

PRIVATE SECURITY SECTOR PROVIDENT FUND

REVISED RULES

Consolidated version 2

Note that if these rules and the registered rules and amendments differ, the registered versions will apply. This consolidated set is merely for the convenience of the fund.

Key: **Amendment 1 in yellow**
 Amendment 2 in green
 Amendment 3 in grey

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1. GENERAL

1.1. Name

A fund known as the Private Security Sector Provident Fund (“the FUND”) was established in terms of Sectoral Determination 3: Private Security Sector, South Africa, published under Government Gazette Notice R.196 of 25 February 2000 and amended by Government Notice R306 on the 30 March 2001, as amended from time to time.

1.2. Registered Office

The registered office of the FUND is at Mezzanine, Metropolitan Building, 108 Cnr Rissik & Fox Streets, Johannesburg, 2000.

1.3. Object of the FUND

The object of the FUND is, in terms of these RULES, to provide retirement and other benefits for employees and former employees of the EMPLOYERS, and benefits in the event of their death or disability.

1.4. Legal Capacity

The FUND, in its own name, shall be capable in law of suing and of being sued and of acquiring, holding and alienating property, movable and immovable. It will be capable of doing all things that may be necessary for or incidental to the exercise of its powers or the performance of its functions in terms of the RULES and the ACT.

1.5. Registration

These RULES will become effective from the date of registration of the RULES by the REGISTRAR.

2. DEFINITIONS

In these RULES words defined in the ACT and not in the RULES shall have the meanings assigned to them in the ACT and, unless inconsistent with the context, all words and expressions signifying the singular shall include the plural and vice versa, words and expressions implying the masculine gender shall include the feminine, and the following words and expressions shall have the following meanings:

ACCOUNT shall mean the BENEFITS PAYABLE ACCOUNT, the DATA RESERVE ACCOUNT, the EXPENSE RESERVE ACCOUNT, the MEMBER SHARE ACCOUNT, the SELF-INSURANCE

ACCOUNT, the UNALLOCATED CONTRIBUTIONS ACCOUNT and/or the UNCLAIMED BENEFITS ACCOUNT, as the context indicates.

ACT shall mean the Pension Funds Act, 1956 and the regulations, conditions and directives promulgated in terms of the Pension Funds Act, 1956, including any amendments or replacement legislation which may be effective from time to time, as well as any subordinate legislation, other than that mentioned, applicable to the Pension Funds Act, 1956.

ACTUARY shall mean a natural person appointed as the actuary of the FUND by the TRUSTEES in terms of these RULES, who must be a fellow member of the Actuarial Society of South Africa or any other institution approved by the REGISTRAR by notice in the Government Gazette.

ADMINISTRATORS shall mean the person or organisation, registered by the REGISTRAR in terms of Section 13B of the ACT, who has been appointed by the TRUSTEES to administer the FUND in terms of these RULES.

~~**ANNUAL FUND SALARY** shall mean the FUND SALARY multiplied by a factor of 12 (twelve) in order to calculate the MEMBER'S ANNUAL FUND SALARY for the determination of the benefits payable in terms of RULE 5.3.~~

~~**ANNUAL RISK SALARY** shall mean in respect of a MEMBER the RISK SALARY multiplied by a factor of 12 (twelve) to calculate the MEMBER'S ANNUAL RISK SALARY for the determination of the benefits payable in terms of RULE 6.~~

APPROVED PENSION FUND shall mean a fund registered in terms of the ACT and approved as a pension fund by the REVENUE AUTHORITIES or by the REGISTRAR on behalf of the REVENUE AUTHORITIES.

APPROVED PENSION PRESERVATION FUND shall mean a fund registered in terms of the ACT and approved as a pension preservation fund by the REVENUE AUTHORITIES or by the REGISTRAR on behalf of the REVENUE AUTHORITIES.

APPROVED PROVIDENT FUND shall mean a fund registered in terms of the ACT and approved as a provident fund by the REVENUE AUTHORITIES or by the REGISTRAR on behalf of the REVENUE AUTHORITIES.

APPROVED PROVIDENT PRESERVATION FUND shall mean a fund registered in terms of the ACT and approved as a provident preservation fund by the REVENUE AUTHORITIES or by the REGISTRAR on behalf of the REVENUE AUTHORITIES.

APPROVED RETIREMENT ANNUITY FUND shall mean a fund registered in terms of the ACT and

approved as a retirement annuity fund by the REVENUE AUTHORITIES or by the REGISTRAR on behalf of the REVENUE AUTHORITIES.

AUDITOR shall mean an auditor registered in terms of the Auditing Profession Act, 2005 who is appointed by the TRUSTEES in terms of these RULES and whose appointment is approved by the REGISTRAR as envisaged in the ACT.

BENEFITS PAYABLE ACCOUNT shall mean the ACCOUNT referred to in RULE 4.5.

CATASTROPHE COVER shall mean cover taken by the FUND with a REGISTERED INSURER to protect the FUND in the event of payment of multiple death and disability claims as a result of the happening of a single external event.

CCMA shall mean the Commission for Conciliation, Mediation & Arbitration, a dispute resolution body established in terms of the Labour Relations Act, 1995.

DATA RESERVE ACCOUNT shall mean the ACCOUNT referred to in RULE 4.6.

DISABILITY BENEFIT shall mean the benefit referred to in RULE 6.2.2 other than the retirement benefit referred to in RULE 5.1.1.

~~**DORMANT MEMBER** shall mean any MEMBER who is no longer an ELIGIBLE EMPLOYEE and who is regarded as a DORMANT MEMBER in accordance with the provisions of RULE 7.2.~~

DORMANT MEMBER shall mean a MEMBER who was regarded as a DORMANT MEMBER in accordance with the RULES as they applied immediately prior to the date of registration of this amendment and whose benefit is retained in the BENEFITS PAYABLE ACCOUNT.

DEPUTY PRINCIPAL OFFICER shall mean the deputy principal officer of the FUND appointed in accordance with these RULES and, if applicable, the provisions of the ACT.

ELIGIBLE EMPLOYEE shall mean each person who is in the employment of an EMPLOYER in the PRIVATE SECURITY SECTOR and who:

- (a) is regarded as an employee in terms of the SECTORAL DETERMINATION and the Labour Relations Act, 1995;
- (b) has not reached the NORMAL RETIREMENT DATE;
- (c) is not a member of another retirement fund providing retirement benefits which was set up in terms of an agreement under the Labour Relations Act, 1956 or in terms of a collective agreement concluded in council in terms of the Labour Relations Act, 1995,

excluding any person who is employed by an EMPLOYER that has been granted exemption to participate in the FUND by the TRUSTEES in terms of RULE 3.2.8.

EMPLOYER shall mean any person that is regarded as an employer in terms of the SECTORAL DETERMINATION and the Labour Relations Act, 1995, who employs or provides work for any person in the PRIVATE SECURITY SECTOR and remunerates such person, or who permits any person in any manner to assist in the carrying on or conducting of the EMPLOYER'S business, and any other organisation included in the FUND, by agreement between the EMPLOYER and the TRUSTEES, whose employees participated in the FUND; employ and employment have corresponding meanings.

EMPLOYER ORGANISATION shall mean an employer's organization registered in terms of the Labour Relations Act, 1995, which has members who fall within the scope of the SECTORAL DETERMINATION, which qualifies to appoint an EMPLOYER TRUSTEE in terms of RULE 12.4.2 and which has lodged with the FUND its registered constitution.

EMPLOYER TRUSTEE shall mean a TRUSTEE appointed in terms of RULE 12.4.

EXPENSE RESERVE ACCOUNT shall mean the ACCOUNT referred to in RULE 4.7.

FINANCIAL YEAR shall mean the 12 (twelve) month period commencing on 1 March each year and ending on the last day of February of the following year.

FREE-COVER LIMIT shall mean in respect of a benefit payable in terms of RULE 6.1.1.1, the maximum amount as may be determined by the TRUSTEES from time to time in terms of which proof of the MEMBER'S good health does not have to be submitted.

FUND shall mean the PRIVATE SECURITY SECTOR PROVIDENT FUND.

FUND CREDIT shall mean in respect of each MEMBER, including a DORMANT MEMBER, the amount to the credit of the MEMBER'S MEMBER SHARE ACCOUNT or to the MEMBER'S credit in the UNCLAIMED BENEFITS ACCOUNT or the BENEFITS PAYABLE ACCOUNT, as the case may be, and includes, where applicable, the INSURED DEATH BENEFIT or the DISABILITY BENEFIT.

FUND SALARY shall mean an amount calculated as follows:

$A \times B \times 4.333$

Where

A = the MEMBER'S ordinary hourly rate of pay applicable to Grades A, B, C or D and other

~~such categories as may exist, as per the SECTORAL DETERMINATION, and any subsequent amendments thereto.~~

~~B — the maximum number of hours a MEMBER, as categorised by Grades A, B, C or D and other such categories as may exist, is permitted to work at the ordinary rate of pay as per the SECTORAL DETERMINATION and any subsequent amendments thereto, or such lesser number of hours as may be agreed in writing between the EMPLOYER and the MEMBER or any reduced maximum ordinary hours an employee may work that may be legislated in terms of the SECTORAL DETERMINATION or the Basic Conditions of Employment Act, 1997, whichever is applicable, however subject to the contribution schedule submitted by the EMPLOYER in terms of section 13A of the ACT.~~

~~FUND SALARY shall be determined on the first day of each month of membership of the FUND. If a MEMBER dies while in SERVICE, the provisions of RULE 6.1.5 will apply to the determination of FUND SALARY.~~

FUND SALARY shall mean in respect of a MEMBER, his monthly earnings as advised to the FUND by the EMPLOYER.

FUND SERVICE shall mean the total period of SERVICE with any of the EMPLOYERS within the PRIVATE SECURITY SECTOR during which contributions were made to the FUND including membership with any other APPROVED PENSION FUND or APPROVED PROVIDENT FUND if monies have been transferred from such fund to the FUND.

FUNERAL BENEFIT shall mean the benefit payable by a funeral benefit service provider in terms of the SECTORAL DETERMINATION. The FUNERAL BENEFIT is not a benefit payable by the FUND.

INDEPENDENT TRUSTEE shall mean a TRUSTEE who:

- (a) is neither a representative of or employed by nor renders services to any EMPLOYER, EMPLOYER ORGANISATION or UNION or to any service provider to the FUND, unless the provision of such services to or employment by such a service provider has been agreed by the other TRUSTEES;
- (b) has the requisite skills and experience;
- (c) is not a representative, either at the time of appointment or at any time during the TRUSTEE'S appointment as TRUSTEE, of any EMPLOYER ORGANISATION or UNION.

INSURED DEATH BENEFIT shall mean the benefit referred to in RULE 6.1.1.1.

INVESTMENT RETURN shall mean any income (received or accrued) and capital gains and losses (realized or unrealized) attributable to the assets of the FUND, net of expenses and tax charges associated with the acquisition, holding or disposal of those assets; provided that:

- (a) Where such income, capital gains and losses can be attributed to the assets backing the amount to the credit of any ACCOUNT then such INVESTMENT RETURN must be attributed to that ACCOUNT;
- (b) In the case of INVESTMENT RETURN to be allocated to ACCOUNTS other than the BENEFITS PAYABLE ACCOUNT, the MEMBER SHARE ACCOUNT or the UNCLAIMED BENEFITS ACCOUNT, such INVESTMENT RETURN may be reduced by such amounts as the TRUSTEES, acting on the advice of the ACTUARY, may decide to allocate to the EXPENSE RESERVE ACCOUNT from time to time;
- (c) Where such income, capital gains and losses cannot be attributed to the assets backing the amount to the credit of an ACCOUNT then such income, capital gains and losses must be allocated amongst the ACCOUNTS on such basis as the TRUSTEES consider equitable after taking account of the advice of the ACTUARY;
- (d) The calculation of INVESTMENT RETURN will be done by the ACTUARY on a monthly basis in arrears and should that calculation not be available for the month prior to a MEMBER'S exit, the FUND CREDIT will be allocated an INVESTMENT RETURN for that month based on an interim rate determined by the TRUSTEES, on the advice of the ACTUARY, from time to time.

MAXIMUM CAPITAL DISABILITY BENEFIT shall mean in respect of a MEMBER who is entitled to a DISABILITY BENEFIT in terms of RULE 6.2.2, a maximum lump sum benefit as determined by the TRUSTEES from time to time in consultation with the ACTUARY.

MEMBER shall mean an ELIGIBLE EMPLOYEE who, having been admitted to membership of the FUND in accordance with these RULES, has not ceased to be a MEMBER in terms of these RULES.

MEMBER SHARE ACCOUNT shall mean the ACCOUNT referred to in RULE 4.8 which relates to each MEMBER but excluding a MEMBER whose FUND CREDIT has been transferred to the UNCLAIMED BENEFITS ACCOUNT or the BENEFITS PAYABLE ACCOUNT.

MEMBER TRUSTEE shall mean a TRUSTEE appointed in terms of RULE 12.3.

MONITORING PERSON shall mean the PRINCIPAL OFFICER or any person appointed by the TRUSTEES to monitor and ensure compliance with Section 13A of the ACT regarding payment of contributions.

NORMAL RETIREMENT DATE shall mean the last day of the month in which a MEMBER reaches the age of 65 (sixty-five) years.

PAID-UP MEMBER shall mean

- (a) a MEMBER who has made an election to leave his benefit in the FUND in accordance with the provisions of RULE 7.1.1.1 on termination of SERVICE for reasons other than retirement;
- (b) a MEMBER who has not made an election on termination of SERVICE but is deemed to have elected to retain his benefit in the FUND in accordance with the provisions of RULE 7.1.3; and
- (c) a MEMBER in respect of whom no contributions are received and no accurately completed claim form has been received and processed and who is therefore deemed to have left SERVICE at the commencement of the 4th (fourth) month following the month in respect of which the last contributions were received and elected to retain his benefit in the FUND as envisaged in RULE 7.2.2.1.

PREVIOUS FUND shall mean an APPROVED PENSION FUND or an APPROVED PROVIDENT FUND in which an EMPLOYER participated prior to becoming an EMPLOYER in the FUND and from which money was transferred in terms of Section 14 of the ACT.

PRINCIPAL OFFICER shall mean the principal officer of the FUND appointed in accordance with these RULES and the provisions of the ACT including the provisions of Directive No. 5 or any replacement thereof.

PRIVATE SECURITY SECTOR shall mean the sector in which EMPLOYERS and employees are associated for the purpose of guarding or protecting fixed property, premises, goods, persons or employees, including monitoring and responding to alarms at premises which are guarded by persons or by electronic means.

REGISTERED INSURER shall mean an insurer registered in terms of the Long-term Insurance Act, 1998.

REGISTRAR shall mean the Registrar or Deputy Registrar of Pension Funds referred to in the ACT.

RESPONSIBLE PERSON shall mean an employee of the ADMINISTRATORS who is responsible for receiving contributions or checking the receipt of electronic transfers into the FUND's bank account in respect of contributions payable by the EMPLOYERS in terms of these RULES.

RETIREMENT DATE shall mean the date on which a MEMBER elects to retire from the FUND and becomes entitled to an annuity and/or lump sum benefit on or after becoming entitled to retire from SERVICE in terms of these RULES 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.

REVENUE AUTHORITIES shall mean the South African Revenue Service and any other statutory revenue authority whose approval of the FUND has been obtained.

RISK BENEFIT shall mean the DISABILITY BENEFIT and/or the INSURED DEATH BENEFIT, as the context indicates.

RISK SALARY shall mean in respect of a MEMBER, his monthly FUND SALARY, provided that such monthly FUND SALARY is capped at the minimum fund salary for a Grade A employee in area 1 as set out in the SECTORAL DETERMINATION, provided further that if the capped salary is applicable in respect of a MEMBER, it will be reduced proportionately if the MEMBER is paid less than a full month's earnings in any calendar month.

RULES shall mean these rules and any amendments that may from time to time be applicable.

~~**SECTORAL DETERMINATION** shall mean the sectoral determination made for the PRIVATE SECURITY SECTOR (Sectoral Determination 3: Private Security Sector, South Africa) and amended from time to time by the Minister of Labour in terms of the provisions of the Basic Conditions of Employment Act, 1997.~~

SECTORAL DETERMINATION shall mean the sectoral determination made for the PRIVATE SECURITY SECTOR (Sectoral Determination 6: Private Security Sector, South Africa), as amended or replaced from time to time.

SELF-INSURANCE ACCOUNT shall mean the ACCOUNT referred to in RULE 4.10.

SERVICE shall mean employment with any EMPLOYER within the PRIVATE SECURITY SECTOR, as defined in the SECTORAL DETERMINATION.

TRACING AGENT shall mean an entity or person appointed by the TRUSTEES in terms of these RULES in order to assist the TRUSTEES to locate the whereabouts of any beneficiary who is entitled to a benefit in terms of these RULES.

TRUSTEE shall mean a MEMBER TRUSTEE, an EMPLOYER TRUSTEE, an INDEPENDENT TRUSTEE, or any person who, in terms of RULE 12.2.2, temporarily fills any TRUSTEE vacancy.

UNALLOCATED CONTRIBUTIONS ACCOUNT shall mean the ACCOUNT referred to in RULE 4.10.

UNCLAIMED BENEFIT shall mean:

- (a) any benefit, other than a benefit referred to in (b), (c), (d) or (e) below, not paid by the FUND to a MEMBER, former MEMBER or other beneficiary within 24 (twenty-four) months of the date on which it, in terms of the rules, became legally due and payable; or
- (b) a death benefit payable to a beneficiary under section 37C of the ACT not paid within 24 (twenty-four) months from the date on which the FUND became aware of the death of the MEMBER, or such longer period as may be reasonably justified by the TRUSTEES in writing;
- (c) in relation to a benefit payable to a former MEMBER who cannot be traced in accordance with section 15B(5)(e) of the ACT, any benefit that has become legally due and payable to the former MEMBER in terms of a surplus apportionment scheme approved in terms of the ACT, not paid to that former MEMBER within 24 (twenty-four) months of the date on which it became legally due and payable; or
- (d) any benefit that remained unclaimed or unpaid to a MEMBER, former MEMBER or other beneficiary in the event that the FUND applies for cancellation of registration in terms of section 27 of the ACT, or where the liquidator is satisfied that a benefit remains unclaimed or unpaid,
- (e) any amount that remained unclaimed or unpaid to a non-member spouse within 24 (twenty-four) months from the date of the deduction contemplated in section 37D(4)(a)(ii) of the ACT,

Excluding a benefit due to be transferred as part of a transfer of business in terms of section 14 of the ACT, where an annuity is purchased or otherwise in terms of the ACT.

UNCLAIMED BENEFITS ACCOUNT shall mean the ACCOUNT referred to in RULE 4.11.

UNCLAIMED BENEFITS FUND shall mean an APPROVED PROVIDENT PRESERVATION FUND established solely for the purpose of receiving and managing UNCLAIMED BENEFITS.

UNION shall mean a trade union registered in terms of the Labour Relations Act, 1995, which has members that fall within the scope of the SECTORAL DETERMINATION and which has lodged with the FUND its registered constitution.

3. MEMBERSHIP

3.1. Employer Participation

3.1.1. Subject to RULE 3.2.8 below, every EMPLOYER in the PRIVATE SECURITY SECTOR shall participate in the FUND with effect from the commencement of the FUND or the commencement of the EMPLOYER'S business in the PRIVATE SECURITY SECTOR, whichever is the later.

3.1.2. An EMPLOYER that has been granted an exemption from participation in the FUND as envisaged in RULE 3.3 will automatically participate in the FUND in the event of the transfer of the business or part thereof of another EMPLOYER that participates in the FUND to it, where the affected employees are MEMBERS of the FUND. Such exempted EMPLOYER'S participation in the FUND will be limited to participation in respect of the affected MEMBERS and the exemption shall, notwithstanding anything to the contrary contained elsewhere in these RULES, continue in respect of any other employees of the EMPLOYER.

3.2. Member Participation

3.2.1. Subject to RULE 3.2.8 below, each ELIGIBLE EMPLOYEE shall, as a condition of employment, become a MEMBER of the FUND with effect from the commencement of the FUND or the commencement of the EMPLOYER'S business in the PRIVATE SECURITY SECTOR, whichever is the later.

3.2.2. A MEMBER shall not be permitted to withdraw from membership while the MEMBER remains in SERVICE.

3.2.3. A MEMBER who has left SERVICE for any reason and has received all the benefits, which may be due to the MEMBER in terms of these RULES, shall cease to be MEMBER.

3.2.4. If a MEMBER is to be transferred to another APPROVED PROVIDENT FUND or APPROVED PENSION FUND in any of the circumstances envisaged in these RULES and such transfer is subject to the provisions of Section 14 of the ACT, then it is specifically provided that with effect from the effective date of such transfer, contributions in terms of RULE 3.7 shall cease and in the event of the MEMBER'S death or disablement, prior to transfer of the MEMBER'S benefit in terms of these RULES from the FUND to such other fund, the death

and DISABILITY BENEFITS referred to in RULE 6.1.1.1 and RULE 6.2.2 respectively shall not apply.

3.2.5. A MEMBER entering the PRIVATE SECURITY SECTOR for the first time or who has been out of the PRIVATE SECURITY SECTOR for more than 6 (six) months and who is not a DORMANT MEMBER nor has any value in the MEMBER SHARE ACCOUNT for any other reason, or in the UNCLAIMED BENEFITS ACCOUNT shall, for the first 4 (four) months of membership, only be entitled to the RISK BENEFITS and contributions in respect of such MEMBER will be made in accordance with the provisions of RULE 4.2.

3.2.6. After the MEMBER referred to in RULE 3.2.5 above has been a MEMBER of the FUND for 4 (four) months contributions as per RULES 4.1.1 and 4.1.2 will become payable in respect of that MEMBER and the benefits provided by the FUND in addition to RISK BENEFITS will apply.

~~3.2.7. If the FUND CREDIT of a MEMBER is reduced to zero (whether that MEMBER'S FUND CREDIT is retained in the MEMBER'S MEMBER SHARE ACCOUNT, the BENEFITS PAYABLE ACCOUNT or the UNCLAIMED BENEFITS ACCOUNT) as a result of the debits to that ACCOUNT in terms of the RULES, then the MEMBER ceases to be a MEMBER and has no claim against the FUND for any benefit unless, if still in SERVICE and if the EMPLOYER is, at the time, contributing in respect of the MEMBER in terms of RULE 0, in respect of RISK BENEFITS.~~

~~Subject to RULE 3.2.8 below, if the FUND CREDIT of a MEMBER is reduced to zero (whether that MEMBER'S FUND CREDIT is retained in the MEMBER SHARE ACCOUNT, the BENEFITS PAYABLE ACCOUNT or the UNCLAIMED BENEFITS ACCOUNT) due to debits to that ACCOUNT in terms of the RULES, then the MEMBER ceases to be a MEMBER and has no claim against the FUND for any benefit.~~

3.2.8. ~~The provisions of RULE 3.2.7 above will not apply in the case of a MEMBER in respect of whom contributions are made towards RISK BENEFITS.~~

3.3. Exemption Criteria

- 3.3.1. An EMPLOYER may apply for an exemption from the FUND provided that:
- 3.3.1.1. An EMPLOYER who prior to the publication of Government Notice No. 306 of 30 March 2001, had an existing pension or provident fund registered with the REGISTRAR covering employees for whom minimum wages are prescribed in SECTORAL DETERMINATION, as amended or replaced.
 - 3.3.1.2. An EMPLOYER who prior to the publication of Government Notice No. 306 of 30 March 2001, did not have an existing pension or provident fund registered with the REGISTRAR covering employees for whom minimum wages are prescribed in SECTORAL DETERMINATION No.3, as amended or replaced, but before 30 March 2001, the EMPLOYER and its employees have consulted in writing to commence negotiations for the establishment of a pension or provident fund for such employees.
- 3.3.2. The TRUSTEES will consider all applications for exemption from the provisions of the FUND.
- 3.3.3. Applications will be in writing and addressed to the TRUSTEES of the FUND. Applications shall comply with the following requirements:
- 3.3.3.1. Be fully motivated.
 - 3.3.3.2. Be accompanied by relevant supporting data and financial information.
 - 3.3.3.3. Applications that affect employees' conditions of SERVICE will not be considered unless the employees or their representatives have been properly consulted and their views fully recorded in an accompanying document.
 - 3.3.3.4. Indicate the period for which the exemption is required.
- 3.3.4. In considering the application the TRUSTEES shall take into consideration all relevant factors, which may include, but shall not be limited to the following criteria:
- 3.3.4.1. Any special circumstances that exist.
 - 3.3.4.2. Any precedent that may be set.
 - 3.3.4.3. The interest of the industry as regards:

- 3.3.4.3.1. Unfair competition
- 3.3.4.3.2. Collective bargaining
- 3.3.4.3.3. Potential for labour unrest
- 3.3.4.3.4. Increased employment.
- 3.3.4.4. The interest of employees as regards
 - 3.3.4.4.1. Exploitation
 - 3.3.4.4.2. Job preservation
 - 3.3.4.4.3. Sound conditions of employment
 - 3.3.4.4.4. Possible financial benefits
 - 3.3.4.4.5. Health and safety
 - 3.3.4.4.6. Infringement of basic rights
- 3.3.4.5. The interest of the employer as regards
 - 3.3.4.5.1. Financial stability
 - 3.3.4.5.2. Impact of productivity
 - 3.3.4.5.3. Future relationship with employees' trade union
 - 3.3.4.5.4. Operational requirements
- 3.3.5. If the application is granted, the TRUSTEES shall issue an exemption certificate, signed by the chairperson, containing the following particulars:
 - 3.3.5.1. The Full name of the applicant
 - 3.3.5.2. The trade name of the applicant
 - 3.3.5.3. The period for which the exemption shall operate
 - 3.3.5.4. The date of issue
 - 3.3.5.5. The conditions of the exemption granted.

- 3.3.6. If the exemption is refused the TRUSTEES shall specify its reasons for not granting the application, and which will be communicated to the applicant.
- 3.3.7. The TRUSTEES shall retain a copy of the certificate and number each certificate sequentially.
- 3.3.8. An EMPLOYER to whom a certificate of exemption has been issued shall at all times have the certificate available for inspection at his establishment.
- 3.3.9. Any application by an EMPLOYER for exemption shall in no way whatsoever affect the EMPLOYER'S obligations, nor his employees' rights, with regards to the payment of all contributions and benefits in terms of the rules of the EMPLOYER'S retirement fund and/or his employees' conditions of employment.
- 3.3.10. The provisions of this RULE 3.2.8 are subject to any determination issued in terms of the Basic Conditions of Employment Act by the Minister of Labour, which relates to the PRIVATE SECURITY SECTOR.

3.4. Exemption Renewal

3.4.1. An EMPLOYER in respect of which an existing exemption from the requirement to participate in the FUND, as envisaged in the SECTORAL DETERMINATION, is in place as at 1 May 2014 must apply for renewal of that exemption at least 60 (sixty) days prior to the expiry of the exemption certificate.

An EMPLOYER in respect of which an existing exemption from the requirement to participate in the FUND, as envisaged in the SECTORAL DETERMINATION, is in place must, annually, apply for renewal of that exemption at least 60 (sixty) days prior to the expiry of the exemption certificate. If no application for renewal is received, the exemption will lapse.

- 3.4.2. The renewal information to be supplied must contain the following:
- 3.4.2.1. MEMBERSHIP details;
 - 3.4.2.2. Contribution details in respect of above MEMBERS;
 - 3.4.2.3. Financial statements of the relevant fund.

3.5. Exemption policy

3.5.1. The TRUSTEES shall further establish and maintain an exemption policy and effectively communicate that to the EMPLOYERS and the PRIVATE SECURITY SECTOR.

3.6. Transfer of Employer's business

~~If any part of the business of an EMPLOYER is transferred to another employer in circumstances where the affected MEMBERS are also transferred in terms of section 197 of the Labour Relations Act, 1995 then, unless the transferee employer is not an EMPLOYER required to participate in the FUND in terms of any SECTORAL DETERMINATION, that transferee employer will become an EMPLOYER and the affected MEMBERS will retain their membership in the FUND. If the transferee employer is not an EMPLOYER required to participate in the FUND in terms of any SECTORAL DETERMINATION, the affected MEMBERS must be transferred to the APPROVED PROVIDENT FUND or APPROVED PENSION FUND in which that employer participates, and if that employer does not participate in an APPROVED PROVIDENT FUND or an APPROVED PENSION FUND then the affected MEMBERS must be transferred to an APPROVED PROVIDENT PRESERVATION FUND determined by the TRUSTEES in consultation with the transferee employer.~~

If the business of an EMPLOYER or any part thereof is transferred to another employer in circumstances where the affected MEMBERS are also transferred in terms of section 197 of the Labour Relations Act, 1995, the following provisions will apply:

3.6.1 If the transferee employer is required to participate in the FUND in terms of the SECTORAL DETERMINATION following the transfer of the business and is not exempt from participation in the FUND, that transferee employer will become an EMPLOYER and the affected MEMBERS will be regarded as having continued in SERVICE and will retain their membership of the FUND.

3.6.2 If the transferee employer is an EMPLOYER because it is regarded as such in terms of the SECTORAL DETERMINATION, but is exempt from participating in the FUND in terms of the provisions of RULE 3.3, the transferee employer will participate in the FUND only in respect of the affected MEMBERS. Those affected MEMBERS will be regarded as having continued in SERVICE and will retain their membership of the FUND.

3.6.3 If the transferee employer is an EMPLOYER and is not exempt from participation

in the FUND, the affected MEMBERS will be regarded as having continued in SERVICE and will retain their membership of the FUND.

3.6.4 Subject to the provisions of Rule 3.6.5 below, if the transferee employer is not required to participate in the FUND in terms of the SECTORAL DETERMINATION, the affected MEMBERS must be transferred to the APPROVED PROVIDENT FUND or APPROVED PENSION FUND in which that employer participates, subject to the provisions of section 14 of the ACT.

3.6.5 If a transferee employer that is not required to participate in the FUND in terms of the SECTORAL DETERMINATION does not participate in an APPROVED PROVIDENT FUND or an APPROVED PENSION FUND, the provisions of Rule 7 will apply and the affected MEMBERS may make an election as envisaged in Rule 7.1.1.

~~If a transferee employer is exempt from participating in the FUND in terms of the provisions of RULE 3.2.8, the transfer of part of the business of an EMPLOYER as envisaged in RULE 0 above will immediately nullify the exemption or renewal of exemption previously granted and the transferee employer will become an EMPLOYER and must participate in the FUND.~~

3.7. Appeal of Exemption Decisions

3.7.1 If an EMPLOYER whose application for exemption is refused, as envisaged in RULE 3.3.6, or an EMPLOYER whose exemption renewal referred to in RULE 3.4 is not granted, is aggrieved by the decision of the TRUSTEES, it may appeal the decision.

3.7.2 The appeal will be heard by an independent expert who is qualified to be admitted to practise as an advocate under the Admission of Advocates Act, 1964 or as an attorney under the Attorneys Act, 1979, if that person

3.7.2.1 has, for an uninterrupted period of at least 10 (ten) years, practised as an advocate or an attorney, and

3.7.2.2 is experienced in pension funds law.

3.7.3 The TRUSTEES and the aggrieved EMPLOYER must attempt to agree on the person to be appointed as the independent expert. If they are unable to agree they must request the FUND'S AUDITOR to appoint an appropriate person as the independent expert.

3.7.4 Once appointed, the independent expert will determine the process to be followed in dealing with the appeal.

3.7.5 The appeal will constitute a rehearing of the original application for exemption or renewal

and the relevant provisions of the RULES will apply.

4. CONTRIBUTIONS AND FUND ACCOUNTS

4.1. Contributions

4.1.1. Contributions by the Member

4.1.1.1. With effect from 1 September 2009, each MEMBER was required to make a monthly contribution to the FUND at the rate of 6,5% (six comma five per cent) of the MEMBER'S FUND SALARY towards the MEMBER'S retirement benefit; provided that in respect of a MEMBER whose EMPLOYER'S monthly pay cycle ended during the month of September 2009, such MEMBER commenced to contribute to the FUND at the rate of 6,5% (six comma five per cent) of the MEMBER'S FUND SALARY with effect from 1 October 2009.

4.1.1.2. The monthly contribution rose to 7% (seven per cent) of FUND SALARY with effect from 1 September 2010 and rose further to 7,5% (seven comma five per cent) of FUND SALARY with effect from 1 September 2011; provided that where the monthly pay cycle ended during the month of September the higher rate applied with effect from 1 October of the applicable year.

4.1.1.3. All MEMBERS in SERVICE must contribute to the FUND at the rate of 7,5% (seven comma five percent) of FUND SALARY. ~~All MEMBERS must contribute to the FUND at the rate of 7,5% (seven comma five per cent) of FUND SALARY.~~

4.1.1.4. A MEMBER in SERVICE may make additional voluntary contributions to the FUND. The EMPLOYER must advise the FUND of such additional voluntary contributions by a MEMBER.

4.1.1.5. The contributions by each MEMBER must be credited to the MEMBER'S MEMBER SHARE ACCOUNT.

4.1.2. Contributions by the Employer

4.1.2.1. With effect from 1 September 2009, the EMPLOYER made a monthly contribution towards the FUND in respect of each MEMBER in its SERVICE at the rate of 6,5% (six comma five per cent) of the MEMBER'S

FUND SALARY; provided that an EMPLOYER whose monthly pay cycle ended during the month of September commenced contributing at the rate of 6,5% (six comma five per cent) of the MEMBER'S FUND SALARY with effect from 1 October 2009.

4.1.2.2. The monthly contribution rose to 7% (seven per cent) of FUND SALARY with effect from 1 September 2010 and rose further to 7,5% (seven comma five per cent) of FUND SALARY with effect from 1 September 2011; provided that where the monthly pay cycle ended during the month of September the higher rate applied with effect from 1 October of the applicable year.

4.1.2.3. Each EMPLOYER must contribute to the FUND at the rate of 7,5% (seven comma five per cent) of FUND SALARY in respect of each MEMBER in its SERVICE. In addition the EMPLOYER may make additional voluntary contributions in respect of a MEMBER or group of MEMBERS **in its SERVICE**.

4.1.3. Allocation of Contributions

4.1.3.1. Contributions made by the MEMBER in terms of RULE 4.1 shall be credited to the MEMBER'S SHARE ACCOUNT.

~~Out of the amount contributed by the EMPLOYER in terms of RULE 4.1.2:~~

~~2% (two per cent) of the MEMBER'S FUND SALARY will be credited to the SELF-INSURANCE RESERVE ACCOUNT in order to fund the RISK BENEFITS, provided that in the case of MEMBERS in respect of whom the provisions of RULE 6.1.5.4 apply, it will be 2% (two per cent) of the capped FUND SALARY;~~

~~3% (three per cent) of FUND SALARY, from which shall be deducted the premiums for the FUNERAL BENEFIT, shall be credited to the EXPENSE RESERVE ACCOUNT; and~~

~~The balance shall be credited to the MEMBER SHARE ACCOUNT for the MEMBER'S retirement benefit.~~

4.1.3.2. **Out of the amount contributed by the EMPLOYER in terms of RULE 4.1.2:**

4.1.3.2.1. An amount equal to 2% (two per cent) of the MEMBER'S RISK SALARY will be credited to the SELF-INSURANCE RESERVE ACCOUNT to fund the RISK BENEFITS,

4.1.3.2.2. Such percentage of FUND SALARY as may be determined from time to time by the TRUSTEES after consultation with the ACTUARY, from which shall be deducted the premiums for the FUNERAL BENEFIT, shall be credited to the EXPENSE RESERVE ACCOUNT, and

4.1.3.2.3. The balance shall be credited to the MEMBER SHARE ACCOUNT for the MEMBER'S retirement benefit.

4.1.3.3. If any amount which appears in the bank account of the FUND cannot, within 90 (ninety) days of receipt thereof, be reconciled with a contribution schedule submitted by an EMPLOYER then such amount shall be credited to the UNALLOCATED CONTRIBUTIONS ACCOUNT. If that amount is subsequently reconciled with a contribution schedule submitted by an EMPLOYER, then the UNALLOCATED CONTRIBUTION ACCOUNT must be debited with that amount which must then be credited to the relevant MEMBER SHARE ACCOUNT, the EXPENSE RESERVE ACCOUNT, the SELF-INSURANCE ACCOUNT and, if applicable, the UNCLAIMED BENEFITS ACCOUNT. If it is apparent that the amount deposited into the FUND'S bank account was erroneously deposited, then upon the TRUSTEES being satisfied that the depositor must be refunded that amount, if this amount has been credited to the UNALLOCATED CONTRIBUTIONS ACCOUNT, it must, when payment is made to the depositor, be debited against this ACCOUNT.

4.2. Reduced Contributions

~~A MEMBER entering the PRIVATE SECURITY SECTOR for the first time or who has been out of the PRIVATE SECURITY SECTOR for more than 6 (six) months shall, for the first 4 (four) months of MEMBERSHIP, only be entitled to the RISK BENEFITS.~~

~~Notwithstanding anything to the contrary contained elsewhere in these RULES, the total contribution to the FUND by the EMPLOYER in respect of such a MEMBER and the MEMBER will be the amounts referred to in RULE 0 and RULE 4.1.3.2. The amount of such contributions, excluding the amount that~~

~~represents the premium for the FUNERAL BENEFIT, shall be borne in equal shares by the MEMBER and the EMPLOYER. In addition the EMPLOYER will contribute that part of the contribution referred to in RULE 4.1.3.2 which represents the premium for the FUNERAL BENEFIT and such amount will be deducted from the total contribution paid to the FUND by the EMPLOYER.~~

~~Notwithstanding anything to the contrary contained elsewhere in these RULES, the total contributions to the FUND by the EMPLOYER in respect of a MEMBER referred to in RULE 0 will be an amount of 5% (five per cent) of the MEMBER'S FUND SALARY which will be dealt with in accordance with the provisions in RULE 0 and RULE 4.1.3.2.~~

~~Notwithstanding anything to the contrary contained elsewhere in these RULES, the total contributions to the FUND by the EMPLOYER in respect of a MEMBER who is on unapproved leave will be an amount of 2,5% (two comma five per cent) of the MEMBER'S FUND SALARY, from which shall be deducted the premiums for the FUNERAL BENEFIT, if any. Any balance will be allocated between the ACCOUNTS referred to in RULE 0 and RULE 4.1.3.2, as decided by the TRUSTEES, after consultation with the ACTUARY.~~

4.2.1. A MEMBER in SERVICE who has entered the PRIVATE SECURITY SECTOR for the first time or who has been out of the PRIVATE SECURITY SECTOR for more than 6 (six) months shall, for the first 4 (four) months of membership of the FUND, only be entitled to the RISK BENEFITS.

4.2.2. The total contribution to the FUND in respect of a MEMBER referred to in RULE 4.2.1 above will be 5% (five per cent) of the MEMBER'S FUND SALARY. The EMPLOYER will contribute 2,5% (two and a half percent) of the MEMBER'S FUND SALARY and the MEMBER will contribute 2,5% (two and a half percent) of the MEMBER'S FUND SALARY. The contributions will be allocated as follows:

4.2.2.1. An amount equal to 2% (two per cent) of the MEMBER'S RISK SALARY will be credited to the SELF-INSURANCE RESERVE ACCOUNT to fund the RISK BENEFITS, and

4.2.2.2. The balance, from which shall be deducted the premiums for the FUNERAL BENEFIT, shall be credited to the EXPENSE RESERVE ACCOUNT.

4.2.3. Notwithstanding anything to the contrary contained elsewhere in these RULES and subject to the provisions of RULE 8.2, a MEMBER in SERVICE who is on approved

temporary absence without pay for 1 (one) month or more will not be required to contribute to the FUND. His EMPLOYER will be required to contribute a monthly amount of 5% (five per cent) of the MEMBER'S most recent FUND SALARY which will be allocated as follows:

4.2.3.1. An amount equal to 2% (two per cent) of the MEMBER'S RISK SALARY will be credited to the SELF-INSURANCE RESERVE ACCOUNT to fund the RISK BENEFITS, and

4.2.3.2. The balance, from which shall be deducted the premiums for the FUNERAL BENEFIT, shall be credited to the EXPENSE RESERVE ACCOUNT.

4.2.4. Notwithstanding anything to the contrary contained elsewhere in these RULES, the total contributions to the FUND by the EMPLOYER in respect of a MEMBER in SERVICE who is on unauthorised absence without pay for 1 (one) month or more will be an amount of 2,5% (two comma five per cent) of the MEMBER'S FUND SALARY which will be allocated as follows:

4.2.4.1. An amount equal to 2% (two per cent) of the MEMBER'S RISK SALARY will be credited to the SELF-INSURANCE RESERVE ACCOUNT to fund the RISK BENEFITS, and

4.2.4.2. The balance, from which shall be deducted the premiums for the FUNERAL BENEFIT, shall be credited to the EXPENSE RESERVE ACCOUNT.

4.3. Payment of Contributions

4.3.1. The MEMBER'S contributions in terms of RULE 4.1 or RULE 0 shall be deducted by the MEMBER'S EMPLOYER from the MEMBER'S salary or wages and must, together with the EMPLOYER'S contributions in terms of RULE 4.1.2 or RULE 4.2, be paid to the FUND monthly in arrears.

4.3.2. The EMPLOYER shall ensure that the contributions referred to in RULE 4.3.1 are paid to the FUND within 7 (seven) days of the end of the calendar month in respect of which the contributions are payable. The EMPLOYER shall also ensure that the minimum information prescribed under Regulation 33(1) to the ACT regarding payment of contributions is furnished to the FUND within 15 (fifteen) days after the end of the month in respect of which contributions are payable. Should the EMPLOYER fail to comply with the provisions of this RULE, the following shall apply:

~~The EMPLOYER shall be required to pay interest on those contributions at a rate prescribed in the ACT from time to time. Any such interest shall constitute INVESTMENT RETURN for the FUND.~~

- 4.3.2.1. **The EMPLOYER shall be required to pay interest on those contributions at the rate prescribed in terms of the ACT from time to time. 2/3 (two-thirds) of the interest will be regarded as INVESTMENT RETURN earned on the contributions and both the relevant contributions and the prescribed interest paid will be allocated to the relevant MEMBER SHARE ACCOUNTS as at date of receipt.**
- 4.3.2.2. Where failure to pay contributions has continued for more than the period referred to in the opening paragraph of this RULE 4.3.2, the FUND shall not be liable for payment of any benefit payable in terms of these RULES which would have been secured by the contributions that were not paid to the FUND; provided that the TRUSTEES shall take all reasonable steps in ensuring that contributions are paid to the FUND and the interests of the MEMBERS are protected in terms of these RULES and the ACT, in particular Section 13A of and Regulation 33 to the ACT.
- 4.3.2.3. Should the FUND not be liable to pay any benefits to the MEMBER in terms of RULE 4.3.2.2 above, the TRUSTEES may assist the MEMBER to recover from the EMPLOYER the amount of the benefit that the MEMBER would have received had the EMPLOYER paid the contributions to the FUND in terms of these RULES.
- 4.3.2.4. The RESPONSIBLE PERSON shall report to the MONITORING PERSON:
- 4.3.2.4.1. outstanding contributions within 15 (fifteen) days from the end of the 7 (seven) day period referred to in the opening paragraph of the RULE 4.3.2; and
 - 4.3.2.4.2. non-transmission of minimum information within the 15 (fifteen) day period referred to in the opening paragraph of this RULE 4.3.2.
- 4.3.2.5. The MONITORING PERSON shall then in writing report the matter to the TRUSTEES within 7 (seven) days after receipt of the report referred to in RULE 4.3.2.4 above.

- 4.3.2.6. After receipt of the report, the TRUSTEES shall within a reasonable period instruct the MONITORING PERSON to inform those MEMBERS of the FUND in respect of whom the contributions are outstanding.
- 4.3.2.7. Where failure to transmit contributions has continued for 90 (ninety) days, the MONITORING PERSON shall advise the REGISTRAR accordingly.
- 4.3.2.8. The above reporting requirements will be subject to the conditions that may be prescribed by the REGISTRAR from time to time.
- 4.3.3. If any amount which appears in the bank account of the FUND cannot within 90 (ninety) days of receipt thereof be reconciled with a contribution schedule submitted by an EMPLOYER then such amount must be credited to the UNALLOCATED CONTRIBUTIONS ACCOUNT. If that amount is subsequently able to be reconciled with a contribution schedule submitted by an EMPLOYER, then the UNALLOCATED CONTRIBUTION ACCOUNT must be debited with that amount which must then be credited to the relevant MEMBER SHARE ACCOUNT, the EXPENSE RESERVE ACCOUNT, the SELF-INSURANCE ACCOUNT and, if applicable, the BENEFITS PAYABLE ACCOUNT or the UNCLAIMED BENEFITS ACCOUNT. If it is apparent that the amount deposited into the FUND'S bank account was erroneously deposited, then upon the TRUSTEES being satisfied that the depositor must be refunded that amount then, if this amount has been credited to the UNALLOCATED CONTRIBUTIONS ACCOUNT, it must when payment is made to the depositor be debited against this ACCOUNT.
- 4.3.4. The FUND will issue monthly compliance certificates to EMPLOYERS that comply fully with the requirements set out in this RULE 4.3.
- 4.3.5. In terms of section 13A of the ACT, the following persons shall be personally liable for compliance with section 13A and for the payment of any contributions referred to in RULE 4.3.1:
- 4.3.5.1. If an EMPLOYER is a company, every director who is regularly involved in the management of the company's overall financial affairs;
- 4.3.5.2. if an EMPLOYER is a close corporation registered under the Close Corporations Act, 1984, every member who controls or is regularly involved in the management of the close corporation's overall financial affairs; and
- 4.3.5.3. In respect of any other EMPLOYER of any legal status or description, every person in accordance with whose directions or instructions the governing body or structure of the EMPLOYER acts or who controls or who is regularly

involved in the management of the EMPLOYER'S overall financial affairs.

- 4.3.6. The FUND shall request the EMPLOYERS in writing to notify it of the identity of the person or persons referred to in RULES 4.3.5 above. In the event that an EMPLOYER fails to comply with the requirements of that RULE, all the directors (in respect of a company), all the members regularly involved in the management of the closed corporation (in respect of a closed corporation), or all the persons comprising the governing body of the employer, as the case may be, shall be personally liable.

4.4. Fund Accounts

- 4.4.1. The following ACCOUNTS must be maintained in the FUND:

- 4.4.1.1. BENEFITS PAYABLE ACCOUNT;
- 4.4.1.2. DATA RESERVE ACCOUNT;
- 4.4.1.3. EXPENSE RESERVE ACCOUNT;
- 4.4.1.4. MEMBER SHARE ACCOUNT;
- 4.4.1.5. SELF-INSURANCE ACCOUNT;
- 4.4.1.6. UNALLOCATED CONTRIBUTIONS ACCOUNT;
- 4.4.1.7. UNCLAIMED BENEFITS ACCOUNT.

- 4.4.2. No amount in any MEMBER SHARE ACCOUNT may be transferred from 1 (one) MEMBER SHARE ACCOUNT to another MEMBER SHARE ACCOUNT unless the amount being transferred represents the transfer of the interest of a former spouse which was endorsed against a MEMBER SHARE ACCOUNT in terms of an Order of Court upon the divorce of the MEMBER and the MEMBER'S spouse. The transfer of the interest of the former spouse is only permissible if such former spouse is also a MEMBER and the transfer is to the MEMBER SHARE ACCOUNT of the other spouse from which that former spouse was divorced.

4.5. Benefits Payable Account

- 4.5.1. The following must be credited to the BENEFITS PAYABLE ACCOUNT:

- 4.5.1.1. FUND CREDITS that become payable in terms of the RULES and are not

regarded as UNCLAIMED BENEFITS; and

4.5.1.2. Positive INVESTMENT RETURNS.

4.5.2. The following must be debited from the BENEFITS PAYABLE ACCOUNT:

4.5.2.1. Benefits payable to MEMBERS or other beneficiaries in terms of the RULES which will comprise the applicable FUND CREDITS plus late payment interest in terms of RULE 17.9 adjusted by amounts referred to in RULE 4.5.2.2 below, and may be paid in cash or transferred to any APPROVED PROVIDENT FUND, APPROVED PENSION FUND, APPROVED PROVIDENT PRESERVATION FUND, APPROVED PENSION PRESERVATION FUND or APPROVED RETIREMENT ANNUITY FUND;

4.5.2.2. The costs involved in tracing, making payment or meeting any expense specifically relating to any MEMBER, dependant or other person entitled to make any claim in respect of any benefit which is retained in the BENEFITS PAYABLE ACCOUNT which amounts must be transferred to the EXPENSE RESERVE ACCOUNT;

4.5.2.3. Any amount transferred to the EXPENSE RESERVE ACCOUNT in terms of RULE 13.3.3.1 and RULE 13.3.4;

4.5.2.4. Benefits which become UNCLAIMED BENEFITS which must be transferred to the UNCLAIMED BENEFITS ACCOUNT;

4.5.2.5. FUND CREDITS transferred to the MEMBER SHARE ACCOUNT in accordance with the provisions of Rule 7.2.5; and

4.5.2.6. Negative INVESTMENT RETURNS.

4.6. Data Reserve Account

4.6.1. The following must be credited to the DATA RESERVE ACCOUNT:

4.6.1.1. Such amount as may be determined by the TRUSTEES, acting on the advice of the ACTUARY following a valuation of the FUND, from time to time;

4.6.1.2. Such amount as may be transferred from each MEMBER SHARE ACCOUNT, the SELF-INSURANCE ACCOUNT and the EXPENSE

RESERVE ACCOUNT in terms of RULE 13.5.4; and

4.6.1.3. Positive INVESTMENT RETURNS.

4.6.2. The following must be debited from the DATA RESERVE ACCOUNT:

4.6.2.1. Subject to the approval of the TRUSTEES, so much as is necessary to be transferred to a MEMBER SHARE ACCOUNT or the UNCLAIMED BENEFITS ACCOUNT in order to remedy any incorrect data held by the FUND in terms of RULE 17.11;

4.6.2.2. So much as is transferred to the EXPENSE RESERVE ACCOUNT, the SELF-INSURANCE ACCOUNT or each MEMBER SHARE ACCOUNT in terms of RULE 13.5; and

4.6.2.3. Negative INVESTMENT RETURNS.

4.7. Expense Reserve Account

4.7.1. The following must be credited to the EXPENSE RESERVE ACCOUNT:

4.7.1.1. Contributions referred to in RULE 4.1.3.2;

4.7.1.2. Amounts deducted from INVESTMENT RETURNS as determined by the TRUSTEES from time to time;

4.7.1.3. So much as is transferred from each MEMBER SHARE ACCOUNT, the BENEFITS PAYABLE ACCOUNT and the UNCLAIMED BENEFITS ACCOUNT in terms of RULE 13.3;

4.7.1.4. So much as is transferred from the SELF-INSURANCE ACCOUNT, the MEMBER SHARE ACCOUNT, the BENEFITS PAYABLE ACCOUNT, the DATA RESERVE ACCOUNT or the UNCLAIMED BENEFITS ACCOUNT in terms of RULE 13.5.3;

4.7.1.5. Amounts transferred in terms of RULE 4.5.2.2 and RULE 4.11.2.2; and

4.7.1.6. Positive INVESTMENT RETURNS.

4.7.2. The following must be debited from the EXPENSE RESERVE ACCOUNT:

4.7.2.1. Any fees, disbursements, levies or expenses payable by the FUND which

are not deducted from the assets of the FUND including but not limited to the costs involved in tracing, making payment or meeting any expense specifically relating to any MEMBER, dependant or other person entitled to make any claim in respect of any benefit which is retained in the UNCLAIMED BENEFITS ACCOUNT or the BENEFITS PAYABLE ACCOUNT;

- 4.7.2.2. Any amount transferred to the SELF-INSURANCE ACCOUNT, or the DATA RESERVE ACCOUNT in terms of RULE 13.5.2 or RULE 13.5.4;
- 4.7.2.3. Any amount transferred to each MEMBER SHARE ACCOUNT in terms of RULE 13.5.5;
- 4.7.2.4. the premiums payable in respect of the any insured partial DISABILITY BENEFIT; and
- 4.7.2.5. Negative INVESTMENT RETURNS.

4.8. Member Share Account

4.8.1. The following must be credited to the MEMBER SHARE ACCOUNT relating to each MEMBER (which, for the purpose of these RULES, includes, where applicable, a PAID-UP MEMBER ~~The following must be credited to the MEMBER SHARE ACCOUNT relating to each MEMBER (which for the purposes of this RULES includes where applicable any DORMANT MEMBER).~~

- 4.8.1.1. Contributions in terms of RULE 4.1.1 and contributions referred to in RULE 4.1.3.2.3;
- 4.8.1.2. Any amount transferred from a PREVIOUS FUND, an APPROVED PENSION FUND, an APPROVED PROVIDENT FUND or an APPROVED PROVIDENT PRESERVATION FUND in terms of RULE 9.1 in respect of that MEMBER;
- 4.8.1.3. Any amount transferred from the SELF-INSURANCE ACCOUNT upon the death or disability of that MEMBER;
- 4.8.1.4. Any amount transferred from the UNALLOCATED CONTRIBUTION ACCOUNT in terms of RULE 4.3.3, or the SELF-INSURANCE ACCOUNT, the DATA RESERVE ACCOUNT or the EXPENSE RESERVE ACCOUNT in terms of RULE 13.5.5;

4.8.1.5. FUND CREDITS transferred to the MEMBER SHARE ACCOUNT in accordance with the provisions of Rule 7.2.5;

4.8.1.6. Any amount transferred from the DATA RESERVE ACCOUNT in terms of RULE 17.11; ~~and~~

4.8.1.7. Positive INVESTMENT RETURNS.

4.8.2. The following must be debited from each MEMBER SHARE ACCOUNT:

4.8.2.1. ~~The FUND CREDIT payable on the withdrawal, retirement, disability or death of a MEMBER or a PAID-UP MEMBER which amount must be transferred to the BENEFITS PAYABLE ACCOUNT; The FUND CREDIT payable on the withdrawal, retirement, disability or death of a MEMBER which amount must be transferred to the BENEFITS PAYABLE ACCOUNT;~~

4.8.2.2. Any amount transferred to any APPROVED PROVIDENT FUND or APPROVED PENSION FUND in terms of RULE 9.3;

4.8.2.3. Any amount required to be paid to the SELF-INSURANCE ACCOUNT in terms of RULE 13.5.2;

4.8.2.4. Any amount required to be transferred to the DATA RESERVE ACCOUNT in terms of RULE 13.5.4;

4.8.2.5. Any amount required to be transferred to the EXPENSE RESERVE ACCOUNT in terms of RULE 13.3 or RULE 13.5.3;

4.8.2.6. UNCLAIMED BENEFITS which must be transferred to the UNCLAIMED BENEFITS ACCOUNT;

4.8.2.7. Any amount transferred to another MEMBER SHARE ACCOUNT in terms of RULE 4.4.2;

4.8.2.8. Negative INVESTMENT RETURNS.

4.9. Self-Insurance Account

4.9.1. The following must be credited to the SELF-INSURANCE ACCOUNT:

4.9.1.1. Any amount transferred from each MEMBER SHARE ACCOUNT, the

DATA RESERVE ACCOUNT, or the EXPENSE RESERVE ACCOUNT in terms of RULE 13.5;

- 4.9.1.2. Any amount payable to the FUND in respect of the CATASTROPHE COVER with a REGISTERED INSURER with whom such cover has been taken;
 - 4.9.1.3. Contributions referred to in RULE 0 and RULE 0;
 - 4.9.1.4. Any amount transferred from the UNALLOCATED CONTRIBUTIONS ACCOUNT in terms of RULE 4.3.3.
 - 4.9.1.5. Positive INVESTMENT RETURNS.
- 4.9.2. The following must be debited from the SELF-INSURANCE ACCOUNT:
- 4.9.2.1. The cost of the INSURED DEATH BENEFIT or DISABILITY BENEFIT payable to or in respect of a MEMBER in terms of RULE 6.1.1.1 and RULE 6.2.2 respectively;
 - 4.9.2.2. The fees, costs and expenses, which the TRUSTEES are able to attribute to the administration and payment of the INSURED DEATH BENEFIT and DISABILITY BENEFITS referred to in RULE 6.1.1.1 and RULE 6.2.2 respectively;
 - 4.9.2.3. The premiums payable by the FUND to a REGISTERED INSURER in respect of CATASTROPHE COVER;
 - 4.9.2.4. Any amount transferred to the DATA RESERVE ACCOUNT, the EXPENSE RESERVE ACCOUNT or the MEMBER SHARE ACCOUNT in terms of RULE 13.5;
 - 4.9.2.5. Amounts payable in terms of RULE 6.1.1.1 and RULE 6.2.2 which amounts must be transferred to the MEMBER SHARE ACCOUNT;
 - 4.9.2.6. Negative INVESTMENT RETURNS.

4.10. Unallocated Contributions Account

4.10.1. The following must be credited to the Unallocated Contributions Account:

- 4.10.1.1. Any amount which appears as a credit in the FUND'S bank account, the

origin or source of which is not able to be traced by the FUND within 90 (ninety) days of the date that such amount appeared as a credit in the FUND'S bank account;

4.10.1.2. Positive INVESTMENT RETURNS.

4.10.2. The following must be debited to the Unallocated Contributions Account:

4.10.2.1. Such amount as is credited to the MEMBER SHARE ACCOUNT, the EXPENSE RESERVE ACCOUNT, the SELF-INSURANCE ACCOUNT, the BENEFITS PAYABLE ACCOUNT or the UNCLAIMED BENEFITS ACCOUNT in terms of RULE 4.3.3;

4.10.2.2. Such amount to such person entitled to the credit referred to in RULE 4.10.1.1, adjusted by positive or negative INVESTMENT RETURN thereon, because that amount was incorrectly deposited into the FUND'S bank account and that person is lawfully entitled to that amount; and

4.10.2.3. Negative INVESTMENT RETURNS.

4.11. Unclaimed Benefits Account

4.11.1. The following must be credited to the Unclaimed Benefits Account:

4.11.1.1. Any UNCLAIMED BENEFITS transferred from the BENEFITS PAYABLE ACCOUNT or the MEMBER SHARE ACCOUNT;

4.11.1.2. Subject to the approval of the TRUSTEES, any amount transferred from the DATA RESERVE ACCOUNT in terms of RULE 17.11;

4.11.1.3. Any amount transferred from the UNALLOCATED CONTRIBUTIONS ACCOUNT in terms of RULE 4.3.3; and

4.11.1.4. Positive INVESTMENT RETURNS.

4.11.2. The following must be debited from the Unclaimed Benefits Account:

4.11.2.1. Any amount validly claimed by a MEMBER, dependant as defined in the ACT or other person entitled to make any claim in respect of any benefit, adjusted by an appropriate share of costs referred to in RULE 4.11.2.2 and RULE 4.11.2.3 below;

- 4.11.2.2. The costs involved in tracing, making payment or meeting any expense specifically relating to any MEMBER, dependant or other person entitled to make any claim in respect of any benefit which is retained in the UNCLAIMED BENEFITS ACCOUNT which amounts must be transferred to the EXPENSE RESERVE ACCOUNT;
- 4.11.2.3. Any amount transferred to the EXPENSE RESERVE ACCOUNT in terms of RULE 13.3.3.1 or RULE 13.3.4; ~~and~~
- 4.11.2.4. **FUND CREDITS transferred to the MEMBER SHARE ACCOUNT in accordance with the provisions of Rule 7.2.5;**
- 4.11.2.5. **Transfers to an UNCLAIMED BENEFITS FUND in accordance with the provisions of Rule 17.5; and**
- 4.11.2.6. Negative INVESTMENT RETURNS.

5. RETIREMENT BENEFITS

5.1. Amount of Benefits

- 5.1.1. **On the MEMBER'S RETIREMENT DATE the MEMBER shall become entitled to an annuity or annuities of such amount as can be purchased by his FUND CREDIT as at that date, provided that the MEMBER may elect to commute part or the whole of such benefit for a lump sum. ~~On the MEMBER'S retirement in terms of RULE 5.2 a MEMBER shall become entitled to an annuity or annuities of such amount as can be purchased by this FUND CREDIT at the date of the MEMBER'S retirement, adjusted to take account of INVESTMENT RETURNS and costs referred to in RULE 4.5.2.2 and RULE 4.11.2.2; provided that the MEMBER may elect to commute part or the whole of such benefit for a lump sum.~~**
- 5.1.2. An annuity which becomes payable in terms of RULE 5.1.1 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 the requirements of the REVENUE AUTHORITIES if more than one annuity is purchased.

5.2. Circumstances in which Retirement may take place

5.2.1. Early Retirement

A MEMBER who has reached the age of 55 (fifty-five) years may, with the agreement of the EMPLOYER, retire from SERVICE on the last day of any month occurring before the MEMBER reaches NORMAL RETIREMENT DATE. The MEMBER will become entitled to the retirement benefit referred to in RULE 5.1.1 on his RETIREMENT DATE. ~~A MEMBER who has reached the age of 55 (fifty five) years may, with the agreement of the EMPLOYER, retire on the last day of any month occurring before the MEMBER reaches NORMAL RETIREMENT DATE.~~

5.2.2. Normal Retirement

A MEMBER who does not retire in terms of RULE 5.2.1 must retire from SERVICE on reaching NORMAL RETIREMENT DATE unless the MEMBER'S EMPLOYER agrees to the MEMBER remaining in SERVICE after that date, in which case RULE 5.2.4 will apply. The MEMBER will become entitled to the retirement benefit referred to in RULE 5.1.1 on his RETIREMENT DATE. ~~A MEMBER who does not retire in terms of RULE 5.2.1 must retire on reaching NORMAL RETIREMENT DATE unless the MEMBER'S EMPLOYER agrees to the MEMBER remaining in SERVICE after that date.~~

5.2.3. Ill-Health Early Retirement

If the EMPLOYER and the TRUSTEES, after considering medical evidence acceptable to them, consider that a MEMBER has become permanently incapable of carrying on his occupation due to sickness, accident, injury, or incapacity through infirmity of mind or body, they may agree to the MEMBER'S retirement at any time prior to the MEMBER'S NORMAL RETIREMENT DATE. The MEMBER will become entitled to the retirement benefit referred to in RULE 5.1.1 on his RETIREMENT DATE. ~~If the EMPLOYER and the TRUSTEES, after considering medical evidence acceptable to them, consider that a MEMBER has become incapable of discharging the MEMBER'S duties, they may agree to the MEMBER'S retirement at any time prior to the MEMBER'S NORMAL RETIREMENT DATE.~~

5.2.4. Late Retirement

A MEMBER who is allowed to remain in SERVICE after NORMAL RETIREMENT DATE shall retire on such later date as the MEMBER agrees with the MEMBER'S EMPLOYER, provided that a MEMBER shall not retire after the age of 70 (seventy) years. The MEMBER will become entitled to the retirement benefit referred to in RULE 5.1.1 on his RETIREMENT DATE. ~~A MEMBER who is allowed to remain in SERVICE after NORMAL RETIREMENT DATE shall retire on such later date as the MEMBER agrees with the MEMBER'S EMPLOYER; provided that a MEMBER shall not retire after the age of 70 (seventy) years.~~

5.3. Deferral of Retirement

If a MEMBER leaves SERVICE due to retirement as envisaged in RULE 5.2 above, but has not yet reached his RETIREMENT DATE, his FUND CREDIT shall, notwithstanding anything to the contrary contained elsewhere in these RULES, be retained in the MEMBER SHARE ACCOUNT until he reaches his RETIREMENT DATE.

6. DEATH AND DISABILITY BENEFITS

6.1. Death Benefit

6.1.1. Benefit

If a MEMBER, including a PAID-UP MEMBER, dies the following lump sum benefit shall be payable from the FUND: ~~if a MEMBER, other than a MEMBER referred to in RULE 0, dies while in SERVICE, the following lump sum benefit shall be payable from the FUND;~~

6.1.1.1. Subject to RULE 6.1.2 and RULE 3.2.4, $3\frac{1}{4}$ (three and a quarter) times the MEMBER'S ANNUAL FUND SALARY ANNUAL RISK SALARY at the date of the MEMBER'S death in respect of a MEMBER who dies in SERVICE; plus

6.1.1.2. The MEMBER'S FUND CREDIT, if any, at the date of the MEMBER'S death, and adjusted to take account of INVESTMENT RETURNS and costs referred to in RULE 4.5.2.2 and RULE 4.11.2.2.

~~if a MEMBER referred to in RULE 0 dies while in SERVICE, only the benefit referred to in RULE 6.1.1.1 above shall be payable.~~

Provided that such the benefit referred to in RULE 6.1.1.1 shall be subject to a FREE-COVER LIMIT which may, upon application by the MEMBER, be waived subject to:

- 6.1.1.3. the MEMBER providing the TRUSTEES with medical evidence of the MEMBER'S good health; and
- 6.1.1.4. the assessment and approval of the MEMBER'S application on such terms and conditions as shall be determined by the TRUSTEES from time to time.

6.1.2. **Restrictions**

- 6.1.2.1. Subject to RULE 6.1.2.3, the TRUSTEES have the power to require a new MEMBER to be examined at the FUND'S expense by a medical practitioner appointed by the TRUSTEES.
- 6.1.2.2. Acting on the results of this examination, the TRUSTEES may decide that, with effect from the date on which such person is admitted as a MEMBER, the benefit referred to in RULE 6.1.1.1 shall be restricted in such manner as they decide in consultation with the ACTUARY.
- 6.1.2.3. In the case of a MEMBER in respect of whom a restriction has been imposed by the TRUSTEES acting on the result of the medical practitioner appointed by the REGISTERED INSURER prior to 1 April 2005, the TRUSTEES may decide that such restriction shall continue to apply.
- 6.1.2.4. The TRUSTEES must inform the MEMBER in writing within a period of 3 (three) months after taking a decision in terms of RULE 6.1.2.2 and RULE 6.1.2.3 of the terms and conditions of any restrictions imposed in terms of those RULES.
- 6.1.2.5. The TRUSTEES may, in their sole and absolute discretion, waive the conditions set out in this RULE 6.1.2, subject to such terms and conditions as they may prescribe from time to time

6.1.3. **Notification of Claims and Submission of Documentation**

A formal, written claim in respect of the benefit referred to in RULE 6.1.1 together with all the relevant documentation, information and particulars

required by the TRUSTEES and/or ADMINISTRATORS, shall be lodged and submitted with the TRUSTEES within 12 (twelve) months from the date of a MEMBER'S death, failing which the benefit referred to in RULE 6.1.1.1 shall not be payable.

Provided that the TRUSTEES may, in their sole and absolute discretion, waive the time limits prescribed in this RULE 6.1.3, subject to such terms and conditions as they may prescribe from time to time.

6.1.4. **Payment of Benefit**

Subject to the provisions of RULE 11.2, payment of the death benefit shall be made in terms of Section 37C of the ACT; provided that:

- 6.1.4.1. Should payment not be made within the period specified in Section 37C of the ACT, interest shall be payable on the amount of the benefit referred to in RULE 6.1.1 at such rate as shall be determined by the TRUSTEES in consultation with the ACTUARY from time to time and the benefit referred to in RULE 6.1.1 will be adjusted accordingly.
- 6.1.4.2. The TRUSTEES may appoint a TRACING AGENT to trace any potential beneficiaries in order to give effect to the provisions of Section 37C of the ACT. Such costs will be paid from the BENEFITS PAYABLE ACCOUNT and the benefit referred to in RULE 6.1.1 will be adjusted accordingly.

6.1.5. **Determination of Fund Salary**

- 6.1.5.1. If a MEMBER dies while in SERVICE, the provisions set out below will apply to the determination of FUND SALARY for the purpose of calculating the ~~ANNUAL FUND SALARY~~ ANNUAL RISK SALARY referred to in RULE 6.1.1.1.
- 6.1.5.2. The FUND SALARY or grade, if provided, must be tested for consistency with the contributions paid in the 6 (six) months prior to the month of death. If this is consistent the FUND SALARY or salary per the grade provided should be used.
- 6.1.5.3. If the FUND SALARY or grade is not provided, or if the FUND SALARY or grade provided is not consistent with the contributions received by the FUND, the FUND SALARY shall be determined as the greater of:

6.1.5.3.1. The average of the FUND SALARIES derived from the contributions received by the FUND in the 6 (six) months prior to the month of death (i.e. each month's FUND SALARY is derived by dividing the contribution received by the applicable contribution rate for the month), provided that if the member has less than 6 (six) month's membership of the FUND the averaging will be done over such shorter period; and

6.1.5.3.2. The annualized grade D salary rate that was applicable at date of death or, if death occurred before 1 September 2010, the annualized grade E salary rate at date of death.

~~6.1.5.4. The FUND SALARY must be capped at the grade A salary.~~

6.2. Total and Permanent Disability Benefits

6.2.1. Definition

A MEMBER **in SERVICE** will be classified as totally and permanently disabled in terms of this RULE if the TRUSTEES receive notification from the MEMBER'S EMPLOYER and satisfactory medical evidence that the MEMBER has become totally and permanently incapable of engaging in the MEMBER'S own normal occupation or in any other occupation for which, in the TRUSTEES' opinion, the MEMBER could be reasonably considered capable of engaging by virtue of the MEMBER'S training and general experience for remuneration or profit.

6.2.2. Benefit

6.2.2.1. A MEMBER who has retired in terms of RULE 5.2.3 on becoming totally and permanently disabled as described in RULE 6.2.1 shall, in addition to the benefit payable in terms of RULE 5.1.1 and subject to the provisions of this RULE 6.2, and RULE 3.2.4, be entitled to a benefit equal in amount to the benefit that would have been payable in terms of RULE 6.1.1.1 if the MEMBER had died on the day the MEMBER became disabled; provided that:

6.2.2.1.1. The benefit payable in terms of this RULE shall be subject to the MAXIMUM CAPITAL DISABILITY BENEFIT; and

6.2.2.1.2. If the MEMBER has become disabled during the 10 (ten) years

prior to NORMAL RETIREMENT DATE, this benefit will be decreased in accordance with the following table, depending on the number of years' prior to NORMAL RETIREMENT DATE:

reduction	Years prior to NORMAL RETIREMENT DATE	Percentage
	9	
10%		
	8	
20%		
	7	
30%		
	6	
40%		
	5	
50%		
	4	
60%		
	3	
70%		
	2	
80%		
	1	
90%		

provided that allowance shall be made by interpolation where the years prior to NORMAL RETIREMENT DATE are fractional and any period of less than 1 (one) complete month will be disregarded;

- 6.2.2.2. The benefit payable in terms of this RULE shall not apply in respect of a MEMBER who becomes disabled after the NORMAL RETIREMENT DATE; and

- 6.2.2.3. The reference to the benefit payable in terms of RULE 5.1.1 will not apply to a MEMBER referred to in RULE 0.

6.2.3. **Restrictions**

A benefit payable in terms of RULE 6.2.2 will be subject to any restrictions which may have been imposed in terms of RULE 6.1.2 on the benefit payable in terms of RULE 6.1.1.1 and to any further restrictions or exclusions which may be agreed by the TRUSTEES from time to time and notified to the MEMBER in writing, provided that the TRUSTEES may, in their sole and absolute discretion, waive the restrictions or exclusions, subject to such terms and conditions as they may prescribe from time to time.

6.2.4. **Notification and submission**

- 6.2.4.1. The DISABILITY BENEFIT referred to in RULE 6.2.2 shall not be payable unless:

6.2.4.1.1. The claim is notified to the TRUSTEES and/or ADMINISTRATORS in writing no later than 6 (six) months after the last day on which the MEMBER in question was at work attending to all the MEMBER'S normal duties; and

6.2.4.1.2. The relevant documentation and/or particulars required by the TRUSTEES and/or ADMINISTRATORS in respect of the claim referred to in RULE 6.2.4.1.1 above are submitted to the TRUSTEES and/or ADMINISTRATORS within 12 (twelve) months after the last day on which the MEMBER in question was at work attending to all the MEMBER'S normal duties;

Provided that the TRUSTEES may, in their sole and absolute discretion, waive the time limits and requirements prescribed in this RULE 6.2.4, subject to such terms and conditions as they may prescribe from time to time.

- 6.2.4.2. The TRUSTEES will have the right to call for such medical evidence to their satisfaction, as the TRUSTEES may from time to time require, including certificates at the FUND'S expense from a medical practitioner appointed by the TRUSTEES.

6.2.5. Pre-existing condition exclusion

No benefit shall be payable in terms of RULE 6.2.2 as a result of a MEMBER'S disablement if the MEMBER is disabled during the first 12 (twelve) months following the date on which the MEMBER became a MEMBER and disability, in the reasonable opinion of the TRUSTEES based on objective medical evidence, is directly or indirectly attributed to an injury or illness in respect of which the MEMBER sought medical advice, or about which the MEMBER knew or could reasonably be expected to have known, during the 6 (six) month period preceding the date on which the MEMBER became a MEMBER.

6.2.6. Repudiated Claims

If a sub-committee of the TRUSTEES enjoys delegated authority from the TRUSTEES to admit or reject a claim, then that sub-committee must, in writing, admit or reject a claim within a period of 3 (three) months after receipt of the full documentation in respect of a claim in terms of RULE 6.2.4.1.2. Any MEMBER aggrieved by the rejection of such a claim by such a sub-committee may appeal to the TRUSTEES to review that decision, and the TRUSTEES must in that event either confirm the decision of the sub-committee or uphold the appeal. In the event that no such sub-committee enjoys delegated authority to decide such a claim then the TRUSTEES themselves must decide such a claim; and in that event an aggrieved MEMBER does not enjoy the right of a further appeal to the TRUSTEES. Any MEMBER aggrieved by the decision of the TRUSTEES, whether on appeal or in respect of their decision to reject a claim, may lodge a complaint with the Pension Funds Adjudicator, or institute such other legal proceedings as that MEMBER may decide.

6.2.7. Payment of Benefit

Payment of the DISABILITY BENEFIT shall be made in a lump sum. Subject to the provisions of RULE 11.2, payment shall be made as soon as possible after the date of the disablement of a MEMBER.

7. TERMINATION OF SERVICE FOR REASONS OTHER THAN RETIREMENT OR DEATH

7.1. Benefit and payment of benefit

7.1.1. If a MEMBER who is not qualified to retire in terms of RULE 5 leaves SERVICE, whether of the MEMBER'S own accord or because of dismissal, including

dismissal for incapacity, redundancy or retrenchment, such MEMBER will become entitled to his MEMBER'S FUND CREDIT as at date of leaving SERVICE, adjusted to take account of INVESTMENT RETURNS and costs referred to in RULE 4.5.2.2 and RULE 4.11.2.2, and may elect in writing to the FUND. ~~If a MEMBER who is not qualified to retire in terms of RULE 5 leaves SERVICE, whether of the MEMBER'S own accord or as a result of dismissal, including dismissal for incapacity or as a result of redundancy or retrenchment, such a MEMBER will become entitled to the MEMBER'S FUND CREDIT as at date of leaving SERVICE, adjusted to take account of INVESTMENT RETURNS and costs referred to in RULE 4.5.2.2 and RULE 4.11.2.2, and may elect.~~

7.1.1.1. to leave his benefit in the FUND in which case he will become a PAID-UP MEMBER and his MEMBER'S FUND CREDIT will be retained in the MEMBER SHARE ACCOUNT and he will continue to be regarded as a MEMBER; or

7.1.1.2. to transfer his MEMBER'S FUND CREDIT to an APPROVED PENSION FUND, an APPROVED PROVIDENT FUND, an APPROVED PENSION PRESERVATION FUND, an APPROVED PROVIDENT PRESERVATION FUND or an APPROVED RETIREMENT ANNUITY FUND, provided that in respect of any transfer to an APPROVED PENSION FUND or APPROVED PENSION PRESERVATION FUND such MEMBER acknowledges that the retirement benefit is not payable as a lump sum, provided further that if permitted by legislation, the MEMBER may elect to transfer the MEMBER'S FUND CREDIT to more than one of the aforementioned funds; or

7.1.1.3. to receive his MEMBER'S FUND CREDIT as a cash lump sum; or

7.1.1.4. to receive the MEMBER'S FUND CREDIT partially as a lump sum and to transfer the remaining part in terms of RULE 7.1.1.2 above;

~~in writing to the FUND to become a DORMANT MEMBER, provided such an election is made within such period as the TRUSTEES may decide from time to time; or~~

~~in writing to the FUND, to transfer the MEMBER'S FUND CREDIT to an APPROVED PENSION FUND APPROVED PROVIDENT FUND, APPROVED PENSION PRESERVATION FUND, APPROVED PROVIDENT PRESERVATION FUND or APPROVED RETIREMENT~~

~~ANNUITY FUND, provided that in respect of any transfer to an APPROVED PENSION FUND or APPROVED PENSION PRESERVATION FUND such MEMBER acknowledges that the retirement benefit is not payable as a lump sum, provided further that if permitted by legislation, the MEMBER may elect to transfer the MEMBER'S FUND CREDIT to more than one of the aforementioned funds; or~~

~~to receive the MEMBER'S FUND CREDIT as a cash lump sum; or~~

~~to receive the MEMBER'S FUND CREDIT partially as a lump sum and to transfer the remaining part in terms of RULE 0 above,~~

~~provided that if the MEMBER fails to make an election within 6 (six) months from the date of leaving SERVICE and if the MEMBER'S EMPLOYER has certified that the MEMBER is no longer in employment with that EMPLOYER, the MEMBER is deemed to have elected to receive a cash lump sum benefit;~~

~~provided further that, if when the FUND is able to effect transfer of the benefit (in terms of RULE 0 or RULE 0) above), or make payment of the benefit (in terms of RULE 0 or RULE 0 above), the MEMBER is an ELIGIBLE EMPLOYEE, then that benefit may not be transferred or paid but must be retained and merged with the new record of the MEMBER as part of the MEMBER'S FUND CREDIT. Similarly, the FUND CREDIT of a DORMANT MEMBER must become the FUND CREDIT of that MEMBER when the MEMBER becomes an ELIGIBLE EMPLOYEE.~~

~~Provided that when the FUND can transfer the benefit (in terms of RULE 7.1.1.2 or RULE 7.1.1.4 above), or pay the benefit (in terms of RULE 7.1.1.3 or RULE 7.1.1.4 above), the MEMBER is an ELIGIBLE EMPLOYEE, then that benefit may not be transferred or paid but must be retained and merged with the new record of the MEMBER as part of the MEMBER'S FUND CREDIT unless a 6 (six) month period has expired between the MEMBER leaving SERVICE and becoming an ELIGIBLE EMPLOYEE, in which case transfer or payment will take place,~~

~~Provided further that if a PAID-UP MEMBER becomes an ELIGIBLE EMPLOYEE and is admitted as a MEMBER of the FUND, the FUND will only retain 1 (one) MEMBER SHARE ACCOUNT in respect of him.~~

7.1.2. ~~A MEMBER who withdraws from the FUND in terms of RULE 0, RULE 0 or~~

RULE 0 above has no further claim on the FUND once the benefit is paid or transferred in terms thereof and will cease to be a MEMBER.

- 7.1.3. If a MEMBER does not make an election in terms of RULE 7.1.1, he will be deemed to have elected to retain his benefit in the FUND and he will become a PAID-UP MEMBER. Such MEMBER'S FUND CREDIT will be retained in the MEMBER SHARE ACCOUNT and he will continue to be regarded as a MEMBER.
- 7.1.4. If a MEMBER makes an election in terms of RULE 7.1.1 but dies before transfer or payment of the benefit, the deceased MEMBER'S benefit will be dealt with in accordance with the provisions of section 37C of the ACT

7.2. Paid-Up Members and Dormant Members

7.2.1. A MEMBER in respect of whom no contributions are received and no accurately completed claim form has been received and processed will be deemed to have left SERVICE at the commencement of the 4th (fourth) month following the month in respect of which the last contributions were received, and the following provisions will apply:

7.2.1.1. Such MEMBER will be deemed to have elected to retain his benefit in the FUND and he will become a PAID-UP MEMBER.

7.2.1.2. Such MEMBER'S FUND CREDIT will be retained in the MEMBER SHARE ACCOUNT and he will continue to be regarded as a MEMBER.

7.2.1.3. If an accurately completed claim form is later received and processed, the provisions of RULE 7.1 will apply with the necessary changes having been made.

7.2.2. The following provisions will apply in respect of all PAID-UP MEMBERS:

7.2.2.1. The PAID-UP MEMBER may elect to take a full withdrawal benefit at any time prior to becoming entitled to a retirement benefit. If a PAID-UP MEMBER elects to take a full withdrawal benefit, he will become entitled to his FUND CREDIT.

7.2.2.2. The PAID-UP MEMBER will, if he has not received his FUND CREDIT in terms of RULE 7.2.2.1 above, retire on his RETIREMENT DATE in which case a benefit as set out in RULE 5.1 will become payable.

7.2.3. It is recorded that a MEMBER in respect of whom no contributions were received and no accurately completed claim form was received prior to the date of registration of this amendment was deemed to have left SERVICE and elected a cash benefit, subject to the provisions of the RULES in force at the time. Such MEMBERS were regarded as DORMANT MEMBERS and their FUND CREDITS were transferred to the BENEFITS PAYABLE ACCOUNT.

7.2.4. Once a DORMANT MEMBER whose FUND CREDIT has been transferred to the BENEFITS PAYABLE ACCOUNT becomes an UNCLAIMED BENEFIT, such DORMANT MEMBER'S benefit will be transferred to the UNCLAIMED BENEFITS ACCOUNT.

7.2.5. If a DORMANT MEMBER referred to in RULE 7.2.3 becomes an ELIGIBLE EMPLOYEE and is admitted as a MEMBER of the FUND, his record in the BENEFITS PAYABLE ACCOUNT or the UNCLAIMED BENEFITS ACCOUNT will be transferred to the MEMBER SHARE ACCOUNT in respect of him.

~~A MEMBER in respect of whom no contributions are received and no claim form has been processed will become a DORMANT MEMBER and the following provisions will apply:~~

~~Such DORMANT MEMBER will be regarded as having left SERVICE with effect from the cessation of contributions, the provisions of Rule 7.1.1 will apply and the DORMANT MEMBER'S benefit will be transferred to the BENEFITS PAYABLE ACCOUNT; and~~

~~Once such DORMANT MEMBER becomes an UNCLAIMED BENEFIT, such DORMANT MEMBER'S benefit will be transferred to the UNCLAIMED BENEFITS ACCOUNT.~~

~~The following provisions will apply in respect of a DORMANT MEMBER who elects to become a DORMANT MEMBER in terms of RULE 7.1.1.1:~~

~~Such DORMANT MEMBER may not withdraw from the FUND at any time prior to the DORMANT MEMBER'S NORMAL RETIREMENT DATE, subject to RULE 0 below;~~

~~Such DORMANT MEMBER may retire prior to such DORMANT MEMBER'S NORMAL RETIREMENT DATE if the TRUSTEES are satisfied that the DORMANT MEMBER is incapable, on medical grounds,~~

~~of being employed in the PRIVATE SECURITY SECTOR with the responsibilities that the DORMANT MEMBER had when the DORMANT MEMBER was previously an ELIGIBLE EMPLOYEE;~~

~~Such DORMANT MEMBER must, if the DORMANT MEMBER has not received a benefit in terms of RULE 0 above, retire on the DORMANT MEMBER'S NORMAL RETIREMENT DATE in which case a benefit as set out in RULE 5.1 will become payable.~~

8. APPROVED ABSENCE AND MATERNITY LEAVE

8.1. When a MEMBER in SERVICE, other than a MEMBER referred to in RULE 8.3 below, is on approved leave with full pay or with pay less than full pay the MEMBER shall contribute to the FUND in accordance with RULE 4.1.1 and the EMPLOYER shall contribute in respect of the MEMBER in accordance with RULE 4.1.2 and all benefits under the FUND in respect of the MEMBER shall be maintained. The provisions of Rule 4.1.3 will apply to the allocation of contributions.

8.2. If a MEMBER in SERVICE is on approved temporary absence without pay, the provisions of RULE 4.2.3 will apply regarding contributions. The MEMBER will remain entitled to the RISK BENEFITS. The contributions shall be payable:

8.2.1. throughout the period of leave, if the MEMBER'S leave is due to sickness; or

8.2.2. for not longer than 6 (six) months, if the MEMBER'S leave is due to reasons other than sickness.

8.3. If a MEMBER in SERVICE is on maternity leave, no contributions shall be made by the MEMBER in terms of Rule 4.1.1. The MEMBER'S contributions in terms of Rule 4.1.1 shall be paid by the EMPLOYER and the EMPLOYER shall continue to contribute in respect of the MEMBER in accordance with RULE 4.1.2. The provisions of Rule 4.1.3 will apply to the allocation of contributions. These contributions will be made throughout the period of maternity leave and all benefits under the FUND in respect of the MEMBER shall be maintained.

~~When a MEMBER, other than a MEMBER referred to in RULE 0 below, is on approved leave with full pay or with pay less than full pay the MEMBER shall contribute to the FUND in accordance with RULE 4.1.1 and the EMPLOYER shall contribute in respect of the MEMBER in accordance with RULE 4.1.2 and all benefits under the FUND in respect of the MEMBER shall be maintained.~~

~~If a MEMBER is on approved leave without pay, no contributions shall be made by the MEMBER in terms of RULE 4.1.1 and the EMPLOYER shall continue to contribute on behalf of the MEMBERS in terms of RULE 0 in order that the death benefits payable in terms of RULE 6.1.1.1 and the DISABILITY BENEFITS payable in terms of RULE 6.2.2.1 shall continue to be payable.~~

~~throughout the period of leave, if the MEMBER'S leave is due to sickness; or for not longer than 6 (six) months, if the MEMBER'S leave is due to reasons other than sickness.~~

~~If a MEMBER is on maternity leave, no contributions shall be made by the MEMBER in terms of RULE 4.1.1. Such contributions shall be made by the EMPLOYER and the EMPLOYER shall continue to contribute in respect of the MEMBER in accordance with RULE 4.2 throughout the period of maternity leave and all benefits under the FUND in respect of the MEMBER shall be maintained.~~

9. TRANSFERS

9.1. Transfers into the Fund

- 9.1.1. The FUND shall receive such amount as becomes payable to the FUND by the PREVIOUS FUND as the result of the transfer of any MEMBER of that fund to the FUND. In this event the amount so transferred must be credited to the MEMBER SHARE ACCOUNT in respect of that MEMBER.
- 9.1.2. If a MEMBER who was a member of an APPROVED PRESERVATION PROVIDENT FUND prior to becoming a MEMBER of the FUND or who becomes a member of an APPROVED PROVIDENT PRESERVATION FUND on or after the MEMBER becomes a MEMBER of the FUND chooses to transfer the benefit to which the MEMBER is entitled on leaving that fund into the FUND, the amount so transferred shall be credited to the MEMBER SHARE ACCOUNT of that MEMBER.

9.2. Changes affecting eligibility

- 9.2.1. If, as a result of a MEMBER'S promotion outside of the eligibility criteria, a MEMBER, while remaining in SERVICE, becomes eligible to join any other APPROVED PROVIDENT FUND or an APPROVED PENSION FUND in which the MEMBER'S EMPLOYER participates, no further contributions shall be payable to the FUND by the MEMBER or the MEMBER'S EMPLOYER. Such

MEMBER'S FUND CREDIT at the day before the MEMBER'S admission to membership of the other APPROVED PROVIDENT FUND or an APPROVED PENSION FUND, shall be transferred to that fund; provided that the rules of that fund allow for the receipt of such benefit and provided further that such transfer is subject to section 14 of the ACT.

9.2.2. If the MEMBER does not become eligible to join any other APPROVED PROVIDENT FUND or an APPROVED PENSION FUND, the MEMBER must be transferred to an APPROVED RETIREMENT ANNUITY FUND of the MEMBER'S choice, subject to the provisions of section 14 of the ACT.

9.2.3. A MEMBER referred to in RULE 9.2.1 or RULE 9.2.2 shall cease to be a MEMBER of the FUND and once the transfer has taken place, the MEMBER will have no further claim on the FUND.

9.3. **Transfer Due to a Change in Conditions of Employment**

Notwithstanding anything to the contrary contained in these RULES, if, due to a change in conditions of employment, a MEMBER is required by law to belong to a pension fund or provident fund which is established in terms of an agreement under the Labour Relations Act, 1956 or a collective agreement concluded in council in terms of the Labour Relations Act, 1995 ("the Bargaining Council Fund"), the MEMBER shall be transferred to such fund and the following shall apply:

9.3.1. no further contributions shall be payable to the FUND in respect of the MEMBER;

9.3.2. the MEMBER'S FUND CREDIT as at the date of transfer shall be transferred to that Bargaining Council Fund, subject to the provisions of section 14 of the ACT; and

9.3.3. upon transfer of the MEMBER'S benefit in terms of (b) above, the MEMBER shall cease to be a MEMBER of the FUND and shall have no further claim on the FUND.

10. **TERMINATION AND PARTIAL TERMINATION**

10.1. **Termination of the Fund**

10.1.1. The FUND may be terminated by the Minister of Labour in accordance with the SECTORAL DETERMINATION applicable to the PRIVATE SECURITY

SECTOR in terms of which the FUND has been established.

10.1.2. If the FUND is to be terminated, the following shall apply:

10.1.2.1. The TRUSTEES shall, subject to the approval of the REGISTRAR, appoint a liquidator who may liquidate the FUND with effect from the date of the REGISTRAR'S approval of the liquidator's appointment.

10.1.2.2. In accordance with the instructions of the liquidator and subject to Section 14A of the ACT, the total moneys available under the FUND after payment of all expenses incurred in the liquidation shall be applied to provide benefits for all MEMBERS on an equitable basis recommended by the ACTUARY and approved by the liquidator.

10.1.2.3. The amount available for a MEMBER under RULE 10.1.2.2 above shall, as directed by the liquidator, either:

10.1.2.3.1. Be transferred for the MEMBER'S benefit to another APPROVED PROVIDENT FUND, APPROVED PROVIDENT PRESERVATION FUND, APPROVED PENSION FUND or APPROVED RETIREMENT ANNUITY FUND; or

10.1.2.3.2. if the MEMBER so requests, be paid to the MEMBER as a cash benefit,

provided that transfer to an APPROVED PRESERVATION PROVIDENT FUND is subject to the requirements of the REVENUE AUTHORITIES as specified from time to time.

10.1.2.4. If a person to whom an amount is payable cannot be traced, the amount referred to in RULE 10.1.2.3 above shall be paid into the Guardian's Fund or an UNCLAIMED BENEFITS FUND.

10.1.3. When all payments have been made by the FUND in terms of RULE 10.1.2, the FUND shall have no further liability to any person and its registration in terms of the ACT shall be cancelled.

10.2. Termination of Participation in the Fund by an Employer

10.2.1. An EMPLOYER will cease its participation in the FUND if it ceases to carry on business or it goes into liquidation.

- 10.2.2. If an EMPLOYER ceases its participation in accordance with the provisions of RULE 10.2.1, the provisions of RULE 10.1.2 shall apply; provided that that part of the FUND which is to be liquidated in terms of the ACT shall be limited to the total assets and liabilities attributed to the MEMBERS related to the withdrawing EMPLOYER as determined by the liquidator in consultation with the ACTUARY.
- 10.2.3. The EMPLOYER shall then cease to be an EMPLOYER and MEMBERS in its SERVICE and any DORMANT MEMBERS who were, immediately prior to becoming a DORMANT MEMBER, in the SERVICE of the EMPLOYER, shall cease to be MEMBERS and shall have no further claim on the FUND.

11. DEDUCTIONS FROM BENEFITS

- 11.1. The TRUSTEES shall have the right to make such deductions from the benefit to which a MEMBER or other beneficiary is entitled in terms of the RULES as are permitted in terms of Section 37D of the ACT and in respect of which a claim has been lodged in writing within such reasonable time of the event giving rise to the benefit as the TRUSTEES may from time to time fix for making such claims.
- 11.2. Notwithstanding any contrary provisions in these RULES, the TRUSTEES may, where an EMPLOYER has instituted legal proceedings in a court of law and/or laid a criminal charge against the MEMBER concerned for compensation in respect of damage caused to the EMPLOYER as contemplated in Section 37D of the ACT, withhold payment of the benefit until such time as the matter has been finally determined by a competent court of law or has been settled or formally withdrawn; provided that:
- 11.2.1. The TRUSTEES in their reasonable discretion are satisfied that the EMPLOYER has made out a *prima facie* case against the MEMBER concerned and there is reason to believe that the EMPLOYER has a reasonable chance of success in the proceedings that have been instituted;
- 11.2.2. The TRUSTEES are satisfied that the EMPLOYER is not at any stage of the proceedings responsible for any undue delay in the prosecution of the proceedings;
- 11.2.3. Once the proceedings have been determined, settled or withdrawn, any benefit to which the MEMBER is entitled is paid forthwith;
- 11.2.4. If the MEMBER'S benefit exceeds the amount of the EMPLOYER'S claim, then the balance shall be paid to the MEMBER in accordance with the relevant

RULE; and

- 11.2.5. The TRUSTEES, at the express written request of a MEMBER whose benefit is withheld, may, if applicable and practical, permit the value of the MEMBER'S benefit as at the time of such request to be isolated, in whatever manner the TRUSTEES believe appropriate, from the possibility of a decrease therein as a result of poor investment performance.

12. MANAGEMENT OF THE FUND

12.1. Trustees

- 12.1.1. The TRUSTEES are responsible for directing, controlling and overseeing the operation of the FUND in accordance with all laws which are applicable to the FUND and in accordance with these RULES. To the extent that they do not delegate their authority, the TRUSTEES have the sole discretion to make decisions binding on the FUND.
- 12.1.2. When they direct, control and oversee the operation of the FUND, the TRUSTEES must:
- 12.1.2.1. act with due care and diligence and in the best interests of the FUND;
 - 12.1.2.2. take all reasonable steps to protect the interests of the MEMBERS;
 - 12.1.2.3. act in good faith towards the EMPLOYERS and any other stakeholder in the FUND;
 - 12.1.2.4. avoid conflicts of interest;
 - 12.1.2.5. act with impartiality in respect of all MEMBERS and beneficiaries;
 - 12.1.2.6. act independently;
 - 12.1.2.7. have a fiduciary duty to MEMBERS and beneficiaries in respect of any amount accrued to provide a benefit, as well as a fiduciary duty to the FUND, to ensure that the FUND is financially sound and is responsibly managed and governed in accordance with the RULES and the ACT; and
 - 12.1.2.8. ensure compliance with all requirements prescribed in the ACT.
- 12.1.3. The TRUSTEES exercise the FUND'S powers referred to in RULE 13. In

addition, the TRUSTEES have the power at their sole discretion to make arrangements for the administration of the FUND as long as these arrangements are not inconsistent with the ACT and the RULES.

12.1.4. The TRUSTEES must:

- 12.1.4.1. ensure that proper registers and records of the operations of the FUND are kept. These records include proper minutes of all meetings and of all resolutions passed by the TRUSTEES;
- 12.1.4.2. ensure that true and full accounts of the FUND are kept in accordance with generally accepted accounting practice and any guidelines issued by the AUDITOR from time to time. Those accounts must be made up to the last day of each FINANCIAL YEAR and must fairly present the FUND'S financial state of affairs and position and must be audited by the AUDITOR;
- 12.1.4.3. ensure that proper controls are used to protect the assets of the FUND and the confidentiality of MEMBER and EMPLOYER data, taking into account the advice of the AUDITOR;
- 12.1.4.4. ensure that adequate and appropriate information is given to the MEMBERS informing them of their rights, benefits and obligations in terms of the RULES of the FUND, subject to such disclosure requirements as may be prescribed by the REGISTRAR;
- 12.1.4.5. take all reasonable steps to make sure that contributions are paid to the FUND on time and that the contributions are deposited in the FUND'S bank account on the 1st (first) business day after they are received;
- 12.1.4.6. obtain expert advice on matters on which the TRUSTEES are not expert;
- 12.1.4.7. ensure that the FUND operates and is administered in terms of the RULES, the ACT and other applicable laws and that the RULES are in compliance with these laws;
- 12.1.4.8. ensure that every title deed and other document which proves that the FUND is the owner of a particular property is kept in an appropriate safe-keeping arrangement; and
- 12.1.4.9. make sure that only people who have the authority in terms of a

resolution passed by the TRUSTEES to sign on behalf of the FUND, sign cheques, contracts or other documents on its behalf.

- 12.1.5. The TRUSTEES may establish such policies, including a Code of Conduct to which they are subject, or in relation to any other matter of the FUND.
- 12.1.6. Within 30 (thirty) days of their appointment, the TRUSTEES must sign and return to the FUND an Acceptance of Appointment of Trustee as envisaged in the Code of Conduct attached to PF Circular 130, or any replacement thereof.
- 12.1.7. A TRUSTEE appointed in terms of RULE 12.3 or RULE 12.4 must attain such levels of skills and training as may be prescribed by the REGISTRAR, within 6 (six) months from the date of the TRUSTEE'S appointment and must retain the prescribed levels of skills and training, throughout that TRUSTEE'S term of office.

12.1.8. A TRUSTEE must:

12.1.8.1. within 21 (twenty-one) days of removal as TRUSTEE for reasons other than the expiration of the TRUSTEE'S term of office or voluntary resignation, submit a written report to the REGISTRAR detailing the TRUSTEE'S perceived reasons for the termination;

12.1.8.2. on becoming aware of any material matter relating to the affairs of the FUND which, in the opinion of the TRUSTEE, may seriously prejudice the financial viability of the FUND or its MEMBERS, inform the REGISTRAR thereof in writing.

12.2. Composition of Board of Trustees

~~12.2.1. The TRUSTEES must at all times, subject to RULE 12.5.1, comprise 19 (nineteen) TRUSTEES of whom at least 1 (one) must be an INDEPENDENT TRUSTEE, provided that the ration of MEMBER TRUSTEES to EMPLOYER TRUSTEES must always remain 2:1 (two to one).~~

12.2.1 The TRUSTEES must at all times, subject to RULE 12.5.1, comprise nine (9) TRUSTEES, of whom at least one (1) must be an INDEPENDENT TRUSTEE.

~~12.2.2. There are no alternates to a TRUSTEE, but in the event of any temporary vacancy the TRUSTEES may appoint a person temporarily to fill the vacancy until that vacancy is filled, having regard, in respect of a vacancy which relates to an EMPLOYER TRUSTEE or a MEMBER TRUSTEE, to the benefit of having~~

~~such a temporary vacancy filled by a person who appreciates the needs and expectations of the relevant stakeholder group.~~

- 12.2.3. In the event that the number of TRUSTEES in office falls below the number in RULE 12.2.1 then those TRUSTEES in office have the power notwithstanding any other provision in the RULES, to appoint so many TRUSTEES in terms of RULE 12.2.2 as will bring the number of TRUSTEES in office to the number required in terms of RULE 12.2.1. The TRUSTEES in office must, in this circumstance, act in terms of this RULE as quickly as possible to ensure that the board is able to operate.

12.3. Member Trustees

~~12.3.1. 12 (twelve) MEMBER TRUSTEES must be appointed to the board, in the manner set out in RULE 12.3.2, subject to the provisions of RULE 12.3.3.~~

12.3.1 There shall at all times be six (6) MEMBER TRUSTEES appointed to the board, in the manner set out in RULE 12.3.2, subject to the provisions of RULE 12.3.3.”

~~12.3.2. On or before every 5th (fifth) anniversary of 31 July 2011, those UNIONS with the largest number of members, according to the most recent verification exercise by the CCMA (or its successor), and which in total are eligible to appoint the full complement of MEMBER TRUSTEES, must be notified by the FUND in writing that each such UNION must, within 21 (twenty-one) days of the date of such notification appoint a person to be a TRUSTEE. This must take place according to the processes set by the CCMA (or its successor).~~

12.3.2 For the time being, and until such time that the Statutory Managers have been discharged by a High Court order and the RULES of the FUND have been amended to provide otherwise, the six (6) MEMBER TRUSTEES shall comprise of the five (5) remaining MEMBER TRUSTEES who are not resigning in terms of the settlement agreement made an order of court on 13 September 2018 plus one MEMBER TRUSTEE appointed by NASUWU.”

12.3.3. The MEMBER TRUSTEES appointed in terms of this RULE 12.3 take up office as TRUSTEE at the 1st (first) TRUSTEE meeting following the expiry of the notice period referred to in RULE 12.3.2, which TRUSTEE meeting must take place no later than 14 (fourteen) days after the expiry of that notice period.

12.3.4. Each MEMBER TRUSTEE will have 1 (one) vote.

12.4. Employer Trustees

- ~~12.4.1. — 6 (six) EMPLOYER TRUSTEES must be appointed to the BOARD in the manner set out in RULES 12.4.2 and 12.4.3, subject to the provisions of Rule 12.4.4.~~
- 12.4.1 There shall at all times be two (2) EMPLOYER TRUSTEES appointed, in the manner set out in RULES 12.4.2 and 12.4.3, subject to the provisions of RULE 12.4.4. ”
- ~~12.4.2. — An EMPLOYER ORGANISATION qualifies to appoint an EMPLOYER TRUSTEE if the number of employees that its members employ in the PRIVATE SECURITY SECTOR exceeds the required threshold as set by the CCMA (or its successor).~~
- 12.4.2 For the time being and until such time that the two Statutory Managers have been discharged by a High Court Order and the RULES have been further amended by agreement with the FSCA, the two (2) EMPLOYER TRUSTEES referred to in RULE 12.4.1, one (1) of which shall be the remaining EMPLOYER TRUSTEE who is not resigning in terms of the settlement agreement made an order of court on 13 September 2018, shall come from the ranks of SASA and SANSEA respectively. In addition, SASA and SANSEA may appoint alternates to serve as TRUSTEES only when each organisation’s appointed EMPLOYER TRUSTEE is not available to attend a TRUSTEE meeting for whatever reason.”
- ~~12.4.3. — On or before every 5th (fifth) anniversary of 31 July 2011, the EMPLOYER ORGANISATIONS must be notified by the FUND in writing that such EMPLOYER ORGANISATIONS must, within 21 (twenty-one) days of the date of such notification, appoint 6 (six) persons to be the EMPLOYER TRUSTEES. This must take place according to the processes set by the CCMA (or its successor).~~
- ~~12.4.4. — An EMPLOYER TRUSTEE appointed in terms of this RULE 12.4 takes up office as TRUSTEE at the first TRUSTEE meeting referred to in RULE 12.3.3.~~
- ~~12.4.5. — Each EMPLOYER TRUSTEE will have 2 (two) votes.~~
- 12.4.5 At every meeting of the TRUSTEES where a decision is taken by means of a vote, Each EMPLOYER TRUSTEE shall have three (3) votes.”

12.5. Independent Trustee

12.5.1. The TRUSTEES must appoint an INDEPENDENT TRUSTEE.

Subject to the provisions of RULE 12.6.2, when an INDEPENDENT TRUSTEE vacates office, the INDEPENDENT TRUSTEE'S successor (who may be the same INDEPENDENT TRUSTEE, subject to the provisions of RULE 12.6.3) must be appointed within 60 (sixty) days. During this 60 (sixty) day period the TRUSTEES may, notwithstanding the provisions of RULE 12.2.1, operate without an INDEPENDENT TRUSTEE.

12.6. Term of Office of the Trustees

12.6.1. Each MEMBER and EMPLOYER TRUSTEE remains a TRUSTEE until the next TRUSTEE meeting referred to in RULE 12.3.3 following the next verification exercise by the CCMA (or its successor), provided this is not later than the 5th (fifth) anniversary of the TRUSTEE'S appointment.

12.6.2. An INDEPENDENT TRUSTEE remains a TRUSTEE for a period as determined by the TRUSTEES, unless the INDEPENDENT TRUSTEE vacates office before that date; provided that the term of office of the INDEPENDENT TRUSTEE must run concurrently with the term of office of the TRUSTEES' who were in office at the time of appointment of the INDEPENDENT TRUSTEE.

12.6.3. A TRUSTEE who has completed the TRUSTEE'S term of office is eligible, irrespective of whether the TRUSTEE is a MEMBER TRUSTEE, EMPLOYER TRUSTEE or an INDEPENDENT TRUSTEE, for reappointment; provided that no TRUSTEE may hold office as TRUSTEE for more than ~~2 (two)~~ 3 (three) consecutive terms.

12.7. Disqualification as Trustee

12.7.1. A person is disqualified from being nominated, appointed or continuing in office as a TRUSTEE if that person:

12.7.1.1. was previously a TRUSTEE and was found by the FUND to have been in breach of the FUND'S Code of Conduct, or has been previously removed as a trustee of another retirement fund, unless the TRUSTEES agree to the contrary; or

- 12.7.1.2. is under 18 (eighteen) years of age; or
- 12.7.1.3. is mentally or physically incapable of discharging the TRUSTEE duties in terms of these RULES and/or the ACT; or
- 12.7.1.4. has been sequestrated or such person's estate has been surrendered or assigned in favour of creditors and has not been rehabilitated by a court; or
- 12.7.1.5. has been convicted by a court of theft, fraud, forgery or any offence involving dishonesty; or
- 12.7.1.6. has been discharged by a court from any office of trust on account of misconduct; or
- 12.7.1.7. has been convicted by a court on any charge and sentenced to a prison term without the option of a fine; or
- 12.7.1.8. being an EMPLOYER TRUSTEE, is an employee of, an EMPLOYER (which for the purposes of this RULE includes the holding company of an EMPLOYER or any subsidiary company of such holding company) which at that time is either exempt from participating in the FUND in terms of RULE 3.3 or which at that time is not compliant in respect of the contributions payable by that EMPLOYER to the FUND because it has not contributed timeously with matching contribution schedules as required in terms of section 13A of the ACT and these RULES, for the immediate 3 (three) months before that date. In the event of any dispute as to whether, for the purposes of this RULE, an EMPLOYER is so non-compliant, an EMPLOYER is deemed to be non-compliant until the matter is settled.

12.8. Vacation of office as Trustee

- 12.8.1. A TRUSTEE vacates office:
 - 12.8.1.1. on resignation in writing as a TRUSTEE; or
 - 12.8.1.2. if the UNION or EMPLOYER ORGANISATION that had appointed the TRUSTEE in terms of RULE 12.3 or RULE 12.4 above withdraws the appointment by giving the FUND 30 (thirty) days' notice if that TRUSTEE is no longer an employee of the organisation or is expelled from the

organisation.

- 12.8.1.3. if an independent investigation finds that a TRUSTEE is not a fit and proper person to hold office and provided that not less than $\frac{3}{4}$ (three quarters) of the TRUSTEES in office agree with this finding. This is irrespective of whether or not a breach of the FUND'S Code of Conduct is established. This is subject to the TRUSTEES having heard representations in the matter by the TRUSTEE concerned, or such TRUSTEE'S representative, before accepting or rejecting the finding; or
 - 12.8.1.4. if a TRUSTEE fails to comply with the provisions of RULE 12.1.6; or
 - 12.8.1.5. if a TRUSTEE fails to comply with the minimum meeting attendance requirement of attendance at 75% (seventy-five per cent) of all TRUSTEE meetings, including meetings of any sub-committee of which the TRUSTEE is a member, or if a TRUSTEE fails to attend 3 (three) consecutive TRUSTEE meetings or 3 (three) consecutive meetings of a sub-committee of which the TRUSTEE is a member, without an apology. A TRUSTEE'S meeting attendance is measured according to the number of meetings of the FUND held during each calendar year. Failure to comply with the minimum attendance requirement may be condoned after good cause has been shown by the TRUSTEE concerned and if granted by a majority of $\frac{2}{3}$ rd (two-thirds) of the TRUSTEES after considering submissions made by the TRUSTEE concerned; or
 - 12.8.1.6. if any of the grounds listed in RULE 12.7 becomes applicable to a TRUSTEE while in office, in which case the TRUSTEE is disqualified from remaining a TRUSTEE.
- 12.8.2. Should the position of the TRUSTEE become vacant before the expiry of a TRUSTEE'S term of office, the TRUSTEES may appoint a person to fill the vacancy, for the unexpired portion of the term of office, having regard, in respect of a vacancy which relates to an EMPLOYER TRUSTEE or a MEMBER TRUSTEE, to the benefit of having such a temporary vacancy filled by a person who appreciates the needs and expectations of the relevant stakeholder group.

12.9. Remuneration of Trustees

- 12.9.1. TRUSTEES may receive from the FUND the refund of all expenses reasonably incurred by them on behalf of the FUND in accordance with policies and

limitations set by the TRUSTEES from time to time.

12.9.2. TRUSTEES may receive from the FUND such remuneration and allowances as the TRUSTEES may from time to time determine.

12.9.3. Payments to TRUSTEES in terms of this RULE must be regarded as expenses of the FUND.

12.10. Chairperson of the board of the Trustees, Meetings of and Decision-Making by the Trustees

~~12.10.1. The TRUSTEES shall elect one of their number as chairperson. The chairperson will hold office for 2 ½ (two and a half) years, provided that the chairperson shall be elected alternately from the ranks of the EMPLOYER TRUSTEES and the MEMBER TRUSTEES. If the chairperson of the TRUSTEES is absent from any meeting, the TRUSTEES shall elect a chairperson for that meeting from their number.~~

12.10.1(a) For the time being and until such time as the Statutory Managers have been discharged in terms of a High Court Order, one of the two statutory managers shall be the chairperson of the TRUSTEES.

(b) Once the statutory managers have been discharged in terms of a High Court Order and the RULES have been amended to provide for that, the TRUSTEES will elect one of their number as chairperson of the TRUSTEES. The chairperson so elected shall hold office for 2 and half (2 ½) years, provided that the chairperson shall be elected alternately from the ranks of the EMPLOYER TRUSTEES and the MEMBER TRUSTEES. If the chairperson is absent from any meeting, the TRUSTEES shall elect a chairperson for that meeting from their number.”

12.10.2. The TRUSTEES must meet as often as they consider necessary or desirable for the proper conduct of the business of the FUND, provided this is at least 4 (four) times per year.

- 12.10.3. Until such time that the two Statutory Managers have been discharged by the High Court and the RULES of the FUND have been amended to provide otherwise, a quorum shall consist of the two Statutory Managers, at least one (1) EMPLOYER TRUSTEE, at least three (3) MEMBER TRUSTEES and the INDEPENDENT TRUSTEE.
- 12.10.4. Subject to RULE 12.2.3 and RULE 12.5.1, for a meeting to be properly constituted when it is first scheduled to take place, a quorum is constituted if there are present 4 (four) EMPLOYER TRUSTEES, 8 (eight) MEMBER TRUSTEES and 1 (one) INDEPENDENT TRUSTEE. If a quorum is not present, the meeting may be rescheduled for a date at least 7 (seven) days later. A TRUSTEE is present if able to participate in a TRUSTEE meeting by telephone or video-conference, unless the chairperson decides otherwise.
- 12.10.5. The chairperson of the TRUSTEES may convene a special meeting of the TRUSTEES if the chairperson deems it necessary.
- 12.10.6. Subject to RULE 12.10.5, the PRINCIPAL OFFICER, failing whom the chairperson of the TRUSTEES, must give the TRUSTEES reasonable notice of each TRUSTEE meeting. The notice must specify the time, date and place of the meeting and the general nature of the issues to be discussed at the meeting. Unless a majority of the TRUSTEES agree that other matters may be discussed at the meeting, only those issues indicated in the notice may be discussed.
- 12.10.7. A special meeting must be held within 10 (ten) working days of it being requested in writing by at least 4 (four) TRUSTEES who have given the PRINCIPAL OFFICER –
- 12.10.7.1. written notice of the issues to be discussed at the special meeting; and
 - 12.10.7.2. written reasons why the TRUSTEES should not wait to discuss these issues at their next ordinary meeting.
- 12.10.8. Each TRUSTEE meeting must be chaired by the chairperson. If the chairperson is unable to do so, by another TRUSTEE selected for that purpose by the remaining TRUSTEES present at the meeting. The person chairing the meeting is responsible for ensuring that it is conducted in an orderly fashion.

The chairperson may exclude from the meeting any TRUSTEE or other person who deliberately ignores instructions from the chairperson regarding the way that the meeting is to proceed or who makes it difficult for the TRUSTEES to function in an orderly fashion.

~~12.10.9. The chairperson must ensure that minutes of each meeting are taken. Those minutes must be distributed in draft form to the TRUSTEES by no later than 2 (two) weeks after the meeting of the TRUSTEES.~~

12.10.9.1 (a) Until such time that the two Statutory Managers have been discharged by the High Court and the RULES of the FUND have been amended to provide otherwise, all decisions of the TRUSTEES (including round robin decisions) must be taken with the agreement of the two Statutory Managers. In the absence of an agreement, the two Statutory Managers shall together have a veto power over all decisions taken by the TRUSTEES.

12.10.9.1(b) Once the two Statutory Managers have been discharged by the High Court, a decision of the TRUSTEES will be valid, if taken at a lawfully constituted TRUSTEES meeting, if the TRUSTEES whose votes together represent at least 50 + 1 % of the votes (a simple majority), have voted in favour of that decision.

12.10.9.1(c) For the purposes of this RULE, each EMPLOYER TRUSTEE shall have three (3) votes and each MEMBER TRUSTEE shall have one (1) vote.

12.10.9.2 If the decision was not taken at a formal TRUSTEES meeting but was taken by way of "round robin", then at least one (1) EMPLOYER TRUSTEE and at least (3) MEMBER TRUSTEES and the INDEPENDENT TRUSTEE must agree to the decision."

12.10.10. For any decision of the TRUSTEES to be valid –

12.10.10.1. if it was taken in a meeting, RULE 12.10.3 must have been complied with and 50% (fifty per cent) plus 1 (one) of the TRUSTEES present must have voted in favour of the decision; provided that for the purpose of this RULE each EMPLOYER TRUSTEE has 2 (two) votes, and provided further that the persons voting in favour of the decision include both a

MEMBER TRUSTEE and an EMPLOYER TRUSTEE, or

12.10.10.2. if the decision was not taken in a meeting but was taken by “round robin resolution” instead, at least 2/3 (two-thirds) of the TRUSTEES in office, and comprising at least 4 (four) MEMBER TRUSTEES and 2 (two) EMPLOYER TRUSTEES, have approved that decision.

12.10.11. If the TRUSTEES reach deadlock on any issue:

12.10.11.1. the issue must be reconsidered by the TRUSTEES at a meeting within 10 (ten) working days of the date on which deadlock was reached and a majority of the TRUSTEES present at the meeting must have voted in favour of the decision; or

12.10.11.2. if there is a dispute or deadlock between TRUSTEES on an issue which must be decided on an urgent basis, the TRUSTEES must meet to discuss the issue within 10 (ten) working days of the deadlock being reached. An expert (the identity of whom must be agreed by the TRUSTEES or, failing such agreement, will be decided by –

12.10.11.2.1. the head of the Johannesburg Bar in the case of a dispute of law or equity; or

12.10.11.2.2. the head of the Actuarial Society of South Africa, in the case of a dispute relating to actuarial matter; or

12.10.11.2.3. the head of the South African Institute of Chartered Accountants, in the case of a dispute relating to an accounting matter),

must at the cost of the FUND submit a written recommendation on the matter to the TRUSTEES at the meeting.

If the dispute is not resolved at this meeting of the TRUSTEES, it must accept the recommendation of the expert as a decision of the TRUSTEES.

12.10.12. A TRUSTEE who has any direct or indirect personal financial interest (other than the TRUSTEE’S interest as a MEMBER of the FUND) in a decision to be taken by the TRUSTEES must disclose that interest before the decision is taken and must not vote on the matter.

12.10.13. A decision taken by “round robin resolution” must be noted at the next ordinary

meeting of the TRUSTEES and included in the FUND'S minute book.

- 12.10.14. The TRUSTEES may decide on a general policy to govern any aspect of the business of the FUND and may record that policy in a "practice note". The TRUSTEES must review its policies from time to time and may change its practice notes when appropriate.
- 12.10.15. A TRUSTEE may give a proxy, provided it is in writing, to any other TRUSTEE in respect of any matter.
- 12.10.16. A TRUSTEE vacancy (except in respect of an INDEPENDENT TRUSTEE) when a decision is taken does not make that decision invalid provided there is a sufficient quorum, which for this purpose means that the vacancy is deemed to be an absent TRUSTEE.

12.11. Other Appointments

12.11.1. Principal Officer and Deputy Principal Officer

- 12.11.1.1. The TRUSTEES shall appoint a PRINCIPAL OFFICER, subject to the provisions of the ACT, for such periods as they may determine, and may withdraw any such appointment and make another appointment in its place. All appointments of a PRINCIPAL OFFICER will be subject to the provisions of the ACT and any relevant directive issued in terms of the ACT by the REGISTRAR.
- 12.11.1.2. The PRINCIPAL OFFICER shall perform all the functions required to fulfil duties in terms of the ACT, these RULES and the directions of the TRUSTEES.
- 12.11.1.3. If the PRINCIPAL OFFICER is absent from the Republic of South Africa or is otherwise unable to perform the PRINCIPAL OFFICER'S duties, the TRUSTEES shall, within such time period as may be prescribed by the REGISTRAR after the commencement of the continuing absence or inability to perform the duties, appoint another person to act as PRINCIPAL OFFICER for the period of absence or inability, provided that if there is a DEPUTY PRINCIPAL OFFICER, the DEPUTY PRINCIPAL OFFICER will act as PRINCIPAL OFFICER for the period of absence.
- 12.11.1.4. The PRINCIPAL OFFICER shall be entitled to remuneration for the PRINCIPAL OFFICER'S services at a rate determined by the TRUSTEES

from time to time. Such remuneration will be regarded as an expense of the FUND.

12.11.1.5. The TRUSTEES may appoint a DEPUTY PRINCIPAL OFFICER to assist the PRINCIPAL OFFICER with the PRINCIPAL OFFICER'S duties. The TRUSTEES may terminate the appointment of the DEPUTY PRINCIPAL OFFICER at any time, subject to the provisions of any agreement that the FUND may enter into with the DEPUTY PRINCIPAL OFFICER, and appoint a new DEPUTY PRINCIPAL OFFICER in such person's place.. The DEPUTY PRINCIPAL OFFICER will be entitled to remuneration for services at a rate determined by the TRUSTEES from time to time. Such remuneration will be regarded as an expense of the FUND.

12.11.1.6. The PRINCIPAL OFFICER may delegate any functions to the DEPUTY PRINCIPAL OFFICER subject to such conditions as the PRINCIPAL OFFICER may determine and subject further to the provisions of RULE 12.13, with the necessary changes. The PRINCIPAL OFFICER is not divested or relieved of a function delegated to the DEPUTY PRINCIPAL OFFICER and may withdraw the delegation at any time.

12.11.2. **Auditor**

12.11.2.1. The TRUSTEES shall appoint an AUDITOR, subject to the provisions of the ACT, for such periods as they may determine, and may withdraw any such appointment and make another appointment in its place.

12.11.2.2. The provisions of the ACT will apply to the appointment, approval and removal of the AUDITOR.

12.11.2.3. The AUDITOR shall have access to all books, vouchers, accounts and other documents pertaining to the FUND and shall certify in writing the result of each audit.

12.11.3. **Actuary**

12.11.3.1. The TRUSTEES shall appoint an ACTUARY who shall perform the functions and duties of the valuator in terms of the ACT and the duties required of the ACTUARY in terms of the RULES for such periods as they may determine, and they may withdraw any such appointment and make another appointment in its place.

12.11.3.2. The provisions of the ACT will apply to the appointment, approval and removal of the ACTUARY.

12.11.3.3. The ACTUARY shall have access to all records, books, vouchers, documents, accounts and other information necessary to perform the ACTUARY'S functions and duties.

12.11.4. **Monitoring Person**

12.11.4.1. The TRUSTEES shall appoint a MONITORING PERSON, subject to the provisions of the ACT, for such periods as they determine, and may withdraw any such appointment and make another appointment in its place.

12.11.4.2. The MONITORING PERSON shall perform all the functions required to fulfil the MONITORING PERSON'S duties in terms of the ACT, these RULES and the directions of the TRUSTEES.

12.11.5. **Administrators and Consultants**

The TRUSTEES may appoint ADMINISTRATORS and consultants on such terms as they may determine and may withdraw any such appointment at any time; provided that a consultant shall not rank as an officer of the FUND.

12.12. Indemnification of Officers of the Fund

12.12.1. The TRUSTEES and all other officers 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 arising from their gross negligence, dishonesty and or fraud.

12.12.2. The TRUSTEES must ensure that the FUND is insured against any loss resulting from the negligence, dishonesty or fraud of any of its officers.

12.13. Sub-committees

The TRUSTEES may delegate, in writing, any power of decision on any matter that is vested in them, over and above a matter referred to in RULE 13.1.6, on such terms and conditions as they may specify, to a sub-committee, or sub-committees, of such of their number as they nominate. The decision of a sub-committee to which a power is so delegated shall, unless the TRUSTEES stipulate that it must be referred to them for ratification, be regarded as a

decision made by the TRUSTEES. The TRUSTEES are not divested or relieved of a function delegated in terms of this RULE and may withdraw the delegation at any time.

13. FINANCIAL PROVISIONS

13.1. Investments

- 13.1.1. All moneys received on account of the FUND must be paid into a banking account opened in the name of the FUND.
- 13.1.2. 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 the moneys of the FUND upon such security and in such manner as they may from time to time determine and to realise, vary, reinvest or otherwise deal with such securities and other investments as they from time to time determine.
- 13.1.3. The TRUSTEES will have the power to effect policies of insurance with one or more REGISTERED INSURERS for the purpose of investing the FUND'S moneys in order to meet the cost of providing benefits in terms of these RULES.
- 13.1.4. The TRUSTEES may, subject to the requirements of the REGISTRAR, obtain an overdraft from a bank or borrow from an EMPLOYER or any other party, on such terms of as they think fit, such sums as they approve for the purpose of completing any investment or meeting any temporary cash shortage and for this purpose may give such security as they decide.
- 13.1.5. All title deeds and securities must 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 must 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 must be kept in safe custody at the registered office of that company or in a banking institution, as decided by that company.
- 13.1.6. The power 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:

- 13.1.6.1. a sub-committee of such of their number as they nominate;
 - 13.1.6.2. a financial institution as defined in the Financial Institutions (Protection of Funds) Act, 2001; or
 - 13.1.6.3. a person approved as a stockbroker in terms of Section 1 of the Financial Markets Act, 2012.
- 13.1.7. The TRUSTEES shall not be liable for the negligence, dishonesty or fraud of an institution referred to in RULE 13.1.6.2 or a person referred to in RULE 13.1.6.3.
- 13.1.8. The TRUSTEES shall have the power to transfer the assets and liabilities of the FUND or a portion thereof to another APPROVED PROVIDENT FUND or to an APPROVED PENSION FUND or to take transfer of the assets and liabilities or a portion thereof of another APPROVED PROVIDENT FUND or an APPROVED PENSION FUND. The TRUSTEES shall also have power to receive the amount payable to the FUND by reason of the transfer from the PREVIOUS FUND to the FUND of those MEMBERS who became MEMBERS in terms of RULE 3.1.

13.2. Housing Loans

The TRUSTEES shall have the power to furnish a guarantee in respect of a loan by some other person to a MEMBER for a purpose referred to in Section 19(5)(a) of the ACT and, if so required for such purpose, may make a pledge with a bank or building society as collateral security. Such guarantee shall be subject to the provisions of the ACT and the requirements of the REGISTRAR.

13.3. Expenses

- 13.3.1. The TRUSTEES must establish an Expense and Disbursement Policy in which are set out the internal controls of the FUND in respect of the authorization for an expense to be incurred, the authorization for an invoice to be settled and the reporting of such expenses so settled to the TRUSTEES.
- 13.3.2. Every expense payable by the FUND, including without limiting the generality thereof, professional fees rendered for services to the FUND, administration fees, costs, disbursements, TRUSTEES' fees and disbursements, and any other type of expense, fee, tax, levy or cost for which the FUND is liable and

which is not dealt with specifically in terms of the provisions relating to the ACCOUNTS, must be debited from the EXPENSE RESERVE ACCOUNT.

- 13.3.3. The EXPENSE RESERVE ACCOUNT is funded by crediting to it:
- 13.3.3.1. the contributions received by the FUND referred to in RULE 4.1.3.2 and such amount as the TRUSTEES, on the advice of the ACTUARY, consider appropriate to debit from the UNCLAIMED BENEFITS ACCOUNT or the BENEFITS PAYABLE ACCOUNT in respect of the costs of administration relating to the UNCLAIMED BENEFITS ACCOUNT and the BENEFITS PAYABLE ACCOUNT including but not limited to costs referred to in RULE 4.5.2.2 and RULE 4.11.2.2; and
 - 13.3.3.2. amounts credited in terms of RULE 13.3.4 and RULE 13.3.5 below.
- 13.3.4. If the amount to the credit of the EXPENSE RESERVE ACCOUNT is at any time insufficient to cover the expenses of the FUND at that time, then the TRUSTEES may debit against each MEMBER SHARE ACCOUNT, the BENEFITS PAYABLE ACCOUNT and the UNCLAIMED BENEFITS ACCOUNT in order to ensure that there is sufficient in this ACCOUNT to meet those expenses.
- 13.3.5. The TRUSTEES may deduct from the INVESTMENT RETURN allocated to all ACCOUNTS other than the UNCLAIMED BENEFITS ACCOUNT, the MEMBER SHARE ACCOUNT and the BENEFITS PAYABLE ACCOUNT such amounts as they may regard as necessary to supplement the balance standing to the credit of the EXPENSE RESERVE ACCOUNT and allocate such amounts to that ACCOUNT.

13.4. **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.

13.5. Actuarial Valuations

- 13.5.1. The financial condition of the FUND shall be investigated and reported on by the ACTUARY as at the end of each FINANCIAL YEAR. A report must be submitted to the REGISTRAR at least every three years as is required in terms of section 16 of the ACT.
- 13.5.2. If a valuation reveals a deficit in the SELF-INSURANCE ACCOUNT, then this deficit must be made up from so much as the TRUSTEES decide, on the advice of the ACTUARY, from any excess funding in the EXPENSE RESERVE ACCOUNT and, if that is insufficient to make up the deficit, any excess funding in the DATA RESERVE ACCOUNT. If there is insufficient excess funding in the EXPENSE RESERVE ACCOUNT and the DATA RESERVE ACCOUNT to make up any deficit in the SELF-INSURANCE ACCOUNT then such deficit must be made up proportionately by debiting each MEMBER SHARE ACCOUNT as well as the BENEFITS PAYABLE ACCOUNT and the UNCLAIMED BENEFITS ACCOUNT.
- 13.5.3. If the valuation reveals a deficit in the EXPENSE RESERVE ACCOUNT, then this deficit must be made up from so much as the TRUSTEES decide, on the advice of the ACTUARY, from any excess funding in the DATA RESERVE ACCOUNT and, if that is insufficient to make up the deficit, any excess funding in the SELF-INSURANCE ACCOUNT. If there is insufficient excess funding in the DATA RESERVE ACCOUNT and the SELF-INSURANCE ACCOUNT to make up any deficit in the EXPENSE RESERVE ACCOUNT then such deficit must be made up proportionately by debiting each MEMBER SHARE ACCOUNT as well as the BENEFITS PAYABLE ACCOUNT and the UNCLAIMED BENEFITS ACCOUNT.
- 13.5.4. If the valuation reveals a deficit in the DATA RESERVE ACCOUNT, then this deficit must be made up from so much as the TRUSTEES decide, on the advice of the ACTUARY, from any excess funding in the EXPENSE RESERVE ACCOUNT and, if that is insufficient to make up the deficit, any excess funding in the SELF-INSURANCE ACCOUNT. If there is insufficient excess funding in the EXPENSE RESERVE ACCOUNT and the SELF-INSURANCE ACCOUNT to make up any deficit in the DATA RESERVE ACCOUNT then such deficit must be made up proportionately by debiting each MEMBER SHARE ACCOUNT as well as the BENEFITS PAYABLE ACCOUNT and the UNCLAIMED BENEFITS ACCOUNT.

13.5.5. If the valuation reveals that there is an overfunding, as determined by the TRUSTEES on the advice of the ACTUARY, of the SELF-INSURANCE ACCOUNT, the EXPENSE RESERVE ACCOUNT or the DATA RESERVE ACCOUNT, which exceeds what may be required to meet a deficit in any of the other of these ACCOUNTS, then such overfunding must be deemed to be INVESTMENT RETURN which is allocated as amongst each MEMBER SHARE ACCOUNT, the UNCLAIMED BENEFITS ACCOUNT, the BENEFITS PAYABLE ACCOUNT and, to the extent that this is practical and cost effective, any former MEMBER who exited the FUND over the FINANCIAL YEAR applicable to that valuation on such basis as the TRUSTEES consider equitable.

14. ADMINISTRATION OF THE FUND

- 14.1. The FUND shall may be administered by ADMINISTRATORS appointed by, and acting on the instructions of the TRUSTEES.
- 14.2. The EMPLOYERS shall from time to time furnish to the FUND in respect of those employees who are MEMBERS all necessary particulars affecting their benefits or their entitlement to benefits under the FUND and the FUND shall ensure that such particulars are furnished to the ADMINISTRATORS. The FUND and the ADMINISTRATORS shall be entitled to act upon such particulars without further enquiry and shall not be responsible to any MEMBER or to the EMPLOYER or to any other person or body whatsoever for any mis-statements or errors or omissions which may be contained in such particulars.
- 14.3. 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.
- 14.4. The ADMINISTRATORS shall keep full and proper accounts of the FUND as required in terms of RULE 13.4.
- 14.5. All cheques, contracts and other documents pertaining to the FUND shall be signed by such persons as the TRUSTEES by resolution may appoint; provided that documents to be deposited with the REGISTRAR must be signed in the manner set out in the ACT.
- 14.6. The ADMINISTRATORS shall maintain fidelity and professional indemnity cover to indemnify the FUND against any loss resulting from the negligence, dishonesty or fraud of any person employed by them.

15. AMENDMENTS

- 15.1. The TRUSTEES may alter these RULES at any time, subject to RULE 15.2, RULE 15.3, RULE 15.4 and RULE 15.5.
- 15.2. The TRUSTEES may not amend the provisions of these RULES which affect the amount or the terms of a contribution payable by an EMPLOYER or in respect of a MEMBER, or which reduces the amount of a RISK BENEFIT, or which alters the NORMAL RETIREMENT DATE, unless that amendment is contained in a SECTORAL DETERMINATION relating to the MEMBERS and the FUND specifically.
- 15.3. No amendment to the RULES, which affects the financial condition of the FUND, may be made until it has been referred by the TRUSTEES to the ACTUARY.
- 15.4. All amendments to the RULES shall be submitted to the REGISTRAR, the REVENUE AUTHORITIES and any other statutory authority who so requires.
- 15.5. If the registration of any amendment to these RULES in terms of the ACT takes place on a date after the effective date of the amendment, the amendment shall nevertheless take effect from the effective date as stated in the amendment.

16. INTERPRETATION OF RULES AND DISPUTES

- 16.1. The decision of the TRUSTEES as to the meaning of or interpretation of these RULES or any particular RULE or part of a RULE shall be final and binding on the EMPLOYERS, MEMBERS and every person claiming to be entitled to a benefit under these RULES, subject to the provisions of Section 30A of the ACT.
- 16.2. Any question 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.
- 16.3. If any person affected by a decision of the TRUSTEES in terms of RULE 16.1 or RULE 16.2 is dissatisfied with the decision, such person shall have the right to lodge a written complaint as envisaged in Section 30A of the ACT. If such person remains dissatisfied such person may lodge the complaint with the Pensions Funds Adjudicator appointed in terms of the ACT which shall be dealt with in accordance with Section 37D to 30P of the ACT;
- 16.4. The EMPLOYER, the TRUSTEES (or one of 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.

17. MISCELLANEOUS PROVISIONS

17.1.

17.1.1. Subject to payment of such fee as the TRUSTEES may require, a MEMBER shall be entitled on application to a copy of any of the documents referred in Section 35(1) of the ACT.

17.1.2. A MEMBER shall be entitled on application to inspect without charge a copy of any of the documents referred to in Section 35(2) of the ACT and to make extracts therefrom.

17.2. Each MEMBER must produce evidence of age acceptable to the TRUSTEES and must also give such other information as the TRUSTEES may reasonably require for the purposes of the FUND.

17.3.

17.3.1. Payment of any benefit due in terms of these RULES shall be made to a MEMBER or a person entitled to the benefit in terms of these RULES either:

17.3.1.1. into a bank account registered in the name of the MEMBER or a person entitled to the benefit in terms of these RULES, with a bank registered in terms of the Banks Act, 1990, as amended, by means of electronic funds transfer; provided that the MEMBER or a person entitled to the benefit in terms of these RULES shall, before payment is effected, inform the FUND in writing of the particulars of the relevant bank account and such other details pertaining thereto as the TRUSTEES may prescribe from time to time; or

17.3.1.2. should the MEMBER or a person entitled to the benefit in terms of these RULES so request, payment may be made in a manner agreed upon by the MEMBER or a person entitled to the benefit in terms of these RULES and the TRUSTEES, including, but not limited to, any method permissible in law, postage by registered mail of a cheque; provided that should the MEMBER or a person entitled to a benefit in terms of these RULES request postage of a cheque, advise the FUND in writing of the particulars of the MEMBER'S or person's postal address and also furnish the FUND with a written indemnity in a form approved by the TRUSTEES indemnifying the FUND from any loss or losses occasioned as a result

thereof by any cause of whatsoever nature; or

17.3.1.3. at the registered office of the FUND by means of a cheque made payable to the MEMBER or a person entitled to the benefit in terms of these RULES.

17.3.2. Payment of a benefit to a MEMBER or a person entitled to the benefit in terms of this RULE 17.3 shall constitute full and final settlement of all and any claims a MEMBER or a person entitled to the benefit in terms of these RULES may have against the FUND in respect of such benefit and neither the FUND, the TRUSTEES nor the ADMINISTRATORS shall have any further liability to any person in respect of such benefit.

17.4. All benefits and rights to benefits in terms of these RULES shall be subject to the prohibitions as to reduction, cession, etc. contained in Section 37A and 37B of the ACT.

17.5. The TRUSTEES may

17.5.1. deal with an UNCLAIMED BENEFIT at their discretion, including the transfer of any UNCLAIMED BENEFIT to an UNCLAIMED BENEFITS FUND.

17.5.2. agree on suitable measures to trace any MEMBER, former MEMBER, dependant (as defined in the ACT) or nominated beneficiary in respect of any UNCLAIMED BENEFIT, and any reasonable costs that are incurred and which are agreed by the TRUSTEES in tracing such a person entitled to a benefit under this RULE may be deducted from the benefit concerned.

17.6. Nothing in these RULES shall in any way restrict the right of the EMPLOYER to terminate the employment of any MEMBER or affect any agreement between the EMPLOYER and an employee in regard to conditions of SERVICE.

17.7. No person shall have any claim concerning the FUND either upon the FUND or against the EMPLOYERS, except in accordance with these RULES.

17.8. Admission to membership of the FUND shall be regarded as an acknowledgement by the MEMBER that the MEMBER agrees that these RULES, including any alteration to these RULES, shall be binding upon the MEMBER and upon any person claiming to derive a benefit under the FUND by virtue of the MEMBER'S membership.

17.9. To the extent that interest may be due in respect of any amount payable by the FUND in terms of these RULES, then such interest is payable at the same rate and capitalized in the

same way, if at all, as the interest received by the FUND on that bank account in the name of the FUND into which contributions are paid; provided that:

17.9.1. any such interest must be reduced by any tax thereon due by the FUND; and

17.9.2. no such interest is payable in respect of any period during which INVESTMENT RETURN is received on the amount payable and distributed as part of that amount.

17.10. A benefit becomes payable when the MEMBER or beneficiary entitled to that benefit is entitled in law to demand payment thereof from the FUND. However, this is subject to the provision that no benefit may be considered to be payable by the FUND until the FUND has received any tax directive relating to that benefit, or the details required by the FUND to make payment of that benefit.

17.11. If it appears that the amount of a benefit payable in terms of these RULES is less than that for which the FUND had in its records made provision, the shortfall may, subject to the approval of the TRUSTEES, be debited against the DATA RESERVE ACCOUNT.

17.12. For the purposes of establishing the benefit to which the MEMBER is entitled in terms of the RULES, the TRUSTEES shall be entitled to act without further enquiry on the particulars given to them by the EMPLOYER of the reason for the MEMBER'S termination of SERVICE.