

REVISED RULES

OF THE

PERSONAL PORTFOLIOS

RETIREMENT ANNUITY FUND

Reference numbers:

Financial Services Board 12/8/35099

South African Revenue Service 18/20/4/39519

Personal Portfolios Retirement Annuity Fund

(Ref no 12/8/35089)

Amendment 1

The following resolution was sent by electronic mail to all the trustees and ratified by them between the dates 11 and 24 March 2016 both dates included.

Resolved:

1. That Part 3, Rule 6.2 be amended to provide as follows:

6.2 he resigns by giving not less than one calendar months' written notice to this effect to the chairperson.

Reason for the amendment

To allow the Fund sufficient time to appoint a replacement trustee.

2. That Part 3, Rule 6.4 be amended to provide as follows:

6.4 he is removed by the BOARD on account of poor performance, misconduct or because the BOARD believes that the TRUSTEE is not fit and proper to occupy the position of TRUSTEE and after having given him notice in writing, discharge him from office in accordance with the procedure as set out in the Trustee Sanction Policy adopted by the BOARD.

Reason for the amendment

To allow for a fair process for the removal of a Trustee.

3. That Part 8, Rule 1 be amended to provide as follows:

1. If a MEMBER dies before becoming entitled to a retirement benefit in terms of Part 7, the INVESTMENTS held by the BOARD in respect of the MEMBER will remain invested as per the MEMBER's instructions prior to his death and in line with the ADMINISTRATOR's usual business process. However, if a MEMBER had instructed the FUND before his death in writing to transfer the units held on his behalf to a money market fund, the FUND shall honor the instructions of the MEMBER.

Reason for the amendment

The seamless transfer of the investment when benefit accrues to member or dependants is advocated as a feature of the product offering. Current rule does not support this feature. Amendment to rule as proposed is in the best interest of the member (TCF outcome 1).

7. That a new Rule 11, Rule 12 and Rule 13 be inserted in Part 6:

Determining value of lump sum benefits

Rule 11

Where a MEMBER elected to commute an ANNUITY or part thereof into a lump sum, as contemplated in Part 7 RULE 2 or Part 10 RULE 1 and RULE 2, the underlying INVESTMENTS or an appropriate portion of the INVESTMENTS, whichever is applicable, will be switched to a Money Market Fund.

Rule 12

Where a DEPENDANT or NOMINEE elected to commute an ANNUITY or part thereof into a lump sum, as contemplated in Part 8 RULE 2, the underlying INVESTMENTS or an appropriate portion of the INVESTMENTS, whichever is applicable, will be switched to a Money Market Fund.

Rule 13

The value of the lump sum will be ascertained at the date the INVESTMENT or appropriate portion of the units underlying the INVESTMENT are switched to a Money Market Fund. Any investment returns earned on the amount will form part of the MEMBER'S SHARE

Reason for the amendment

To determine a value in order to streamline the process of obtaining tax directives

The effective dates of the amendment set out in this paragraph 7 is 01 March 2015.

Certification

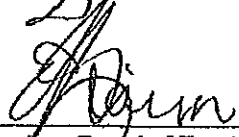
Certified that the above resolution has been adopted in accordance with the provisions of the Rules of the Fund.



Chairman Board of Trustees

17/5/2016

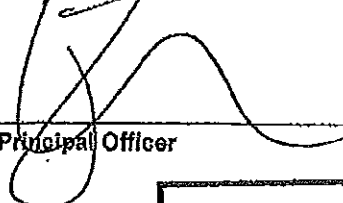
Date



Member Board of Trustees

17/5/2016

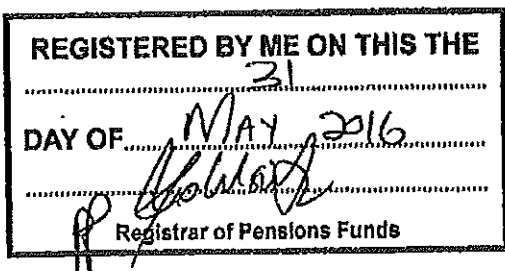
Date



Principal Officer

17/5/2016

Date



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PART 1 : ESTABLISHMENT OF FUND

Name

1. A retirement annuity fund, as defined in the INCOME TAX ACT, known as the "Personal Portfolios Retirement Annuity Fund" (the FUND) was established with effect from 1 December 1997, by Sanlam Personal Portfolios (now Glacier Financial Solutions (Pty) Ltd), a division of Sanlam Life Insurance Limited.

Purpose

2. The sole purpose of the FUND is to provide ANNUITIES for the MEMBERS of the FUND or ANNUITIES for the DEPENDANTS or NOMINEES of deceased MEMBERS.

Registered office

3. The FUND is administered by Glacier Financial Solutions (Pty) Ltd and has its registered- and physical address at Glacier Place, Nr. 1 Sportica Crescent, Tyger Valley, Bellville, South Africa. The postal address of the FUND is Private Bag X5, Tyger Valley, 7536.

Legal Status

4. The FUND is a separate entity and legal person, distinct from its MEMBERS, and is the legal owner of its goods and has the capacity to incur any liability in its own name and to proceed as claimant and the defendant in court cases. The FUND is capable of carrying out all actions that may be necessary or incidental to the exercise of its powers or the performance of its functions in terms of the RULES.

Financial Year End

5. The FUND's Financial Year End shall be 31 December each year.

PART 2 : DEFINITIONS

1. The headings of the RULES are for ease of reference and shall not be taken into account in the interpretation of the RULES.
2. In these RULES, unless the context indicates otherwise:
 - 2.1 words defined in the ACT and not defined below shall have the meanings assigned to them in the ACT;
 - 2.2 all words and expressions denoting males shall include females; and
 - 2.3 the singular shall likewise denote the plural and vice versa.
3. The following words and expressions will bear the meanings set out below and cognate expressions will have corresponding meanings, namely:
 - 3.1 ACT shall mean the Pension Funds Act, Act 24 of 1956 and the regulations promulgated thereunder; including any amendments or replacement legislation which may be effective from time to time, as well as any subordinate legislation applicable to the Pension Funds Act or any replacement legislation;
 - 3.2 ADMINISTRATOR shall mean the entity duly registered in terms of section 13B of the ACT appointed by the BOARD to attend to the day to day administration of the FUND initially, until it is legally superseded, it shall be Glacier Financial Solutions (Pty) Ltd;
 - 3.3 ANNUITY shall mean a compulsory non-commutable annuity payable for and based on the lifetime of the retiring MEMBER or beneficiary which must not be capable of being transferred, assigned, reduced, hypothecated or attached by creditors as contemplated in Sections 37A and 37B of the ACT and shall include a living annuity as defined in the INCOME TAX ACT;
 - 3.4 APPROVED NOMINEE shall mean a nominee company approved by the REGISTRAR to hold assets on behalf of the FUND;
 - 3.5 APPROVED PENSION FUND means a pension fund registered in terms of the ACT and approved in terms of the INCOME TAX ACT;
 - 3.6 APPROVED PENSION PRESERVATION FUND shall mean a pension preservation fund registered in terms of the ACT and approved in terms of the INCOME TAX ACT;
 - 3.7 APPROVED PROVIDENT FUND means a provident fund registered in terms of the ACT and approved in terms of the INCOME TAX ACT;
 - 3.8 APPROVED PROVIDENT PRESERVATION FUND shall mean a provident preservation fund registered in terms of the ACT and approved in terms of the

INCOME TAX ACT;

- 3.9 **APPROVED RETIREMENT ANNUITY FUND** means a retirement annuity fund registered in terms of the ACT and approved in terms of the INCOME TAX ACT;
- 3.10 **AUDITOR** shall mean an AUDITOR appointed by the BOARD and who must be registered in terms of the Auditing Professions Act, 2005, and who is not an official of the FUND, whose appointment has been approved by the REGISTRAR;
- 3.11 **BENEFICIARY FUND** shall mean any association of persons or business carried on under a scheme or arrangement established with the object of receiving, administering, investing and paying benefits, referred to in section 37C of the ACT on behalf of BENEFICIARIES, payable on the death of more than one MEMBER of one or more pension funds as defined in the ACT;
- 3.12 **BOARD** shall mean the board of TRUSTEES of the FUND constituted in terms of Part 3 RULE 1 which control and manage the FUND in terms of these RULES;
- 3.13 **COMMISSIONER** shall mean the Commissioner for the South African Revenue Service;
- 3.14 **CONTRIBUTIONS** means the monthly payments, annual payments or once-off payments made to the FUND by or on behalf of a MEMBER, including amounts transferred to the FUND from an EXISTING FUND in terms of Part 5 RULE 4;
- 3.15 **DEPENDANT** with regard to a MEMBER shall mean:
- 3.15.1 a person in respect of whom the MEMBER is legally liable for maintenance;
 - 3.15.2 a person in respect of whom the MEMBER is not legally liable for maintenance, if such person:
 - 3.15.2.1 was, in the opinion of the TRUSTEES, upon the death of the MEMBER in fact dependent on the MEMBER for maintenance;
 - 3.15.2.2 is the spouse of the MEMBER;
 - 3.15.2.3 is a child of the MEMBER, including a child born after the death of the MEMBER, an adopted child and a child born out of wedlock;
 - 3.15.3 a person in respect of whom the MEMBER would have become legally liable for maintenance, had the MEMBER not died.
- 3.16 **DEPUTY PRINCIPAL OFFICER** shall mean a deputy PRINCIPAL OFFICER as appointed in section 8 of the ACT;
- 3.17 **EXPENSES** shall mean the costs related to the management and administration of the FUND, levies, taxes, broker and financial advisor fees, remuneration in respect of the INDEPENDENT TRUSTEES and any other costs regarded as falling within the definition of EXPENSES from time to time by the BOARD;

- 3.18 EXISTING FUND shall mean an APPROVED PENSION FUND, an APPROVED PENSION PRESERVATION FUND, an APPROVED PROVIDENT FUND, an APPROVED PROVIDENT PRESERVATION FUND, an APPROVED RETIREMENT ANNUITY FUND and/or a foreign pension fund approved and registered in terms of the applicable foreign legislation, as the case may be;
- 3.19 FUND shall mean the Personal Portfolios Retirement Annuity Fund and any reference to the FUND shall be construed as a reference to the FUND or to the BOARD, as the circumstances may require;
- 3.20 INCOME TAX ACT shall mean the Income Tax Act, Act 58 of 1962 including any amendments effective from time to time;
- 3.21 INDEPENDENT TRUSTEE means a TRUSTEE who is not:
- 3.21.1 an employee of the FUND, the INSURER, the ADMINISTRATOR or anyone who has a financial interest in the ADMINISTRATOR;
 - 3.21.2 controlled by the FUND or the ADMINISTRATOR;
 - 3.21.3 in common control with the INSURER and the ADMINISTRATOR of the FUND and does not provide any other services to the FUND or the ADMINISTRATOR;
- 3.22 INSURER means an insurer registered or deemed to be registered under the Long-term Insurance Act, Act 52 of 1998;
- 3.23 INVESTMENTS means the underlying investments held by the FUND on behalf of the MEMBERS and as approved by the BOARD from time to time;
- 3.24 MEMBER shall mean a person who has been admitted as a MEMBER of the FUND in terms of these RULES and is entitled to a benefit in terms of the RULES, excluding a person who has received all the benefits which are due to him from the FUND and whose membership has thereafter been terminated in accordance with the RULES, and membership shall have a corresponding meaning;
- 3.25 MEMBER APPLICATION shall mean the written application of a MEMBER to participate in the FUND, which shall include details regarding the MEMBER'S CONTRIBUTION, the portfolios selected by the MEMBER and any other information which may be required by the BOARD or the ADMINISTRATOR from time to time;
- 3.26 MEMBER'S SHARE shall mean the value of the underlying INVESTMENTS held by the FUND in respect of a particular MEMBER less any EXPENSES pertaining to the INVESTMENT;
- 3.27 NOMINEE shall mean any person who has been nominated by the MEMBER in writing and notified to the FUND, as being entitled to receive all or part of the death benefits payable on the MEMBER'S death in terms of Part 8 RULE 7 and whose

nomination has not been retracted by the MEMBER;

- 3.28 PRINCIPAL OFFICER shall mean the person appointed in terms of Part 3 RULE 28 from time to time in accordance with section 8 of the ACT and any directive issued by the REGISTRAR, for the FUND;
- 3.29 REGISTRAR shall mean the Registrar or Deputy Registrar of Pension Funds appointed in terms of the Financial Services Board Act, 1990;
- 3.30 RETIREMENT DATE shall mean the date, advised to the BOARD in writing by a MEMBER on which he is retiring from the FUND, provided that on this date the MEMBER may not be younger than the age of 55 or the date on which the MEMBER becomes permanently incapable of carrying on his occupation due to sickness, accident, injury or incapacity through infirmity of mind or body;
- 3.31 RULES shall mean these RULES including any amendments which may become effective from time to time;
- 3.32 TRUSTEES shall mean the members of the BOARD, including an alternate, as appointed from time to time in terms of the RULES;
- 3.33 UNCLAIMED BENEFIT shall mean:
- 3.33.1 any benefit, not paid by the FUND to a MEMBER, former MEMBER or beneficiary within 24 months of the date on which it in terms of the RULES, became legally due and payable; or
 - 3.33.2 a death benefit payable to a beneficiary in terms of section 37C of the ACT not paid within 24 months from the date of the death of the MEMBER or such longer period as reasonably justifiable by the BOARD of the FUND; or
 - 3.33.3 any benefit that remained unclaimed or unpaid to a MEMBER, former MEMBER or beneficiary when the FUND applies for cancellation of registration in terms of section 27 of the ACT or where the liquidator is satisfied that benefits remain unclaimed or unpaid, excluding:
 - 3.33.3.1 a benefit due to be transferred as part of a transfer of business in terms of section 14; or
 - 3.33.3.2 where an ANNUITY is purchased in respect of a pensioner or otherwise in terms of the ACT.
- 3.34 UNCLAIMED BENEFIT FUND shall mean a fund that is established for the receipt of UNCLAIMED BENEFITS as defined in the ACT.

PART 3 : MANAGEMENT OF THE FUND

Constitution of the Board

1. The management, control and administration shall vest in the BOARD comprising 6 (six) TRUSTEE at least 1 (one) of whom must be an INDEPENDENT TRUSTEE.
2. The BOARD shall elect a chairperson from its own ranks at the first meeting after the position become vacant. A TRUSTEE elected as chairperson shall serve in that capacity for one year or until his tenure as TRUSTEE expires, whichever occurs first. An incumbent may make himself available for re-election.

General powers and duties of the Board

3. The BOARD and their assignees shall be obliged and be competent to perform all acts as may be necessary for or incidental to the execution of the objects of the FUND but no act of the BOARD may be inconsistent with the provisions of the RULES and section 7C of the ACT.

Appointment and removal of Trustees

4. Each TRUSTEE will hold office for a term of 5 (five) years. A TRUSTEE whose term of office has ceased after the expiry of 5 (five) years may be re-appointed if he is willing and otherwise competent to hold office.
5. An INDEPENDENT TRUSTEE will be appointed by the other TRUSTEES.
6. A TRUSTEE or an alternate will remain a member of the BOARD until:
 - 6.1 the expiry of his term of office;
 - 6.2 he resigns by giving written notice to this effect to the Chairperson;
 - 6.3 if he becomes incompetent to be a director of a company in terms of the Companies Act, 200
 - 6.4 he is removed by the BOARD on account of poor performance, misconduct or because the BOARD believes that the TRUSTEE is not fit and proper to occupy the position of TRUSTEES and after having given him notice in writing to such effect;
 - 6.5 he is no longer qualified to be on the BOARD as a result of:
 - 6.5.1 becoming mentally or physically incapable of acting on as a TRUSTEE;
 - 6.5.2 being placed under curatorship by order of a competent court;
 - 6.5.3 his estate having been sequestrated or surrendered or assigned in favour of his creditors;

- 6.5.4 he is removed from an office of trust on account of misconduct;
 - 6.5.5 he is convicted and sentenced to imprisonment without an option of a fine for any of the following: theft, fraud, forgery or uttering a forged document, perjury, an offence involving dishonesty or any offence in connection with the promotion, formation or management of a company;
 - 6.6 In the case of a TRUSTEE other than the INDEPENDENT TRUSTEE, he ceases to be in employment of the ADMINISTRATOR, or a person who has a financial interest in the ADMINISTRATOR; or
 - 6.7 failing to attend three consecutive meetings without permission of the BOARD.
- 7 When a TRUSTEE ceases to hold office the remaining TRUSTEES shall be entitled to appoint his successor.
- 7.1 In the event of a TRUSTEE being temporarily unable to discharge his duties as TRUSTEE he shall appoint an alternate to act in his stead. The appointment shall be subject to the approval of the BOARD. In the event of the alternate being absent the remaining TRUSTEES may appoint a temporary TRUSTEE to act during the period of absence of a TRUSTEE and his alternate.
 - 7.2 If at any time there are no TRUSTEES, the ADMINISTRATOR shall appoint new TRUSTEES, excluding the INDEPENDENT TRUSTEE.
- 8 An alternate TRUSTEE shall in all respects be subject to the qualifications, terms and conditions applicable to the BOARD. An alternate TRUSTEE while acting for the BOARD shall exercise and discharge all powers, duties and functions of the BOARD.
- 9 A vacancy on the BOARD will not invalidate any proceedings or decisions of the BOARD provided that a quorum is in place.

Meetings of the Board

- 10 The BOARD shall meet from time to time as is necessary, but no less than 4 (four) times a year, to conduct the business of the FUND.
- 11 The Chairperson may convene a special meeting of the BOARD if the Chairperson regards it necessary.
- 12 Notice shall be given to all the TRUSTEES at least 15 (fifteen) business days before a meeting specifying the date, place and time of the meeting as well as the general nature of the business to be conducted at the meeting. If all the TRUSTEES agree thereto, the notice period can be waived.
- 13 Four TRUSTEES, one of which must be an INDEPENDENT TRUSTEE, will be required to constitute a quorum, provided that should one of the TRUSTEES not be present (save

for when the INDEPENDENT TRUSTEE is not present), the quorum may include the alternate referred to in RULE 8 in the place of the absent TRUSTEE. If a quorum is not present at the time determined for the start of the meeting, the meeting must be adjourned by the chairperson for a period of not less than 7 (seven) working days. If a quorum is still not present, the meeting must be adjourned until a quorum is present.

- 14 The meetings will be chaired by a chairperson. If the chairperson is temporarily absent or, for any reason is unable to perform his function as chairperson, the BOARD shall elect a TRUSTEE to act as chairperson.
- 15 At every meeting all matters for discussion shall be put to the vote and the majority vote shall be binding. In the case of equal division the chairperson for the time being shall have a casting vote in addition to his deliberative vote.
- 16 The chairperson shall cause minutes to be kept of all meetings held by the BOARD and such minutes shall be distributed prior to the following BOARD meeting. The minutes shall be approved at the next board meeting and, once signed by the Chairperson, one TRUSTEE and the PRINCIPAL OFFICER, they will constitute prima facie evidence of the business transacted and the resolutions passed at the meeting.
- 17 A resolution in writing which has been signed by all the TRUSTEES, or a resolution which has been sent by electronic mail to all the TRUSTEES and ratified by them, shall be effective as if it had been passed at a meeting of the BOARD duly convened and held. The effective date of such a resolution shall be the date of last signature or last electronic mail ratification. Any resolution passed in terms of this RULE must be recorded as required by the ACT.

Board to direct and control the Fund

- 18 The BOARD is empowered to authorise such of its members and/or officers as it may approve from time to time, and upon such terms and conditions as may be approved by it, to sign any document binding the FUND or any documents authorising the performance of any act on behalf of the FUND, provided that documents to be deposited with the REGISTRAR shall be signed in the manner prescribed by the ACT.
- 19 The BOARD may lay down regulations with regard to the procedures of the BOARD which may not be inconsistent with the RULES.

Delegation of powers by the Board

- 20 The BOARD, in consultation with the ADMINISTRATOR, may decide that any power of decision on any matter that is vested in them shall be delegated, on such terms and conditions as they may specify, to a sub-committee(s) or another person or to any TRUSTEE as they nominate provided that such nomination shall be lawful and subject to

the TRUSTEES fiduciary duties. The TRUSTEES may appoint persons who are not TRUSTEES to any sub-committee.

- 21 The delegation referred to above must be made in terms of a mandate that provides that the powers and responsibilities delegated may be revoked at any time and that the BOARD must ratify any decision made by such person or committee.
- 22 The minutes of all subcommittee meetings will be circulated to the TRUSTEES and will form part of the minutes of the next BOARD meeting.

Powers and duties of the Board

- 23 The objective of the BOARD shall be to direct, control and oversee the operations of the FUND in accordance with the applicable laws and the RULES.
- 24 The duties of the BOARD shall, inter alia be to:
 - 24.1 act with due care, diligence and good faith;
 - 24.2 avoid conflict of interest;
 - 24.3 act with impartiality in respect of all MEMBERS;
 - 24.4 ensure that proper control systems are employed by or on behalf of the BOARD;
 - 24.5 ensure that adequate and appropriate information is communicated to MEMBERS informing them of their rights, benefits and duties in terms of the RULES;
 - 24.6 obtain expert advice on matters where the BOARD may lack sufficient expertise;
 - 24.7 ensure that the operation and the administration of the FUND comply with the ACT, the Financial Institutions (Protection of Funds) Act, 2001 and all other applicable laws of the Republic of South Africa;
 - 24.8 ensure that proper books and records of the operations of the FUND are kept, inclusive of proper minutes of all resolutions passed by the FUND;
 - 24.9 take all reasonable steps to ensure that the interests of MEMBERS are protected at all times.
- 25 The BOARD may do all things they deem necessary to attain the FUND's objectives, but always subject to applicable legislation and the RULES. Without limiting the generality of this, the BOARD may:
 - 25.1 appoint an ADMINISTRATOR for the administration of the FUND;
 - 25.2 in the name of the FUND enter into and sign any contracts or documents and institute, conduct, defend, compound or abandon any legal proceedings by or against the FUND;

- 25.3 amend the RULES of the FUND, subject to the provision of Part 11 RULE 18;
- 25.4 operate a bank account opened in the name of the FUND with a bank registered in terms of the Banks Act, 1990;
- 25.5 cause every document of title to an investment to be registered in the name of the FUND, or in the name of an APPROVED NOMINEE.

Indemnity and fidelity insurance

- 26 The BOARD and the persons to whom they have delegated their functions shall not be liable personally for any loss that the MEMBERS or their DEPENDANTS may suffer as a result of their actions, provided the action was in accordance with the provisions of the RULES and the loss did not arise from their gross negligence, dishonesty or fraud.
- 27 The BOARD shall ensure that the FUND is safeguarded against losses owing to negligence, fraud or dishonesty of any of the officials of the FUND.

Appointment of a Principal Officer

- 28 The BOARD shall appoint a PRINCIPAL OFFICER in terms of the ACT on such terms and conditions as it may deem appropriate and may withdraw any such appointment and make another appointment in its place at any time.
- 29 The provisions of the ACT shall apply in respect of the appointment, approval and removal of the PRINCIPAL OFFICER as well as in respect of any reports which the PRINCIPAL OFFICER may be required to give the REGISTRAR.
- 30 The BOARD must ensure that the proposed PRINCIPAL OFFICER:
 - 30.1 has the relevant qualifications and expertise relating to the management and
 - 30.2 has been informed of his/her duties and responsibilities in terms of the applicable legislation.
- 31 The REGISTRAR may object, to the appointment. If the REGISTRAR objects to the appointment or continued appointment of the PRINCIPAL OFFICER, the BOARD must terminate the appointment within 30 days of the REGISTRAR informing the BOARD and the appointee of his decision.
- 32 The PRINCIPAL OFFICER shall perform all the functions required to fulfil his duties in terms of the ACT, the RULES and the directions of the BOARD.
- 33 The BOARD may appoint a DEPUTY PRINCIPAL OFFICER. If the BOARD has appointed a DEPUTY PRINCIPAL OFFICER, the DEPUTY PRINCIPAL OFFICER shall act as PRINCIPAL OFFICER when the PRINCIPAL OFFICER is absent from the Republic or unavailable for any reason to discharge any duty of the PRINCIPAL OFFICER in terms of the ACT, until the FUND formally appoints a new PRINCIPAL OFFICER in accordance with its RULES.

- 34 The PRINCIPAL OFFICER may delegate in writing any of the PRINCIPAL OFFICER's functions under the ACT and RULES of the FUND to the DEPUTY PRINCIPAL OFFICER, subject to the conditions as determined by the PRINCIPAL OFFICER.
- 35 The PRINCIPAL OFFICER is not divested or relieved of a function delegated under RULE 34 above and the PRINCIPAL OFFICER may withdraw the delegation at any time.

Bank account

- 36 The BOARD shall open a bank account in the name of the FUND.

Appointment of a Valuator

- 37 The BOARD, in its sole discretion, shall appoint a valuator which appointment may be changed from time to time.
- 38 The appointment, removal and approval of the valuator shall be subject to the provisions of the ACT.
- 39 Where the FUND requires exemption from the provision of sections 9A and 16 of the ACT, the BOARD shall ensure that the valuator submits the certificate as required by the ACT.

Auditor

- 37 The BOARD will appoint the AUDITOR of the FUND for such period as it determines and may withdraw such appointment and make any appointment as it deems fit. The AUDITOR shall audit the accounts of the FUND which accounts are to be kept in accordance with generally accepted accounting standards and guidelines issued by the Financial Services Board.
- 38 The appointment, removal and approval of the AUDITOR will be subject to the provisions of the ACT, as well as in respect of any reports which the AUDITOR may be required to give to the REGISTRAR.
- 39 Where the AUDITOR of the FUND is a partnership, the appointment of such AUDITOR shall not lapse by reason of change in the composition of the partnership, as long as not less than half of the partners in the reconstituted partnership are persons who were partners as at the date when the appointment of the partnership was last approved by the REGISTRAR.

PART 4 : MEMBERSHIP

Admission

1. Application for membership to the FUND shall be made by means of a MEMBER APPLICATION.
2. The BOARD, in its sole discretion, may approve such application and admit such person to participate in the FUND.
3. On such person being admitted to participate in the FUND such person will become a MEMBER of the FUND with effect from the date on which the ADMINISTRATOR accepts the MEMBER APPLICATION on behalf of the FUND.

Termination of membership

4. A MEMBER's participation in the FUND shall terminate:
 - 4.1 at the MEMBER's death; or
 - 4.2 at the MEMBER's retirement; or
 - 4.3 at the MEMBER's full withdrawal; or
 - 4.4 if the FUND's total obligations towards the MEMBER has been transferred to another APPROVED RETIREMENT ANNUITY FUND; or
 - 4.5 if an ANNUITY as contemplated in Part 7 RULE 2 is purchased and the FUND has transferred the benefits to the INSURER and, if applicable, has paid any balance to the MEMBER directly; or
 - 4.6 at the dissolution of the FUND, whichever event occurs first.

Provision of information

5. When required by the BOARD a MEMBER or DEPENDANT or NOMINEE must produce a birth certificate, ID document or other satisfactory evidence of age and must give the BOARD such other information with regard to circumstances which the BOARD may consider relevant or requires for the purpose of the FUND.
6. If a MEMBER or DEPENDANT or NOMINEE fails to comply with RULE 5 the BOARD may withhold payment of a benefit due to or in respect of him until the provisions are complied with.
7. The FUND will not be liable for any loss sustained by a MEMBER, NOMINEE or DEPENDANT arising from any misstatements or errors or omissions in any information supplied.

PART 5 : CONTRIBUTIONS

Member contributions

- 1 Each MEMBER shall make contributions to the FUND at such rate and intervals as set by the Board from time to time.
- 2 A MEMBER shall have the right at any time to make a contribution to the FUND in the form of a lump sum payment arising from a transfer from an EXISTING FUND.
- 3 A MEMBER may discontinue ongoing CONTRIBUTIONS by giving the FUND written notice to that effect, provided that the MEMBER may elect to resume ongoing CONTRIBUTIONS at a later date by giving written notice to the FUND.

Transfers from an EXISTING FUND

4. The amount transferred from an EXISTING FUND shall equal at least such amount on which the BOARD at their own discretion, after consultation with the ADMINISTRATOR, shall decide provided that transfers of less than the minimum amount as determined by the BOARD may be authorised by the ADMINISTRATOR under specific circumstances.

PART 6 : INVESTMENTS

1. Subject to Part 6 RULE 3, and the investment policy statement of the FUND, the ADMINISTRATOR shall invest the CONTRIBUTIONS received on behalf of the MEMBER in underlying INVESTMENTS, from the range which the FUND makes available, according to the instructions of the MEMBER and the MEMBER accepts the investment risks accompanied by his choice.
2. The ADMINISTRATOR and the FUND reserve the right to direct all investment instructions in respect of investment funds, including investment funds with offshore exposure, that are closed for new business, to a money market fund.
3. INVESTMENTS must at all times comply with the ACT and regulation 28 promulgated thereunder. The FUND reserves the right to change the asset composition of INVESTMENTS at any time in order to ensure compliance with the prescribed requirements.
4. The FUND is the owner of the INVESTMENTS it took out in respect of the MEMBER. INVESTMENTS will be registered in the name of the FUND or an APPROVED NOMINEE.
5. The INVESTMENTS so purchased will be administered by the ADMINISTRATOR.
6. The MEMBER may, after initial procurement of INVESTMENTS, instruct the BOARD in writing and in such form as the BOARD may require, to deal with such INVESTMENTS and the BOARD shall act strictly in accordance with such instructions, subject to the provisions of the ACT and these RULES.
7. The BOARD will maintain a record in respect of each individual MEMBER which will reflect all items of income and expenditure relative to a MEMBER's INVESTMENTS. A copy of such record will be available to MEMBERS on request.

Expenses

8. An upfront amount as disclosed in the MEMBER APPLICATION related to such EXPENSES as may be decided by the BOARD from time to time will be deducted from all CONTRIBUTIONS and the net amount of the CONTRIBUTIONS will be invested in the investment portfolio(s) selected by the MEMBER.
9. An ongoing amount, as disclosed on the MEMBER APPLICATION and related to such EXPENSES as may be decided by the BOARD from time to time, will be allocated to each

MEMBER from time to time and the MEMBER'S SHARE will be adjusted accordingly.

10. Any extraordinary expenses incurred by the FUND in relation to the payment of a specific MEMBER's benefit entitlement in terms of these RULES will be deducted from that MEMBER'S SHARE and the net MEMBER'S SHARE will be regarded as the benefit payable.

PART 7 : RETIREMENT BENEFITS

Retirement date

1. A MEMBER shall be required to elect and indicate to the FUND his planned RETIREMENT DATE. Prior to reaching the planned RETIREMENT DATE, a MEMBER must affirm his elected RETIREMENT DATE in writing to the FUND, failing which the MEMBER's RETIREMENT DATE will be postponed until such time that his RETIREMENT DATE has been affirmed to the FUND in writing. A MEMBER may change his RETIREMENT DATE by giving the TRUSTEES reasonable notice thereof in writing.

Benefit at retirement

2. A MEMBER's retirement benefit when he reaches his RETIREMENT DATE or when the BOARD is satisfied based on medical evidence, that he has become permanently disabled, through infirmity of body or mind, of carrying on his occupation is an ANNUITY purchased with the underlying INVESTMENTS held by the FUND in respect of the MEMBER. By applying to the FUND prior to his becoming entitled to the ANNUITY, the MEMBER may convert a part, but not exceeding one-third, of the ANNUITY into a lump sum payment. .
3. If the value of the INVESTMENTS that become available in respect of a MEMBER is less than or equal to the maximum ANNUITY that may be commuted in full in terms of statutory measures, the full underlying value may be commuted.
4. The value of the INVESTMENTS will be ascertained once the MEMBER has confirmed in writing the RETIREMENT DATE. Any risk as a result of movements of the markets between the RETIREMENT DATE indicated and the date on which the FUND receives the complete written confirmation (with the detail required by the ADMINISTRATOR) of the MEMBER's RETIREMENT DATE, will be carried by the MEMBER.

Payment of ANNUITY

5. The ANNUITY referred to in this Part must be purchased from an INSURER selected by the MEMBER with the MEMBER as owner of the ANNUITY.
6. The FUND's liability towards the MEMBER after retirement is limited to the conclusion of a contract with the INSURER for the payment of the ANNUITY directly to the MEMBER.
7. Once the FUND has made payment to the INSURER and, if applicable, has paid any balance of the benefits directly to the MEMBER in cash, the FUND will have no further obligation towards the MEMBER.

8. More than one ANNUITY may be purchased on behalf of the MEMBER within the limits laid down by the South African Revenue Service.

PART 8 : DEATH BENEFITS

Benefit payable upon death prior to retirement

1. If a MEMBER dies before becoming entitled to a retirement benefit in terms of Part 7, the INVESTMENTS held by the BOARD in respect of the MEMBER which are not in a money market fund shall be transferred by the FUND to a money market fund within such time after the date on which the FUND receives notice of the death of the MEMBER in line with the ADMINISTRATOR's usual business process. However, if a MEMBER had instructed the FUND before his death in writing not to transfer the UNITS held on his behalf to a money market fund, the FUND shall honour the instructions of the MEMBER.
2. Upon the death of a MEMBER, there will be payable an ANNUITY equal to that which may be purchased with the MEMBER'S SHARE or that part of the MEMBER'S SHARE allocated to a DEPENDANT or NOMINEE in terms of section 37C of the ACT. The allocation of the aforementioned benefit will be dealt with in terms of the provisions of Part 8, RULES 8 and 9 below, provided that a DEPENDANT or NOMINEE may elect to receive the entire allocation or part thereof as a lump sum benefit, subject to income tax legislation.
3. The ANNUITY so purchased must be purchased from a registered INSURER selected by the DEPENDANT or NOMINEE and will be purchased with the DEPENDANT and/or NOMINEE, as the case may be, as owner of the ANNUITY.
4. The FUND's liability is limited to the conclusion of a contract with the relevant registered INSURER in terms of which the registered INSURER on receipt of payment by the FUND for the benefit of the DEPENDANT and/or NOMINEE, will accept an application by the DEPENDANT and/or NOMINEE for an ANNUITY which is payable to him directly.
5. Once the FUND has made payment to the registered INSURER and, if applicable, has paid any balance of the benefits directly to the DEPENDANT or NOMINEE in cash, the FUND will have no further obligation towards the DEPENDANT or NOMINEE.
6. More than one ANNUITY may be purchased on behalf of an individual within the limits laid down by the South African Revenue Service.

Payment of benefits

7. Subject to the prescriptions laid down by the FUND, a MEMBER may, in writing designate a NOMINEE to be considered by the BOARD, (and revoke such a designation in writing), to receive the benefits at his death.
8. The benefits payable to the DEPENDANTS of a deceased MEMBER in terms of

provisions contained elsewhere in the RULES, shall, notwithstanding those provisions, be paid by the FUND as follows:

- 8.1 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 8.3 below, the benefit shall be paid to such DEPENDANT or, in such proportions as may be deemed equitable by the BOARD, to such DEPENDANTS.
 - 8.2 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 his 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.
 - 8.3 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 the FUND shall within twelve months of the death of such MEMBER pay the benefit or such portion thereof to such DEPENDANT or NOMINEE or to both of them in such proportions as the TRUSTEES may deem equitable.
 - 8.4 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.
9. Any payment to be made to a person in terms of the RULES, shall be deemed to be a payment to such a person, if payment is made to:
 - 9.1 a trustee as contemplated in the Trust Property Control Act 1988, and nominated by:
 - 9.1.1 the MEMBER; or
 - 9.1.2 a major DEPENDANT or NOMINEE, subject to 9.1.3 or;
 - 9.1.3 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; or

9.2 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

9.3 a BENEFICIARY FUND registered under the ACT.

10. If a benefit becomes payable in terms of the RULES and the RULES do not require elsewhere that the benefit be paid in the form of an ANNUITY or a lump sum the FUND shall, notwithstanding any provision to the contrary, come to an agreement with the MEMBER, DEPENDANT or NOMINEE as to the form, whether by way of an ANNUITY or a lump sum, in which the benefit shall be paid. If no agreement has been reached after three months the BOARD will decide whether the benefit shall be paid by way of an ANNUITY or a lump sum.
11. 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.

PART 9 : ILL HEALTH EARLY RETIREMENT

Benefit payable upon disablement

1. If the BOARD is satisfied, based on medical evidence, that a MEMBER has become permanently disabled, through infirmity of body or mind of carrying on his occupation, prior to attaining age 55 or such date as may be specified by legislation, such MEMBER may become entitled to an early retirement benefit from the FUND as contemplated in Part 7.

PART 10: WITHDRAWAL BENEFIT

1. In the event that a MEMBER discontinues his ongoing CONTRIBUTIONS to the FUND in terms of Part 5 RULE 3 he may elect to receive his benefit in the form of a lump sum if the benefit is less than an amount determined from time to time by the Minister of Finance. Should the MEMBER'S SHARE at any time fall below the minimum amount determined from time to time by the Minister of Finance, he may elect to receive his benefit in the form of a lump sum.
2. A MEMBER shall be entitled to payment of a lump sum benefit (contemplated in paragraph 2(b)(ii) of the Second Schedule to the INCOME TAX ACT) where that MEMBER emigrated from the Republic and that emigration is recognised by the South African Reserve Bank for purposes of exchange control.
3. In the event of a withdrawal of a MEMBER as contemplated in Part 10, RULE 1 and RULE 2 above, the payment of the MEMBER's benefit will be subject to the applicable tax.

Transfers to another fund

4. Subject to written request of a MEMBER and subject further to the provisions of sections 14 of the ACT, if applicable, the BOARD may, within a reasonable period of receiving the MEMBER's written request, transfer the MEMBER'S SHARE to another APPROVED RETIREMENT ANNUITY FUND and subject to the conditions laid down by the APPROVED RETIREMENT ANNUITY FUND.
5. The BOARD may transfer, at the written request of the spouse of a MEMBER in respect of whom a deduction applied in terms of Section 37D(1)(d)(i) of the ACT the amount of the MEMBER SHARE or minimum individual reserve so assigned, or a portion thereof, to such an EXISTING FUND as may be specified in the INCOME TAX ACT on behalf of the spouse.
6. Once the transfer has been effected in terms of this Part 10, the FUND will have no further liability to or in respect of the former MEMBER and his DEPENDANTS and/or NOMINEES.

PART 11 : GENERAL PROVISIONS

Benefits inalienable

1. Save to the extent permitted by the ACT, the RULES, the INCOME TAX ACT, and the Maintenance Act, 1998, no benefit provided for in the RULES (including an ANNUITY purchased or to be purchased by the FUND from an INSURER for a MEMBER), or right to such benefit, or right in respect of CONTRIBUTIONS made by or on behalf of a MEMBER, shall be capable of being reduced, transferred or otherwise ceded, or of being pledged or hypothecated, or be subject to attachment or any form of execution under a judgment or order of a court of law, or to the extent of not more than three thousand rand per annum, be capable of being taken into account in a determination of a judgment debtor's financial position in terms of section 65 of the Magistrates' Courts Act, 1944, and in the event of the MEMBER or beneficiary concerned attempting to transfer or otherwise cede or to pledge or hypothecate such benefit or right, the FUND may withhold or suspend payment of it. 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 during such period as it may determine.
2. If the estate of any person entitled to a benefit payable in terms of the RULES, including an ANNUITY purchased by the FUND from an INSURER for that person, is sequestrated or surrendered, such benefit shall not be deemed to form part of the assets in the insolvent estate of that person and may not in any way be attached or appropriated by the trustee in his insolvent estate or by his creditors.
3. Any benefit payable regarding a deceased MEMBER by the FUND shall not form part of the assets in the estate of such a MEMBER.

Surety

4. The FUND will not grant a loan to a MEMBER by way of investment of its funds or furnish a guarantee to enable a MEMBER to acquire immovable property as set out in Section 19(5) of the ACT.

Currency

5. All CONTRIBUTIONS or benefits payable to or by the FUND in terms of the RULES shall be payable in the legal tender of the Republic of South Africa.

Unclaimed benefits

6. Any UNCLAIMED BENEFIT will be transferred to an UNCLAIMED BENEFIT FUND.

Binding force of the rules

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

Interpretation of Rules and disputes

8. The decision of the BOARD as to the meaning of or interpretation of the RULES or part of a RULE shall be binding on the MEMBERS and every person claiming to be entitled to a benefit under the RULES, subject to the provisions of Section 30A of the ACT.
9. If a dispute arises between the FUND and a MEMBER or a beneficiary in respect of the interpretation of these RULES, the administration of the FUND, the payment of a benefit, a decision of the BOARD or any other related matter, the MEMBER or beneficiary may lodge a written complaint with the PRINCIPAL OFFICER.
10. Within thirty days of receipt of the complaint the FUND must answer in writing. If the complainant is not satisfied with the FUND's answer and the complaint is a complaint as defined in the ACT, the complainant can refer the complaint to the Pension Funds Adjudicator for a decision.

Inspection of and copies of documents of the Fund

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

Dissolution of the Fund

12. The BOARD, in consultation with the ADMINISTRATOR, may at any time close the FUND to new MEMBERS or dissolve the FUND.
13. The BOARD shall give notice to the MEMBERS of their intention to have the FUND dissolved.
14. The BOARD shall appoint a liquidator, which appointment shall be subject to the approval of the REGISTRAR, and the period of liquidation shall be deemed to commence as from the date of such approval.
15. During such liquidation the provisions of the ACT shall continue to apply to the FUND as if the liquidator were the BOARD.

16. The liquidator shall as soon as may be possible deposit with the REGISTRAR the preliminary accounts prescribed by regulation, signed and certified by him as correct, showing the assets and liabilities of the FUND at the commencement of the liquidation and the manner in which it is proposed to realize the assets and to discharge the liabilities, including any liabilities and contingent liabilities to or in respect of MEMBERS.
17. In discharging the liabilities and contingent liabilities to or in respect of MEMBERS full recognition shall be accorded to:
 - 17.1 the rights and reasonable benefit expectations of the persons concerned;
 - 17.2 additional benefits the payment of which by the FUND has become an established practice.

Amendment to the rules

18. The BOARD, in consultation with the ADMINISTRATOR, may amend the RULES at any time, provided that:
 - 18.1 the approval of the REGISTRAR and the COMMISSIONER is obtained;
 - 18.2 the amendment is not contrary to the ACT or the INCOME TAX ACT;
 - 18.3 within 60 (sixty) days of the passing of the resolution effecting an amendment to the RULES, the PRINCIPAL OFFICER shall submit the amendment to the RULES to the REGISTRAR in the prescribed format and with the prescribed documents.
19. Should legislative amendments or regulatory requirements call for the immediate amendment of the RULES the amendment will apply with effect from the effective date of such legislation or regulatory requirements, notwithstanding the fact that the RULE amendments may not be effected immediately. The BOARD must ensure that the RULES are amended within a reasonable time of such amendments taking effect in order that the RULES reflect the correct legislative position.