section 30D to 30P of the Act. (The contents of Section 30D to 30P of the Act are contained in the Annexure to the Rules).
- 14.4** The Founder, the Trustees (or one or more of their number), or any other person having a complaint or dispute of fact or law shall, notwithstanding anything to the contrary in these Rules, have the right to invoke the complaint procedures in accordance with the Act.

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15. MISCELLANEOUS PROVISIONS

15.1

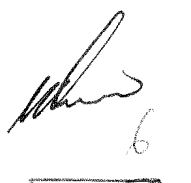
- (a)** A Member shall be entitled on application to a copy of any of the documents referred to in Section 35(1) of the Act.

- (b)** A Member shall be entitled on application to inspect without charge a copy if any of the documents referred to in Section 35(2) of the Act and to make extracts therefrom.

(Section 35 of the Act is contained in the Annexure to these Rules).

15.2 Each Member shall from time to time furnish to the Trustees all necessary particulars affecting his benefits or his entitlement thereto under the Fund. The Trustees shall ensure that such particulars are furnished to the Administrators. The Trustees and Administrators shall be entitled to act upon such particular without further enquiry and shall not be responsible to any Member or to any other person or body whatsoever for any mis-statements or errors or omissions which may be contained in such particulars.

15.3 Payments of benefits by the Fund to any person shall be conditional upon the production by that person of any evidence or information that may reasonably be required. In particular, evidence of the date of birth of any person, where appropriate, shall be required before any benefit payments are made in terms of Rule 5 and no benefit shall be payable in terms of Rule 5 until satisfactory proof that the Member has reached age 55 years has been submitted to the Trustees.

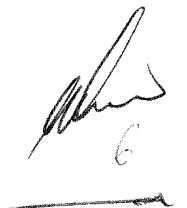


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15.4

- (a) Payment by the Fund of each benefit in terms of these Rules shall be made to the person entitled thereto at the registered office of the Fund or at the office of the Administrator.
- (b) Payment elsewhere than at the registered office of the Fund may be made at the request of the beneficiary in a manner agreed upon by the beneficiary and the Trustees, including
- (i) payment by means of electronic transfer into the bank account of the beneficiary to a bank registered in terms of the Banks Act, 1990, as amended;
 - (ii) postage by ordinary mail of the cheque or cheques; provided that should a beneficiary request postage by ordinary mail of a cheque or cheques, the Fund shall explain in writing to him that in so doing he shall carry the risk of the cheques being lost in the post or being stolen.
- (c) Payment in terms of (a) or (b) shall constitute full and final settlement of all claims to the benefit against the Fund and neither the Fund, the Trustees nor the Administrators shall have any further liability for the benefit to any person.

- 15.5** All benefits and rights to benefits in terms of these Rules shall be subject to the prohibitions as to reduction, cession, attachment, etc. contained in Section 37A and 37B of the Act. (The contents of these are contained in the Annexure to these Rules).



- 15.6** If a benefit is due under the Fund, other than a benefit payable in terms of Rule 6. is not claimed within six months after the due date on which it became due for payment, the benefit shall be recorded as an unclaimed benefit by the Administrator and the required tax deducted; provided that if a potential beneficiary approaches the Fund at any stage thereafter, the Trustees shall consider his claim and if the circumstances so warrant, shall pay the remaining benefit to the beneficiary, together with such proportionate share of the Investment Return, as calculated by the Actuary, earned by the Fund as they may allow.
- 15.7** No person shall have any claim concerning the Fund except in accordance with these Rules.
- 15.8** If a Member dies after becoming entitled to a retirement benefit in terms of Part 5 and prior to the amount due and payable to the Member having been paid, or prior to an election having been made by the Member, then the amount due and payable to the Member will be payable to his dependants, or nominees, or his estate, or an established Unclaimed Benefits Fund.
- 15.9** Admission to membership of the Fund shall be regarded as an acknowledgement by the Member that he agrees that these Rules, including any alteration that may be adopted in accordance herewith, shall be binding upon himself and any person claiming to derive a benefit under the Fund by virtue of his membership.
- 15.10** If any costs are incurred as a consequence of the Trustees tracing any potential beneficiaries whose benefits due under the Fund are unclaimed or in order to give effect to the provisions of Section 37C of the Act, such reasonable costs may be recovered from the benefits payable to such beneficiaries.

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ANNEXURE

PENSION FUNDS ACT 24 OF 1956

CONSIDERATION AND ADJUDICATION OF COMPLAINTS

30A. Submission and consideration of complaints

- (1) Notwithstanding the rules of any fund, a complainant may lodge a written complaint with a fund for consideration by the board of the fund.

[Subs. (1) substituted by s. 19 of Act 11/2007]

- (2) A complaint so lodged shall be properly considered and replied to in writing by the fund or the employer who participates in a fund within 30 days after the receipt thereof.

- (3) If the complainant is not satisfied with the reply contemplated in subsection (2), or if the fund or the employer who participates in a fund fails to reply within 30 days after the receipt of the complaint the complainant may lodge the complaint with the Adjudicator.

- (4) Subject to section 30I, the Adjudicator may on good cause shown by any affected party -

- (a) extend a period specified in subsection (2) or (3) before or after expiry of that period; or
- (b) condone non-compliance with any time limit specified in subsection (2) or (3).

[Subs. (4) added by s. 19 of Act 11/2007]

[S. 30A inserted by s. 3 of Act 22/96]

30D. Main object of Adjudicator

The main object of the Adjudicator shall be to dispose of complaints lodged in terms of section 30A(3) of this Act in a procedurally fair, economical and expeditious manner.

[S. 30D inserted by s. 3 of Act 22/96]

30E. Disposal of complaints

- (1) In order to achieve his or her main object, the Adjudicator -
 - (a) shall, subject to paragraph (b), investigate any complaint and may make the order which any court of law may make;



- (b) may, if it is expedient and prior to investigating a complaint, require any complainant first to approach an organization established for the purpose of resolving disputes in the pension funds industry or part thereof, and approved by the registrar.
- (2) Any complaint dealt with in terms of subsection (1) (b) shall be recorded by the Adjudicator and shall, for purposes of section 30H (3), be deemed to be a receipt of a complaint.
- (3) If the complaint, dealt with in terms of subsection (1) (b), is not resolved, the complainant may again lodge the complaint with the Adjudicator, who shall deal with it in terms of subsection (1) (a).
- [S. 30E inserted by s. 3 of Act 22/96]

30F. Opportunity to comment

When the Adjudicator intends to conduct an investigation into a complaint he or she shall afford the fund or person against whom the allegations contained in the complaint are made, the opportunity to comment on the allegations.

[S. 30F inserted by s. 3 of Act 22/96]

30G. Parties to complaint

The parties to a complaint shall be -

- (a) the complainant;
- (b) the fund or person against whom the complaint is directed;
- (c) any person who has applied to the Adjudicator to be made a party and who has a sufficient interest in the matter to be made a party to the complaint;
- (d) any other person whom the Adjudicator believes has a sufficient interest in the matter to be made a party to the complaint.

[S. 30G inserted by s. 3 of Act 22/96]

30H. Jurisdiction and prescription

- (1) The Adjudicator shall, subject to section 30I, investigate a complaint notwithstanding that the complaint relates to a matter which arose prior to the commencement of the Pension Funds Amendment Act, 1995.
- (2) The Adjudicator shall not investigate a complaint if, before the lodging of the complaint, proceedings have been instituted in any civil court in respect of a matter which would constitute the subject matter of the investigation.
- (3) Receipt of a complaint by the Adjudicator shall interrupt any running of prescription in terms of the Prescription Act, 1969 (Act No. 68 of 1969), or the rules of the fund in question



- (4) The Adjudicator shall not have jurisdiction over complaints in connection with a scheme for the apportionment of surplus in terms of section 15B which relate to the decisions taken by the board or any stakeholder in the fund or any specialist tribunal convened in terms of section 15K.

[Subs. (4) added by s. 6 of Act 39/2001]

[S. 30H inserted by s. 3 of Act 22/96]

30I. Time limit for lodging of complaints

- (1) The Adjudicator shall not investigate a complaint if the act or omission to which it relates occurred more than three years before the date on which the complaint is received by him or her in writing.
- (2) The provisions of the Prescription Act, 1969 (Act No. 68 of 1969), relating to a debt apply in respect of the calculation of the three year period referred to in subsection (1).

[Subs. (2) substituted by s. 21 of Act 11/2007]

- (3)

[Subs. (3) deleted by s. 21 of Act 11/2007]

[S. 30I inserted by s. 3 of Act 22/96]

30J. Procedure for conducting investigation

- (1) The Adjudicator may follow any procedure which he or she considers appropriate in conducting an investigation, including procedures in an inquisitorial manner.
- (2) Notwithstanding section 22 of the Financial Services Board Act, 1990 (Act 97/90), the Adjudicator may obtain copies of any document or correspondence contained in the files of the registrar.
- (3) Sections 1, 2, 3, 4 and 6 of the Commissions Act, 1947 (Act No. 8 of 1947), shall apply *mutatis mutandis* to the Adjudicator.

[S. 30J inserted by s. 3 of Act 22/96]

30K. Legal representation

No party shall be entitled to legal representation at proceedings before the Adjudicator.

[S. 30K inserted by s. 3 of Act 22/96]

30L. Record of proceedings

- (1) The Adjudicator shall keep or cause to be kept, whether in writing or by mechanical or electronic means, a permanent record of the proceedings relating to the adjudication of a complaint and the evidence given.
- (2) Any member of the public may obtain a readable copy of the record on payment of a fee determined by the Adjudicator



- (3) The registrar may, for purposes of the performance of his or her functions in terms of this or any other Act, rely on a copy of the record without the need of any further proof.

[S. 30L inserted by s. 3 of Act 22/96]

30M. Statement by Adjudicator regarding determination

After the Adjudicator has completed an investigation, he or she shall send a statement containing his or her determination and the reasons therefore, signed by him or her, to all parties concerned as well as to the clerk or registrar of the court which would have had jurisdiction had the matter been heard by a court.

[S. 30M inserted by s. 3 of Act 22/96]

30N. Interest on amount awarded

Where a determination consists of an obligation to pay an amount of money, the debt shall bear interest as from the date and at the rate determined by the Adjudicator.

[S. 30N inserted by s. 3 of Act 22/96]

30O. Enforceability of determination

- (1) Any determination of the Adjudicator shall be deemed to be a civil judgment of any court of law had the matter in question been heard by such court, and shall be so noted by the clerk or the registrar of the court, as the case may be.
- (2) A writ or warrant of execution may be issued by the clerk or the registrar of the court in question and executed by the sheriff of such court after expiration of a period of six weeks after the date of the determination, on condition that no application contemplated in section 30P has been lodged.

[S. 30O inserted by s. 3 of Act 22/96]

30P. Access to court

- (1) Any party who feels aggrieved by a determination of the Adjudicator may, within six weeks after the date of the determination, apply to the division of the High Court which has jurisdiction, for relief, and shall at the same time give written notice of his or her intention so to apply to the other parties to the complaint.
- (2) The division of the High Court contemplated in subsection (1) may consider the merits of the complaint made to the Adjudicator under section 30A(3) and on which the Adjudicator's determination was based, and may make any order it deems fit.
- (3) Subsection (2) shall not affect the court's power to decide that sufficient evidence has been adduced on which a decision can be arrived at, and to order that no further evidence shall be adduced.

[S. 30P inserted by s. 3 of Act 22/96 and substituted by s. 22 of Act 11/2007]



GENERAL AND MISCELLANEOUS

35. Right to obtain copies of or to inspect certain documents

- (1) Every registered fund shall deliver to any member on demand by such member, and on payment of such sum as may be determined by the rules of the fund, a copy of any of the following documents, that is to say -
 - (a) the rules of the fund;
 - (b) the last revenue account and the last balance sheet prepared in terms of subsection (1) of section fifteen.
- (2) Any member shall be entitled to inspect without charge at the registered office of a registered fund, a copy of any of the following documents and make extracts there from, that is to say -
 - (a) the documents referred to in subsection (1);
 - (b) the last report (if any) by a valuator prepared in terms of section sixteen;
 - (c) the last statement (if any) and report thereon prepared in terms of section seventeen;
 - (d) any scheme which is being carried out by the fund in accordance with the provisions of section eighteen.

37A. Pension benefits not reducible, transferable or executable

- (1) Save to the extent permitted by this Act, the Income Tax Act, 1962 (Act No. 58 of 1962), and the Maintenance Act, 1998, no benefit provided for in the rules of a registered fund (including an annuity purchased or to be purchased by the said fund from an insurer for a member), or right to such benefit, or right in respect of contributions made by or on behalf of a member, shall, notwithstanding anything to the contrary contained in the rules of such a fund, be capable of being reduced, transferred or otherwise ceded, or of being pledged or hypothecated, or be liable to be attached or subjected to any form of execution under a judgment or order of a court of law, or to the extent of not more than three thousand rand per annum, be capable of being taken into account in a determination of a judgment debtor's financial position in terms of section 65 of the Magistrates' Courts Act, 1944 (Act No. 32 of 1944), and in the event of the member or beneficiary concerned attempting to transfer or otherwise cede, or to pledge or hypothecate, such benefit or right, the fund concerned may withhold or suspend payment thereof: Provided that the fund may pay any such benefit or any benefit in pursuance of such contributions, or part thereof, to any one or more of the dependants of the member or beneficiary or to a guardian or trustee for the benefit of such dependant or dependants during such period as it may determine.



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[Subs. (1) amended by s. 40 of Act 99/80 and s. 45 of Act 99/98]

- (2) (a) If in terms of the rules of a fund the residue of a full benefit, after deduction of any debt due by the person entitled to the benefit, represents the benefit due to that person, such reduction shall for the purposes of subsection (1) be construed as a reduction of the benefit.
- (b) The set-off of any debt against a benefit shall for the purposes of subsection (1) be construed as a reduction of the benefit.
- (3) The provisions of subsection (1) shall not apply with reference to anything done towards reducing or obtaining settlement of a debt -
 - (a) which, in the case of a fund to which the Financial Institutions Amendment Act, 1976 (Act 101/76), applies, arose before the commencement of that Act;
 - (b) which, in the case of a fund to which the Financial Institutions Amendment Act, 1976, does not apply, arose before the commencement of the Financial Institutions Amendment Act, 1977;
 - (c) which a fund may reduce or settle under section 37D, to the extent to which a fund may reduce or settle such debt; or
 - (d) which is owed to a fund by a member in respect of arrear contributions, but excluding amounts which are in arrear due to the failure of the employer concerned to pay the member's contributions to the fund after deduction thereof from the member's remuneration.

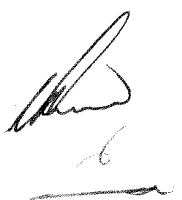
[Para. (d) added by s. 37 of Act 104/93 and substituted by s. 4 of Act 22/96]

[S. 37A inserted by s. 24 of Act 101/76 and substituted by s. 12 of Act 94/77]

37B. Disposition of pension benefits upon insolvency

If the estate of any person entitled to a benefit payable in terms of the rules of a registered fund (including an annuity purchased by the said fund from an insurer for that person) is sequestrated or surrendered, such benefit or any part thereof which became payable after the commencement of the Financial Institutions Amendment Act, 1976 (Act 101/76), shall, subject to a pledge in accordance with section 19(5)(b)(i) and subject to the provisions of sections 37A(3) and 37D, not be deemed to form part of the assets in the insolvent estate of that person and may not in any way be attached or appropriated by the trustee in his insolvent estate or by his creditors, notwithstanding anything to the contrary in any law relating to insolvency.

[S. 37B inserted by s. 24 of Act 101/76 and substituted by s. 13 of Act 94/77 and s. 12 of Act 80/78]



37C. Disposition of pension benefits upon death of member

(1) Notwithstanding anything to the contrary contained in any law or in the rules of a registered fund, any benefit (other than a benefit payable as a pension to the spouse or child of the member in terms of the rules of a registered fund, which must be dealt with in terms of such rules) payable by such a fund upon the death of a member, shall, subject to a pledge in accordance with section 19(5)(5)(i) and subject to the provisions of sections 37A(3) and 37D, not form part of the assets in the estate of such a member, but shall be dealt with in the following manner:

(a) If the fund within twelve months of the death of the member becomes aware of or traces a dependant or dependants of the member, the benefit shall be paid to such dependant or, as may be deemed equitable by the board, to one of such dependants or in proportions to some of or all such dependants.

[Para. (a) substituted by s. 5 of Act 22/96]

(b) If the fund does not become aware of or cannot trace any dependant of the member within twelve months of the death of the member, and the member has designated in writing to the fund a nominee who is not a dependant of the member, to receive the benefit or such portion of the benefit as is specified by the member in writing to the fund, the benefit or such portion of the benefit shall be paid to such nominee: Provided that where the aggregate amount of the debts in the estate of the member exceeds the aggregate amount of the assets in his estate, so much of the benefit as is equal to the difference between such aggregate amount of debts and such aggregate amount of assets shall be paid into the estate and the balance of such benefit or the balance of such portion of the benefit as specified by the member in writing to the fund shall be paid to the nominee.

[Para. (b) substituted by s. 21 of Act 54/89]

(bA) If a member has a dependant and the member has also designated in writing to the fund a nominee to receive the benefit or such portion of the benefit as is specified by the member in writing to the fund, the fund shall within twelve months of the death of such member pay the benefit or such portion thereof to such dependant or nominee in such proportions as the board may deem equitable: Provided that this paragraph shall only apply to the designation of a nominee made on or after 30 June 1989: Provided further that, in respect of a designation made on or after the said date, this paragraph shall not prohibit a fund from paying the benefit, either to a dependant or nominee contemplated in this paragraph or, if there is more than one such dependant or nominee, in proportions to any or all of those dependants and nominees.

[Para. (bA) inserted by s. 21 of Act 54/89 and substituted by s. 5 of Act 22/96]

