

**THE ELECTRICAL
CONTRACTING INDUSTRY
PENSION FUND**

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RULES

OF

THE ELECTRICAL
CONTRACTING INDUSTRY
PENSION FUND

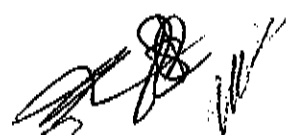
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We declare

- that on 29/08/2006 the BOARD of THE ELECTRICAL CONTRACTING INDUSTRY PENSION FUND (the FUND) resolved that the existing RULES of the FUND, as amended, be replaced by these RULES as from 1 October 2006; and
- that the resolution was taken in accordance with the existing RULES.

The reasons for the amendments to the RULES are –

- (a) to provide for an updated set of RULES drafted by the new ADMINISTRATOR which took over the administration of the FUND as from 1 January 2003 and administered the FUND on a new administration system; (Refer to the definitions of CONTRIBUTIONS FOR RETIREMENT BENEFITS and FUND INTEREST in Part 2, the INDIVIDUAL MEMBER ACCOUNT and CONTINGENCY RESERVE ACCOUNT in Part 11 and the investment of moneys while claims are pending in Part 12.)
- (b) to correct the commencement date of the FUND; (Refer to RULE 1.1(1).)
- (c) to update the RULES in accordance with the LABOUR RELATIONS ACT, 1995, as amended regarding –
 - the establishment of a NATIONAL COUNCIL; (Refer to the definition in Part 2.)
 - the definition of COUNCIL; (Refer to the definition in Part 2.)
 - the replacement of the Council Agreement by the PENSION FUND AGREEMENT; (Refer to the definition in Part 2 and Rule 14.14.)
- (d) to provide that sufficient contributions for retirement funding are kept by capping costs of the death benefits provided by the FUND and the risk benefits provided outside the FUND; (Refer to the definition of INSURED SALARY in Part 2, RULE 4.1(1), Part 6 and Part 7.)
- (e) to exclude first time limited duration contract workers who only qualified for risk benefits from the Fund. They will be insured in terms of a separate insurance arrangement; (Refer RULE 3.1(5).)
- (f) to provide for the reserve accounts as required by the ACTUARY; (Refer to RULES 11.2, 11.4 and 11.5.)



- (g) to provide for the reserve account in respect of DORMANT MEMBERS and to add the definition of DORMANT MEMBER; (Refer to RULE 11.6 and to the definition in Part 2.)
- (h) to provide for the purchasing of pensions in the names of MEMBERS; (Refer to RULES 5.4 and 5.5.)
- (i) to provide an improved disability benefit out of the FUND. (The disability benefits provided by the FUND are cancelled and replaced by a disability income insurance benefit offered in terms of a separate insurance agreement. The disability income benefit will increase at a rate of 5% per annum. - Benefit payments cease at the earlier of a MEMBER's NORMAL RETIREMENT DATE, recovery or death. While a MEMBER receives a disability income benefit, he/she remains a MEMBER of the FUND as the EMPLOYER continues contributing to the FUND.) (Refer to RULE 4.1(1), Part 7 and RULE 11.2.)
- (j) to remove the waiting period for withdrawals; (Refer to Part 8.)
- (k) to provide for transfers to preservation funds; (Refer to RULES 8.2(2), 8.2(3) and 8.2(4).)
- (l) to provide for absence from service. (Refer to Part 10.)

Certified on behalf of the BOARD of the FUND at ~~Beaumont~~ on

28/02/2009



(Chairman)

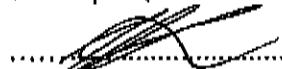


(MEMBER of BOARD)

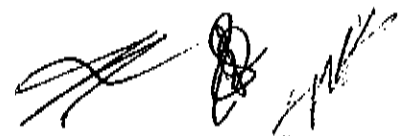
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DAG VAN DAY OF	07 August 2009
A Registrateur van Pensioenfonds Registrar of Pension Funds	

Certified on behalf of the PRINCIPAL OFFICER of the FUND at ~~Beaumont~~

on 28/02/2009



(PRINCIPAL OFFICER)



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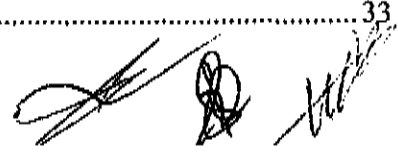
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RULES

OF

THE ELECTRICAL CONTRACTING INDUSTRY PENSION FUND

PART 1. INTRODUCTION

1.1 Establishment and object of the FUND

- 1.1(1) A retirement fund known as ELECTRICAL CONTRACTING INDUSTRY PENSION SCHEME (the FUND) was established with effect from 25 February 1963.
- 1.1(2) The object of the FUND is to provide, in terms of the provisions of these RULES, as amended from time to time, benefits at retirement or other life contingencies on behalf of persons who qualify for participation in the FUND.
- 1.1(3) The FUND is owner of its assets and is capable of acquiring rights and liabilities in its own name and of suing or being sued in a court of law. As such the FUND is a body corporate separate from its MEMBERS.
- 1.1(4) With effect from 1 January 1999 contributions were applied on a deposit administration basis.
- 1.1(5) The FUND is a privately administered fund as from 1 January 2003.
- 1.1(6) The Fund was established in terms of the Labour Relations Act, 1995 by the Bargaining Council for the Electrical Contracting Industry.

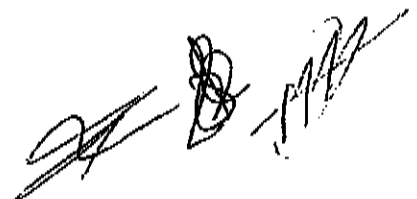
1.2 Change of name

With effect from 1 April 1997 the name of the FUND is THE ELECTRICAL CONTRACTING INDUSTRY PENSION FUND.

1.3 Registered office

The registered office of the FUND is situated at :

Advantage House
38 Siemens Street
Braamfontein.



PART 2. DEFINITIONS

In these RULES, unless the context indicates otherwise,

- words defined in the ACT have the meanings assigned to them in the ACT;
- the singular also denotes the plural and vice versa; and
- the expressions below have the meanings indicated opposite them.

ACT means the Pension Funds Act, 1956 (Act no 24 of 1956), as amended and the regulations promulgated in terms of it, and the applicability of the ACT, in terms of the references to the ACT in the RULES, is mutatis mutandis.

ACTUARY means a fellow of the Institute of Actuaries of the Faculty of Actuaries appointed by the FUND.

ADMINISTRATOR means the administrator appointed by the BOARD from time to time.

ADJUDICATOR means the Pension Funds Adjudicator appointed in terms of the ACT or any authority, forum, tribunal, organization or arbitrator having jurisdiction over a dispute in terms of the RULES and any party thereto.

ANNUAL WAGE means 52 times the weekly wage on which the MEMBER's last contribution was based in terms of the PENSION FUND AGREEMENT, but if the MEMBER was credited with contributions in more than one "wage category" during his/her last and/or second-last CONTRIBUTION YEAR, an average of his/her weekly wages in those categories may be used.

AUDITOR means the auditor registered under the Public Accounts and Auditor's Act, 1991 and appointed by the FUND in terms of the RULES.

AUGMENTING RESERVE ACCOUNT means the AUGMENTING RESERVE ACCOUNT described in RULE 11.2.

BENEFICIARY means a MEMBER, DEPENDANT, NOMINEE or other person to whom a benefit is payable in terms of the RULES.

BOARD means the BOARD which controls and manages the FUND in terms of the RULES and the ACT.

BOARD MEMBER means a member of the BOARD.

COMMENCEMENT DATE means 25 February 1963.

CONTINGENCY RESERVE ACCOUNT means the **CONTINGENCY RESERVE ACCOUNT** described in **RULE 11.3**.

CONTRIBUTIONS FOR RETIREMENT BENEFITS in regard to a **MEMBER** means the contributions made to the **FUND** by and in respect of the **MEMBER**, including transfers from other funds made specifically in respect of the **MEMBER**, less the portion thereof earmarked by the **FUND** for the following, namely -

- strengthening of the **GENERAL RESERVE ACCOUNT**;
- strengthening of the **RISK RESERVE ACCOUNT**;
- the cost of the administration of the **FUND** (excluding the investment administration) not fully paid from the **GENERAL RESERVE ACCOUNT**;
- the fees payable to consultants and other professional advisers not fully paid from the **CONTINGENCY RESERVE ACCOUNT**;
- the current cost of the risk insurance not fully paid from the **RISK RESERVE ACCOUNT**.

CONTRIBUTION YEAR means the continuous period of 12 months during which the contributions for that period are payable in terms of the **PENSION FUND AGREEMENT**.

COUNCIL means, in respect of those **COUNCIL** functions under the **RULES** that cannot be performed by the **BOARD**, the **NATIONAL COUNCIL** or its regional committee (as applicable in terms of the constitution of the **NATIONAL COUNCIL** and the relevant **COUNCIL** agreements).

DEPENDANT in regard to a **MEMBER** means -

- (a) a person in respect of whom the **MEMBER** is legally liable for maintenance;
- (b) a person in respect of whom the **MEMBER** is not legally liable for maintenance, if such person -
 - (i) was, in the opinion of the **BOARD**, upon the death of the **MEMBER** in fact dependent on the **MEMBER** for maintenance;
 - (ii) is the spouse of the **MEMBER**, where 'spouse' means the permanent life partner or spouse or civil union partner of a **MEMBER** in accordance with the **Marriage Act 25 of 1961**, the **Recognition of Customary Marriages Act 120 of 1998**, or the **Civil Union Act, No. 17 of 2006**, or the tenets of a religion;

(iii) is a child of the MEMBER, including a posthumous child, an adopted child and a child born out of wedlock; or

(c) a person in respect of whom the MEMBER would have become legally liable for maintenance, had the MEMBER not died.

DORMANT MEMBER means a MEMBER by and in respect of whom no contributions have been paid to the COUNCIL as on 1 January of each year for the previous 12 months and in respect of whom no benefit has been claimed.

ELECTRICAL CONTRACTORS' ASSOCIATION (ECA) is a voluntary body of employers in the INDUSTRY representing the interests of EMPLOYERS.

ELIGIBLE EMPLOYEE means a person employed in the INDUSTRY for whom a contribution is prescribed in terms of the PENSION FUND AGREEMENT and includes any other category of persons which the COUNCIL has allowed to join the FUND.

EMPLOYER means a member of the ELECTRICAL CONTRACTORS' ASSOCIATION (South Africa) and includes any other EMPLOYER that with the consent of the BOARD participates in the FUND.

With regard to a MEMBER, EMPLOYER means that EMPLOYER by whom the MEMBER is or was last employed.

FINANCIAL YEAR means the twelve months ending on the last day of December each year.

FUND (or PENSION FUND) means THE ELECTRICAL CONTRACTING INDUSTRY PENSION FUND. Where applicable a reference to the FUND must be construed as a reference to the BOARD or the COUNCIL as the case may be.

FUND INTEREST means interest determined by the ACTUARY on behalf of the FUND, taking into account the rate of net investment return (both realised and unrealised) that the FUND earns in respect of the MEMBER. The FUND INTEREST may be positive or negative depending on circumstances. At least once every three years, or as otherwise agreed with the FUND, the assets and liabilities of the FUND must be investigated and the FUND INTEREST may be adjusted to take into account the financial position of the FUND.

GENERAL RESERVE ACCOUNT means the GENERAL RESERVE ACCOUNT described in RULE 11.4.

INDIVIDUAL MEMBER ACCOUNT means the individual account kept for each MEMBER in terms of RULE 11.1.

INDUSTRY means the Electrical Contracting Industry as defined in the collective PENSION FUND AGREEMENT.

INSURED SALARY means a MEMBER's actual weekly wages specified in the PENSION FUND AGREEMENT on which CONTRIBUTIONS were based and that were actually paid during the 12 (twelve)-month period preceding the date of death or disability of the MEMBER, as the case may be;

INSURER in regard to a particular liability of the FUND means the REGISTERED INSURER underwriting that liability.

LABOUR RELATIONS ACT means the Labour Relations Act, 1995 and the regulations made in terms of it, or any substituting statutory measures.

MEMBER means any person who is a MEMBER of the FUND in terms of the RULES and MEMBERSHIP has a corresponding meaning.

MEMBER SHARE in regard to any MEMBER means the balance of his/her INDIVIDUAL MEMBER ACCOUNT.

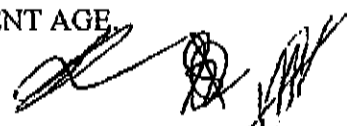
NATIONAL COUNCIL means the National Bargaining Council for the Electrical Industry of South Africa established in terms of the LABOUR RELATIONS ACT.

NATIONAL INDUSTRY means all the activities within the jurisdiction of a Bargaining Council for the Building or Electrical Contracting Industry established in terms of the Labour Relations Act, 1956 or 1995 or within the jurisdiction of an employers' or employees' association for said industries, which oblige employees to be members of a pension or provident fund underwritten by the ADMINISTRATOR and administered by such COUNCIL or association.

NOMINEE means a person who is appointed by the MEMBER in terms of the RULES to receive benefits at his/her death.

NORMAL RETIREMENT AGE means the age of 65 years.

NORMAL RETIREMENT DATE in regard to any MEMBER means the last day of the month in which he/she reaches the NORMAL RETIREMENT AGE.



PENSION FUND (See definition of FUND.)

PENSION FUND AGREEMENT means the agreements between the parties to the COUNCIL governing contributions and participation in the FUND or, in the event that no such COUNCIL agreement is operative, a collective agreement between the parties represented on the BOARD in terms of the LABOUR RELATIONS ACT (thus being a collective PENSION FUND AGREEMENT).

PREVIOUS or SUBSEQUENT SCHEME means a pension scheme or provident fund in the NATIONAL INDUSTRY which a MEMBER joined before or after joining this FUND and of which he/she is still a member when becoming entitled to benefit under this FUND.

PRINCIPAL OFFICER means the principal executive officer of the FUND appointed by the BOARD in terms of RULE 13.9.

PROVIDENT FUND means the Electrical Contracting Industry Provident Fund.

REGISTERED INSURER means an institution which is registered in terms of the Long-term Insurance Act, (Act No. 52 of 1998).

REVENUE AUTHORITIES means the statutory revenue authorities whose approval of the FUND is required.


RISK RESERVE ACCOUNT means the RISK RESERVE ACCOUNT described in RULE 11.5.

RULES means the rules of the FUND contained herein, as amended from time to time, and may include any other document by which the FUND is constituted, other rule for the conduct of its business and/or other provision relating to benefits and/or contributions in terms of these RULES, provided that such other document, rule and/or provision was agreed to between the COUNCIL and the ADMINISTRATOR.

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PART 3. MEMBERSHIP**3.1 MEMBERSHIP**

- 3.1(1) Every ELIGIBLE EMPLOYEE qualifies for MEMBERSHIP of the FUND and within 30 days after commencing employment in the INDUSTRY must elect to join either this PENSION FUND or the PROVIDENT FUND as a condition of his/her employment, unless the ELIGIBLE EMPLOYEE is exempted in terms of the PENSION FUND AGREEMENT.
- 3.1(2) An existing MEMBER of the PENSION FUND, at the PROVIDENT FUND's commencement date of 1 April 1997, had the option to elect by 31 July 1998, to become a member of the PROVIDENT FUND in respect of any future employment in the INDUSTRY. Such MEMBER also, by 31 July 1998, had the option of having the value of his/her prospective pension benefit under this PENSION FUND transferred to the PROVIDENT FUND in accordance with RULE 3.4.
- The COUNCIL may, in its sole discretion, allow such an existing MEMBER of the PENSION FUND to join the PROVIDENT FUND after 31 July 1998 and, if so elected, to have his/her benefits transferred to the PROVIDENT FUND in accordance with RULE 3.4 if he/she was not given reasonable notice of his/her option to join the PROVIDENT FUND before 31 July 1998.
- 3.1(3) Failing to elect in terms of sub-RULES (1) or (2), any such ELIGIBLE EMPLOYEE is deemed to have elected MEMBERSHIP of the PENSION FUND.
- 3.1(4) Each ELIGIBLE EMPLOYEE becomes a MEMBER of the PENSION FUND from the beginning of the week in respect of which the COUNCIL credits him/her with his/her first contribution.
- 3.1(5) A first time limited duration contract worker who falls under s33(B) of the PENSION FUND AGREEMENT and referred to in RULE 4.1(2) and who qualifies for risk benefits only, will not become a MEMBER of the FUND. Such a MEMBER will receive risk benefits in terms of a separate insurance arrangement(s) effected by the COUNCIL on behalf of the EMPLOYERS for the benefit of the MEMBER outside the FUND.



3.2 Termination

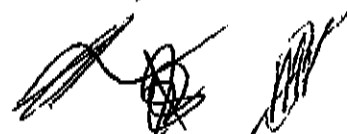
- 3.2(1) A MEMBER's MEMBERSHIP may not be terminated as long as he/she remains an ELIGIBLE EMPLOYEE, unless the category to which he/she belongs is transferred to another fund in which the EMPLOYER participates.
- 3.2(2) A MEMBER's MEMBERSHIP terminates -
- (a) at the MEMBER's death; or
 - (b) as soon as the MEMBER, after he/she has ceased to be an ELIGIBLE EMPLOYEE, ceases to be entitled to a benefit in terms of the RULES; or
 - (c) at the termination of the FUND,
- whichever event occurs first.

3.3 Re-employment

- 3.3(1) Subject to sub-RULES (2) and (3), if a MEMBER referred to in RULE 3.2(2) subsequently again works in the INDUSTRY as an ELIGIBLE EMPLOYEE and qualifies for MEMBERSHIP of the FUND, he/she will be treated as a new MEMBER.
- 3.3(2) If a MEMBER retires at age 65, or later and receives a retirement benefit in terms of the RULES, but again works in the INDUSTRY as an ELIGIBLE EMPLOYEE, or if a MEMBER joins the FUND as a new MEMBER after attaining the age of 65 years, contributions will be made by and in respect of him/her in the usual way and applied towards his/her MEMBER SHARE to purchase a retirement benefit when he/she eventually retires in addition to any retirement benefit he/she may already be receiving. Such a MEMBER will not be entitled to death or disability benefits in terms of Parts 6 and 7 respectively.
- 3.3(3) If a MEMBER who qualifies for a disability benefit in terms of Part 7 recovers from his/her disability and resumes work in the INDUSTRY and again qualifies for MEMBERSHIP of the FUND, he/she will be treated as a new MEMBER, provided that his/her death and disability benefits in terms of Parts 6 and 7 respectively will be reduced by the amount of the insured disability benefit previously paid.

3.4 Special transfer option

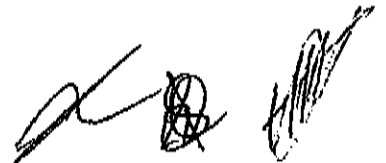
Notwithstanding a contrary provision in these RULES, the FUND, in respect of a MEMBER who exercised the relevant transfer options in terms of RULE 3.1(2), must transfer to the PROVIDENT FUND such value of the MEMBER SHARE, on condition



that the transferred amount will not be subsequently transferable out of the PROVIDENT FUND.

The amount transferred, after the deduction of income tax beforehand, will be applied in terms of the rules of the PROVIDENT FUND, on a basis agreed between the COUNCIL and the ADMINISTRATOR, as MEMBER's and EMPLOYER's contributions for past periods in the proportion which applied in terms of this PENSION FUND, unless otherwise agreed with the MEMBER.

Upon completion of the transfer, the MEMBER ceases to be a MEMBER of the PENSION FUND and has no further claim against it.

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PART 4. CONTRIBUTIONS

4.1 Normal contributions

- 4.1(1) For each week in which a MEMBER works in the INDUSTRY for at least the number of hours specified for this purpose by the COUNCIL, his/her EMPLOYER shall remit to the FUND the MEMBER's contribution and the EMPLOYER's contribution in accordance with the PENSION FUND AGREEMENT, less the premiums payable for any life and/or disability insurance effected by the COUNCIL outside the FUND.
- 4.1(2) Notwithstanding any contrary provision in these RULES, the contributions in respect of certain categories of MEMBERS will be applied solely to provide insured death and/or disability benefits, as agreed between the COUNCIL and the ADMINISTRATOR from time to time.

4.2 Contributions for past periods

The MEMBER and EMPLOYER may make contributions in respect of any past period before commencement of the MEMBER's MEMBERSHIP that is recognised as pensionable service by the FUND. The past period which is allocated for a specific contribution is determined as if contributions for past periods are payable at the same rate at which current contributions are payable for current periods.

4.3 Payment of contributions to FUND

The EMPLOYER must pay the contributions which are payable to the FUND in respect of the MEMBERS directly to the COUNCIL within fifteen days of the end of the month in respect of which the contributions are payable.

If contributions are not paid timeously to the COUNCIL, interest will be payable by the EMPLOYER to the COUNCIL at the rate prescribed for application to late payments of contributions in terms of the PENSION FUND AGREEMENT.

The COUNCIL shall pay contributions to the FUND within a further fifteen days.

PART 5. RETIREMENT BENEFITS**5.1 Normal retirement**

A retirement benefit becomes payable when a MEMBER retires from the service of the EMPLOYER on his/her NORMAL RETIREMENT DATE.

5.2 Early retirement

A retirement benefit also becomes payable when a MEMBER's service with the EMPLOYER is terminated before his/her NORMAL RETIREMENT DATE, provided that -

- (a) the termination amounts to retirement, and it occurs on or after the MEMBER has reached the age of 55 years; or
- (b) the termination amounts to retirement owing to ill-health; or
- (c) a disability benefit becomes payable to him/her in terms of Part 7.

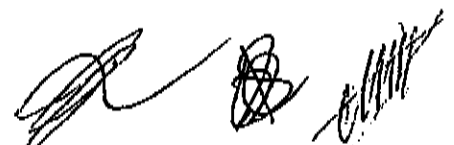
5.3 Late retirement

A retirement benefit also becomes payable when a MEMBER's service with the EMPLOYER is terminated after his/her NORMAL RETIREMENT DATE, provided that -

- (a) the MEMBER will be deemed to have attained his/her NORMAL RETIREMENT DATE on reaching the age of 70 years; and
- (b) the COUNCIL may, at its sole discretion, extend the age of 70 years in respect of any MEMBER as it deems expedient in the circumstances on prior application by the MEMBER and on giving the ADMINISTRATOR reasonable notice in this regard.

5.4 Benefit at retirement

A MEMBER's retirement benefit consists of an annuity policy purchased with the MEMBER SHARE. By applying to the FUND prior to his/her retirement, the MEMBER may convert a part into a lump sum payment but, subject to statutory measures in this regard, not more than one-third of the benefit.

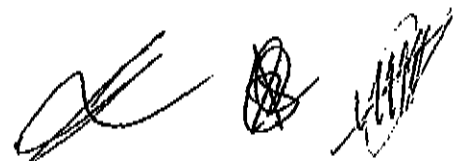


5.5 Purchase of annuity policy

- 5.5(1) The annuity policy referred to in the preceding RULE must be purchased from a REGISTERED INSURER selected by the MEMBER with the MEMBER as owner of the policy.
- 5.5(2) The FUND's liability in respect of a retiring MEMBER is limited to the conclusion of the annuity policy with the REGISTERED INSURER for the payment of the annuity direct to the MEMBER. Immediately after the FUND has paid the premium on the annuity policy and, where applicable, made payment of any lump sum, the MEMBER's MEMBERSHIP of the FUND ceases.
- 5.5(3) More than one annuity policy may be purchased in respect of a MEMBER subject to the terms and conditions prescribed by the REVENUE AUTHORITIES in this regard.
- 5.5(4) Subject to the right of conversion into a lump sum payment provided in the preceding RULE, the annuity policy must be non-commutable and non-surrenderable during the life of the retired MEMBER. It may not be transferred, assigned, reduced, hypothecated or attached by creditors as contemplated by the provisions of sections 37A and 37B of the ACT.
- 5.5(5) The annuity must be payable at least until the death of the MEMBER. It may be a single-life annuity, a joint and survivorship annuity or a flexible annuity.

5.6 Existing pensioners

Existing pensioners will continue to receive their pensions and any increases in their pensions in terms of the rules which applied at the time of their retirement from the FUND.



PART 6. DEATH BENEFITS

6.1 Death before or on the NORMAL RETIREMENT DATE while an ELIGIBLE EMPLOYEE

6.1(1) If a MEMBER dies before or on the NORMAL RETIREMENT DATE while he/she is an ELIGIBLE EMPLOYEE and provided that satisfactory proof of the death of the MEMBER is submitted to the FUND, the following provisions apply: -

Life insurance benefit

6.1(2) A life insurance benefit equal to the following shall be paid to his/her DEPENDANTS and NOMINEES:

In respect of all MEMBERS in respect of whom contributions have been paid within the period as determined in terms of these RULES, and as accepted by the relevant INSURER,

- (i) in the event of accidental death during the first 12 (twelve) months of MEMBERSHIP, the multiple of the deceased MEMBER's ANNUAL WAGE as at the date of death that has been purchased with a maximum of 4% of the MEMBER's ANNUAL WAGE, less the cost of any disability benefits provided for the MEMBERS, provided that this accidental death benefit will also be payable during the first 12 (twelve) months of a MEMBER rejoining the FUND after not contributing to the FUND for 24 (twenty four) consecutive months; or
- (ii) in the event of death from any other cause, the multiple of the deceased MEMBER's annual INSURED SALARY as at the date of death that has been purchased with a maximum of 4% of the MEMBER's ANNUAL WAGE less the cost of any disability benefits provided for the MEMBERS.

"Accidental death" for the purposes of this RULE shall mean death as a direct result of bodily injury caused by unforeseen violent, external and visible means, of which the BOARD were given written notice within 7 (seven) days of its occurrence.

If a MEMBER qualifies for any life insurance benefit under any other pension or life scheme (other than a PREVIOUS or SUBSEQUENT SCHEME) at the date of his/her death, the COUNCIL will have the discretion to reduce the life insurance benefit

hereunder accordingly. The life insurance benefit of a MEMBER who received an insured disability benefit in terms of Part 7 before resuming employment in the INDUSTRY, will be subject to the provisions of RULE 3.3(3).

Benefit relating to contributions for retirement benefits

- 6.1(3) The MEMBER SHARE is paid to his/her DEPENDANTS and NOMINEES.
- 6.1(4) In the case of a MEMBER who qualifies for a life insurance benefit, this benefit is paid in addition to the life insurance benefit.
- 6.2 **Death after the NORMAL RETIREMENT DATE while an ELIGIBLE EMPLOYEE**
If a MEMBER dies after the NORMAL RETIREMENT DATE and while he/she is an ELIGIBLE EMPLOYEE, the MEMBER SHARE is paid to his/her DEPENDANTS and NOMINEES.

Provided that the MEMBER has not yet attained the age of 70 years, the MEMBER's life insurance benefit referred to in RULE 6.1(2) is paid in addition to his/her DEPENDANTS and NOMINEES as if that benefit is also applicable after the NORMAL RETIREMENT DATE.

6.3 Previous death benefits

If a MEMBER, who was a member of a PREVIOUS or SUBSEQUENT SCHEME, dies, the amount of his/her life insurance benefit under the FUND will be equal to --

- (a) if the insured benefit of the PREVIOUS or SUBSEQUENT SCHEME is lower than that of this FUND – the lower benefit plus $\frac{1}{16}^{\text{th}}$ of the difference between the two benefits for each contribution credited to the MEMBER in this FUND, up to a maximum of 16, at which stage the full benefit under this FUND will apply, subject to the provisions of this Part;
- (b) if the insured benefit of the PREVIOUS or SUBSEQUENT SCHEME is higher than that of this FUND – the full benefit under this FUND,

provided that the amount of the insured benefit payable under this FUND in terms of this Part will be reduced by the insured benefit for which the MEMBER qualifies and is paid under his/her PREVIOUS or SUBSEQUENT SCHEME.

6.4 Reduction of benefit

The death benefits payable or to be applied in respect of a MEMBER in terms of this Part may be reduced by the amount of any reasonable costs undertaken by the

FUND in identifying and tracing DEPENDANTS and/or NOMINEES of the MEMBER.

6.5 Limitations and other conditions regarding the death benefits

The FUND shall insure the life insurance benefit referred to in RULES 6.1(2) and 6.2 with the INSURER of its choice on the basis and to the extent recommended by the ACTUARY.

The life insurance benefit payable in terms of these RULES shall be subject to the same limitations and conditions of the policy issued by the INSURER. The policy of the INSURER must provide that in the event of the FUND'S ADMINISTRATOR not receiving payment of the contributions within the period specified by the INSURER from time to time, the cover shall cease.

The policy insuring the life insurance benefit must be open for inspection by the MEMBERS at the personnel office of the EMPLOYER at reasonable times.

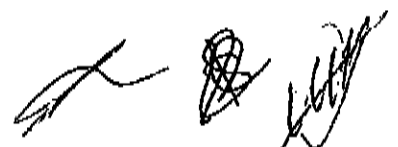
In addition to the terms and conditions which will have general application in respect of all the MEMBERS, the INSURER may in terms of the policy lay down limitations and other conditions in respect of any individual MEMBER.

6.6 Notification of a claim

Claims for life insurance benefits must be submitted to the INSURER within 6 months after the MEMBER's death, unless the INSURER condones later submission in special circumstances.

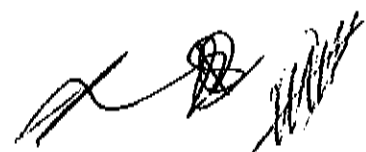
6.7 Death of a spouse or a dependent child of a qualifying MEMBER

In the event of the death of a spouse or a dependent child of a qualifying MEMBER, a funeral benefit will be payable in terms of the policy for the funeral aid insurance effected outside the FUND for the benefit of the MEMBERS.



PART 7. DISABILITY BENEFITS

- 7.1(1) If a MEMBER receives an insured disability income benefit in accordance with the disability income insurance effected by the COUNCIL on behalf of the EMPLOYERS for the benefit of the MEMBERS, he/she will remain a MEMBER of the FUND until the earlier of his/her NORMAL RETIREMENT DATE or death.
- 7.1(2) While the MEMBER receives such a disability income benefit the following applies:
- (a) The life insurance benefit in terms of RULE 6.1(2) applicable to him/her is that which applied immediately before he/she qualified for the disability income benefit.
 - (b) The disability income benefit will increase every year at a time determined by the FUND at a rate of 5% per annum.
 - (c) Contributions at a rate of 13% of the MEMBER's ANNUAL WAGE will be made to the FUND.



PART 8. WITHDRAWAL BENEFITS

8.1 Termination of service

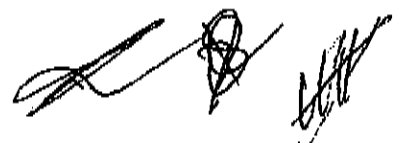
If a MEMBER's employment in the INDUSTRY is terminated before the NORMAL RETIREMENT DATE (whether voluntarily by the MEMBER or as a result of retrenchment, redundancy, dismissal or any other reason), and he/she is then not entitled to retirement benefits from the FUND, he/she may choose in writing in the prescribed format that the whole or a portion of the MEMBER SHARE be paid to him/her as a lump sum cash benefit. If no written instruction is received from the MEMBER, the benefit becomes paid-up until it is claimed.

The portion not so paid will be transferred for his/her benefit to another retirement fund selected by him/her and approved by the FUND for this purpose, subject to the provisions of RULES 8.2(2), 8.2(3) and 8.2(4).

8.2 Special limitations on the options

- 8.2(1) If the MEMBER does not advise the FUND of his/her choice between the cash and transfer benefit in writing in the prescribed format within three months of his/her termination of service, he/she is deemed to have chosen the cash benefit.
- 8.2(2) No transfer may be effected to a preservation fund, unless
- (a) the preservation fund is recognised as a pension preservation fund by the REVENUE AUTHORITIES; and
 - (b) the MEMBER's EMPLOYER participates as an employer in the preservation fund and started doing so prior to the termination of his/her employment in the INDUSTRY.
- 8.2(3) If a MEMBER elects a transfer to a preservation fund, he/she may not take any cash benefit and must transfer to the preservation fund his/her full transfer benefit, less
- (a) any transfer to a fund approved by the REVENUE AUTHORITIES as a retirement annuity fund; and
 - (b) any deduction in terms of RULE 14.5.
- 8.2(4) A MEMBER may not exercise the withdrawal option provided by the preservation fund if -
- (a) before transfer to the preservation fund, a deduction is made from the MEMBER's benefit in terms of RULE 14.5; or

(b) part of the MEMBER's interest in the FUND accrues to the MEMBER's former spouse in terms of section 7(8) of the Divorce Act, 1979.

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PART 9. TRANSFERS TO AND FROM OTHER FUNDS

9.1 Transfers from NATIONAL INDUSTRY retirement funds

Insured benefits

- 9.1(1) The MEMBER will be eligible for the life insurance and insured disability benefit/s under this FUND, as described in Parts 6 and 7, if he/she was eligible for such insured benefit/s under the PREVIOUS SCHEME on joining this FUND.
- 9.1(2) In addition, to qualify for such insured benefit, the MEMBER must meet the requirements laid down in Parts 6 or 7 (as applicable), for which purpose contributions credited in any PREVIOUS and/or SUBSEQUENT SCHEME will count as if they were credited in this FUND.
- 9.1(3) The amount of the benefit payable under this FUND will be equal to:
- (a) If the insured benefit of the PREVIOUS or SUBSEQUENT FUND is lower than that of this FUND - the lower benefit plus $\frac{1}{16}^{\text{th}}$ of the difference between the two benefits for each contribution in terms of RULE 4.1 credited to the MEMBER in this FUND, up to a maximum of 16, at which stage the full benefit under this FUND will apply, subject to the provisions of Parts 6 or 7 (as applicable).
- (b) If the insured benefit of the PREVIOUS and/or SUBSEQUENT SCHEME is higher than that of this FUND - the full benefit under this FUND.

Provided that the amount of the insured benefit payable under this FUND in terms of this RULE or Parts 6 or 7 (as applicable) will be reduced by the insured benefit for which the MEMBER qualifies and is paid under his/her PREVIOUS or SUBSEQUENT SCHEME.

Refund of contributions on death or withdrawal

- 9.1(4) In addition to any refund of contributions made in terms of RULE 4.1 payable under this FUND, a refund of contributions under the rules of the PREVIOUS and/or SUBSEQUENT SCHEMES will also be paid.

Retirement benefits

- 9.1(5) The retirement benefits purchased for the MEMBER under any PREVIOUS or SUBSEQUENT SCHEME will not be transferred to this FUND but will be retained in that scheme subject to the conditions of that scheme.

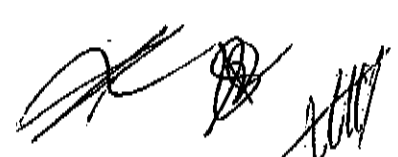
9.2 Transfer of benefits from and to any other national industry's retirement fund

With the agreement of the COUNCIL and the ADMINISTRATOR, a retirement fund of any other national industry may transfer the actuarial value of a MEMBER's benefits to this FUND in accordance with the ACT, and vice versa, provided that:

- (a) there is a reciprocal arrangement between this FUND and such other fund;
- (b) any amount transferred from such other fund to this FUND, or vice versa, shall be entrenched in the name of the MEMBER concerned and not be subject to forfeiture in any way.

9.3 Transfer from or to other retirement funds

- 9.3(1) The FUND, in consultation with other funds not referred to in RULES 9.1 and 9.2, may receive benefits from or transfer benefits to those funds on the conditions laid down by the FUND, provided that in the case of a transfer to a provident fund income tax is deducted beforehand.
- 9.3(2) For the purposes of determining benefits, transfers from these other funds are deemed to be MEMBER and EMPLOYER contributions for past periods in the proportion which applied in terms of the other fund, unless otherwise agreed with the MEMBER.
- 9.3(3) Transfers to funds recognised by the REVENUE AUTHORITIES as preservation funds are subject to the provisions of RULES 8.2(2), 8.2(3) and 8.2(4).



PART 10. ABSENCE FROM SERVICE**10.1 Absence with the EMPLOYER's consent**

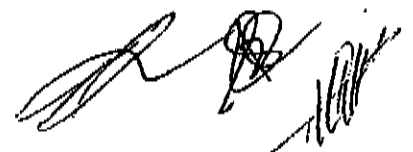
If a MEMBER is absent from employment in the INDUSTRY with the EMPLOYER's consent, the MEMBER's MEMBERSHIP continues subject to the following:

- (a) The MEMBER may, with the consent of the EMPLOYER, suspend his/her contributions to the FUND, in which case the portion of the EMPLOYER's contributions to the FUND for the MEMBER normally applied towards retirement benefits are also suspended.
- (b) During the period of absence the MEMBER's ANNUAL WAGE is deemed to be equal to the ANNUAL WAGE he/she received immediately before the commencement of absence.
- (c) The insured benefits remain applicable to the MEMBER during the period of absence but not for longer than two years. Periods of absence that are interrupted by periods of less than three months, are added together to determine whether the period of two years has elapsed or not.

A MEMBER is deemed to be absent with the EMPLOYER's consent while he/she is engaged in a strike that is protected in terms of the LABOUR RELATIONS ACT.

10.2 Absence without the EMPLOYER's consent

A MEMBER's MEMBERSHIP lapses and his/her employment in the INDUSTRY is regarded as terminated if and as soon as he/she is absent from employment in the INDUSTRY without the EMPLOYER's consent. The EMPLOYER must immediately inform the FUND of the MEMBER's absence and of the date when it commenced.

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PART 11. ACCOUNTS AND RESERVES

11.1 INDIVIDUAL MEMBER ACCOUNT

- 11.1(1) The FUND keeps an INDIVIDUAL MEMBER ACCOUNT for each MEMBER which is credited with -
- (a) the CONTRIBUTIONS FOR RETIREMENT BENEFITS in respect of the MEMBER;
 - (b) FUND INTEREST if the rate of FUND INTEREST is positive.
- 11.1(2) The INDIVIDUAL MEMBER ACCOUNT is debited with -
- (a) the portion of the MEMBER SHARE which is payable to BENEFICIARIES in terms of the RULES;
 - (b) FUND INTEREST if the rate of FUND INTEREST is negative.
- 11.1(3) On liquidation of the FUND, any balance in the account must be applied in accordance with section 15I of the ACT.

11.2 AUGMENTING RESERVE ACCOUNT

- 11.2(1) The FUND keeps an AUGMENTING RESERVE ACCOUNT to which is credited -
- (a) up to 1 October 2006, the portion of the MEMBER's life insurance benefit which is not payable on a MEMBER's death as a result of a MEMBER being older than 55 years at entry;
 - (b) the amounts transferred from the FUND's Cash Portfolio Investment Plan to clear a debit balance in the AUGMENTING RESERVE ACCOUNT.
- 11.2(2) The AUGMENTING RESERVE ACCOUNT is debited with -
- (a) any portion of the AUGMENTING RESERVE ACCOUNT which is transferred to the REGISTERED INSURER responsible for the payment of instalments in respect of existing pensioners (pensioners who became pensioners before 1 January 2003); and
 - (b) the amount that the target pension exceeds the MEMBER's normal pension.

11.3 CONTINGENCY RESERVE ACCOUNT

- 11.3(1) The FUND keeps a CONTINGENCY RESERVE ACCOUNT to which is credited the amount transferred from the FUND's Cash Portfolio Investment Plan to clear the debit balance in the CONTINGENCY RESERVE ACCOUNT.

- 11.3(2) The CONTINGENCY RESERVE ACCOUNT may be debited with the following -
- (a) fees and reimbursements payable to the front office and the COUNCIL;
 - (b) any taxes and levies not taken into account in the costs of the administration of the FUND or the investment of its assets;
 - (c) premiums for fidelity and professional indemnity insurance taken out by the FUND;
 - (d) fees and reimbursements payable to the Chairman of the BOARD;
 - (e) fees and reimbursements payable to consultants, the ACTUARY and other service providers appointed by the FUND;
 - (f) the costs of the audits of the FUND;
 - (g) fees and reimbursements payable to the PRINCIPAL OFFICER appointed by the FUND;
 - (h) amounts paid in respect of disbursement accounts;
 - (i) reasonable travelling, accommodation and related expenses incurred by the BOARD MEMBERS in directing, controlling and overseeing the operations of the FUND;
 - (j) costs of training of BOARD MEMBERS.
- 11.3(3) On liquidation of the FUND, any balance in the account must be applied in accordance with section 15I of the ACT.

11.4 GENERAL RESERVE ACCOUNT

- 11.4(1) The FUND keeps a GENERAL RESERVE ACCOUNT to which is credited --
- (a) the EMPLOYER's contributions made in terms of RULE 4.1(1) to meet the administration costs with regard to the FUND;
 - (b) the amount transferred from the FUND's Cash Portfolio Investment Plan to clear the debit balance in the GENERAL RESERVE ACCOUNT.
- 11.4(2) The GENERAL RESERVE ACCOUNT is debited with the fees payable to the ADMINISTRATOR of the FUND for the administration of the FUND (excluding the investment administration).

11.5 RISK RESERVE ACCOUNT

- 11.5(1) The FUND keeps a RISK RESERVE ACCOUNT to which is credited -

- (a) the EMPLOYER's contributions made in terms of RULE 4.1(1) to meet the cost of the risk insurance effected by the FUND in respect of the MEMBERS;
- (b) the amount transferred from the FUND's Cash Portfolio Investment Plan to clear the debit balance in the RISK RESERVE ACCOUNT.

11.5(2) The RISK RESERVE ACCOUNT is debited with -

- (a) the premiums paid to the REGISTERED INSURER underwriting the risk insurance provided by the FUND;
- (b) the difference in the death benefit between 4 and 2,5 times a MEMBER's ANNUAL WAGE during the period 1 January 2003 to 28 October 2003.

11.6 DORMANT MEMBER RESERVE ACCOUNT

11.6(1) The FUND keeps a DORMANT MEMBER RESERVE ACCOUNT to which is credited -

- (a) the MEMBER SHARE of MEMBERS when they become DORMANT MEMBERS;
- (b) the net investment return on the amount in the account.

11.6(2) The DORMANT MEMBER RESERVE ACCOUNT, if agreed to by the BOARD, after consulting the ACTUARY, may be debited with amounts applied -

- (a) to pay claims in respect of DORMANT MEMBERS; and
- (b) to pay the costs of the administration of the DORMANT MEMBERS.

11.6(3) On liquidation of the FUND, any balance in the account must be applied in accordance with section 151 of the ACT.



**PART 12. INVESTMENT OF ASSETS AND MONEYS WHILE CLAIM
PENDING**

- 12.1(1) For the purposes of the RULES, NEAR-CASH means a pool of cash and liquid assets as well as short-term fixed interest-bearing investments kept by the ADMINISTRATOR of the FUND, and of which the returns for any period are equal to the accumulated monthly average returns earned on such assets and investments over the relevant period.
- 12.1(2) The FUND will cause the benefit arising from a MEMBER's termination of service, retirement or death to be invested in NEAR-CASH from not later than the first day of the month following the later of -
- the date of termination of service, retirement or death;
 - the date that the FUND's ADMINISTRATOR receives the full particulars required to process the claim for payment of the benefit; and
 - the date on which the last contribution that is due to the FUND in respect of the MEMBER is paid to the FUND in full or, if the last contribution in respect of the MEMBER is included in the contributions of a group of MEMBERS, the date on which the contributions of the group are received by the ADMINISTRATOR of the FUND plus the time reasonably required by the ADMINISTRATOR to verify the correctness of the contributions of the group.
- 12.1(3) The rate of net income (after the deduction of tax) earned on the investment referred to in the preceding sub-RULE constitutes the FUND INTEREST in regard to the MEMBER from the commencement of that investment until the date of payment of the benefit.
- 12.1(4) The proceeds of insurance forming part of benefits payable to or in respect of a MEMBER must be invested however in NEAR-CASH from the date of receipt from the INSURER. And the net income on the investment of those proceeds will be added to the benefits payable.
- 12.1(5) In the case of a transfer to another retirement fund following termination of service the benefit transferred is subject to RULE 8.3.



PART 13. BOARD

13.1 Definition

In this Part MEMBER means the FUND's MEMBERS or their representative Trade Unions, as required by the context.

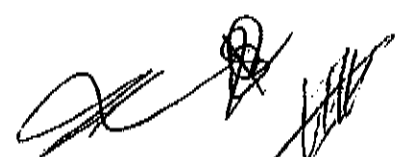
13.2 Object of the BOARD

The object of the BOARD will be to direct, control and oversee the operations of the FUND in accordance with the applicable laws, the RULES, the administration agreement of the ADMINISTRATOR and the policies of INSURERS, provided that the BOARD will not have the capacity to increase the COUNCIL's and/or the INSURERS' liabilities towards the FUND nor to diminish their rights under the RULES in any way without their express agreement. In pursuing its object the BOARD will:

- (a) take all reasonable steps to protect the interests of the FUND's MEMBERS in terms of the RULES and the provisions of the ACT, at all times but especially with regard to the timeous payment of contributions and benefits, any amalgamation or transfer as contemplated in Section 14 of the ACT, termination or reduction of contributions by any participating EMPLOYER, increase of contributions by the MEMBERS and withdrawal of any participating EMPLOYER;
- (b) act at all times with due care and diligence and in good faith;
- (c) avoid conflicts of interest;
- (d) act with impartiality in respect of all MEMBERS and their BENEFICIARIES.

13.3 Appointment

- 13.3(1) The BOARD consist of an equal number of BOARD MEMBERS from the representatives of the EMPLOYERS and from the representatives of the MEMBERS respectively. The representatives of the EMPLOYERS must appoint the BOARD MEMBERS from their number and the representatives of the MEMBERS must appoint the BOARD MEMBERS from their number. Not less than four such appointments must be made in respect of each of the said parties.
- 13.3(2) An alternate will be nominated for each BOARD MEMBER to represent him/her at any meeting that he/she is unable to attend himself/herself in person, failing which the meeting will be constituted by the remaining BOARD MEMBERS, subject to the

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provisions of this Part. Alternate MEMBERS may in any event attend any meeting to give additional input.

13.3(3) None of the following persons will be capable of becoming or continuing to be a BOARD MEMBER:

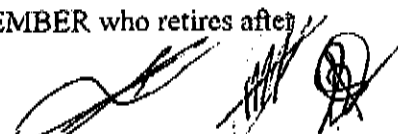
- (a) a minor or any person who is insane or otherwise incapable of acting in law;
- (b) any person who is disqualified from being a director in terms of an order under the Companies Act, 1973;
- (c) an unrehabilitated insolvent;
- (d) any person removed from any office of trust on account of misconduct;
- (e) any person sentenced to imprisonment without the option of a fine or convicted of any of the following offences: theft, fraud, forgery or uttering a forged document, perjury, an offence under the Prevention of Corruption Act 1958, any other offence involving dishonesty or any offence in connection with the promotion, formation or management of a company.

13.3(4) The BOARD MEMBERS so appointed will convene at a mutually acceptable place and time and, by unanimous decision, ratify their appointment, whereupon the BOARD will be duly constituted and each BOARD MEMBER will be deemed to be cognisant of the provisions of the RULES and his/her duties and responsibilities in terms of the RULES.

13.3(5) A BOARD MEMBER holds office for five years, after which he/she must retire. A BOARD MEMBER also ceases to hold office upon:

- (a) his/her death;
- (b) expiry of at least one month's written notice to the BOARD of his/her resignation from the BOARD;
- (c) being removed by the unanimous decision of the other BOARD MEMBERS at a duly constituted meeting of the BOARD;
- (d) his/her being removed, with appropriate notice, by the representatives of the EMPLOYER or the representatives of the MEMBERS, depending on the party that made the appointment.

13.3(6) The representatives of the EMPLOYERS or the representatives of the MEMBERS, as the case may be, must then appoint a new BOARD MEMBER subject to the provisions of RULES 13.3(1) and 13.3(3), provided that a BOARD MEMBER who retires after



five years, may be re-appointed if he/she is willing and otherwise competent to hold office.

- 13.3(7) The capacity of each BOARD MEMBER will be confirmed each year by the authorised representative/s of the party that appointed him/her (being either the EMPLOYERS or the MEMBERS), failing which the provisions of RULES 13.3(5) and 13.3(6) will apply.

13.4 Procedures of the BOARD

- 13.4(1) Eight BOARD MEMBERS comprising four appointees from the EMPLOYERS' representatives and four appointees from the MEMBERS' representatives constitute a quorum.
- 13.4(2) If the appointees in respect of the EMPLOYERS and the MEMBERS are not equal in number at a meeting, the party in the majority will withdraw so many of its appointees from voting at that meeting as is necessary to render the parties numerically equal at the time of voting.
- 13.4(3) Any resolution of the BOARD
- (a) concerning a material change to the RULES, and/or
 - (b) affecting any material interest of the COUNCIL or the obligations of a BOARD MEMBER in his/her individual capacity with regard to the FUND or its administration, and/or
 - (c) concerning the interpretation or amendment of the constitution of the BOARD,
- will be passed without any dissenting vote and will be, if it pertains to (b) above, subject to ratification by the COUNCIL within three months.
- 13.4(4) Subject to RULE 13.4(3), the BOARD's decisions will be determined by the majority vote of the BOARD MEMBERS in such form as the Chairman determines.
- 13.4(5) The BOARD must from time to time appoint a Chairman and a Deputy Chairman. If the Chairman is not a BOARD MEMBER, he/she will not have any vote at any meeting of the BOARD. If the Chairman is a BOARD MEMBER, he/she will not have any additional vote by virtue of his/her chairmanship of the BOARD.
- 13.4(6) The BOARD may from time to time obtain such actuarial, legal or other expert advice as it may reasonably consider necessary for the purposes of its functions in respect of the FUND.

- 13.4(7) The BOARD must meet at least once during every period of 12 months following its appointment. The Chairman of the BOARD will convene a meeting of the BOARD at the request of any party hereunder, after at least 4 days' notice to each BOARD MEMBER (or, in his/her absence, to his/her alternate) and to any other delegate required hereunder.
- 13.4(8) Each resolution of the BOARD will be signed by its Chairman, PRINCIPAL OFFICER and another BOARD MEMBER and recorded in the BOARD's minute-book, the pages of which minute-book will be bound in such a way as to render the withdrawal or insertion of a page impossible and will be numbered consecutively.
- 13.4(9) A written resolution approved and signed by such BOARD MEMBERS as would constitute a quorum in terms of RULES 13.4(1), 13.4(2), 13.4(3) and 13.4(4), will have the same force and effect as a resolution of the BOARD at a duly constituted meeting of the BOARD as long as it is confirmed at the next BOARD meeting.
- 13.4(10) Subject to the provisions of this Part, the BOARD may prescribe and vary its own rules of procedure from time to time.
- 13.4(11) Each BOARD MEMBER has full voting rights on any matter or issue concerning the FUND or its operation.
- 13.4(12) In the event that a deadlock arises between the BOARD MEMBERS, the matter or issue giving rise to the deadlock will be resolved in terms of the applicable RULE or RULE 13.4(13) below, with the Chairman of the BOARD at the time of the deadlock arising (or, if the Chairman is incapacitated, the deputy Chairman at that time) acting on behalf of the BOARD for that purpose.
- 13.4(13) In the event that the BOARD is for any reason unable to perform its duties hereunder, an ADJUDICATOR may be approached in accordance with the ACT for such decision as may be required in the circumstances, after at least 30 days' written notice to the COUNCIL and the ADMINISTRATOR.
- 13.4(14) The BOARD must at all times keep a record of the full names and surname, current physical address and occupation of each BOARD MEMBER and will make such information available to any BOARD MEMBER or the ADMINISTRATOR on request.



13.5 Powers and duties of the BOARD

- 13.5(1) Without derogating from or adding to the COUNCIL's powers and duties in terms of the RULES, the powers and duties of the BOARD will be:
- (a) to receive, administer and apply the moneys of the FUND;
 - (b) to acquire or hold movable and immovable property and to sell, rent, hire, borrow or lend such property or to obtain it otherwise and to transfer or dispose of it;
 - (c) to lend, invest, let out at interest, place on deposit, invest in policies, advance or otherwise deal with all moneys of the FUND against such security and in the manner as the BOARD may determine from time to time, and to realise, vary, reinvest or otherwise deal with such securities and other investments in the manner it may determine;
 - (d) to open and operate a banking account in the name of the FUND;
 - (e) to borrow money at interest or otherwise, for the purposes of the FUND, in order to meet incidental cash shortages, or for taking advantage of attractive investment opportunities;
 - (f) in the name of the FUND to institute, conduct, defend, compound, settle or abandon any legal proceedings by or against the FUND;
 - (g) to effect policies with one or more INSURERS for the purpose of insuring in whole or in part, the benefits payable in terms of these RULES if it should so determine and to maintain existing policies (if any) for as long as it may deem fit;
 - (h) to delegate any of its powers and duties to any institution or person including a committee of BOARD MEMBERS as far as the law permits, provided that the decision of a sub-committee to which a power is so delegated shall be recorded in the minutes at the next meeting of the BOARD, and shall be regarded as a decision of the FUND. It is specifically provided that the full BOARD shall retain full responsibility for any sub-committee to whom the BOARD's power of decision making has been delegated in terms of the RULES. All decisions taken by the sub-committees must be ratified by the BOARD;
 - (i) to ensure that proper control systems are employed by or on behalf of the BOARD;



- (j) to ensure that adequate and appropriate information is communicated to the MEMBERS informing them of their rights, benefits and duties in terms of the RULES;
- (k) to take all reasonable steps to ensure that contributions are paid timeously to the FUND in accordance with the RULES and PENSION FUND AGREEMENT (the applicability of the provisions of the ACT is mutatis mutandis);
- (l) to obtain expert advice in terms of RULE 13.4(6) on matters where BOARD MEMBERS may lack sufficient expertise;
- (m) to ensure that the RULES and the operation and administration of the FUND comply with the PENSION FUND AGREEMENT (the applicability of the provisions of the ACT is mutatis mutandis) and all other applicable laws; and
- (n) generally to do whatever, in its opinion, is conducive to attaining the objects of the FUND.

13.5(2) Apart from the duties assigned to the BOARD elsewhere in the RULES, the BOARD must perform the duties assigned to it in the ACT.

13.6 Amendment of FUND

The BOARD may from time to time recommend or approve such amendments to the RULES and/or improvements to the FUND's operation as the COUNCIL and the ADMINISTRATOR agree to implement, subject to the provisions of RULE 14.17.

13.7 Personal liability

The BOARD MEMBERS and other officers of the FUND are 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 or fraud.

13.8 Indemnity against loss

- 13.8(1) The BOARD must insure the FUND against losses resulting from dishonesty or fraud.
- 13.8(2) The BOARD must arrange professional indemnity insurance for the FUND against any loss resulting from the negligence of the BOARD and other officers of the FUND.
- 13.8(3) The costs of indemnifying the FUND in terms of this RULE must be borne by the FUND.

13.9 PRINCIPAL OFFICER and secretary

- 13.9(1) The BOARD must appoint a PRINCIPAL OFFICER in terms of the ACT and may from time to time, at its discretion, appoint somebody else as PRINCIPAL OFFICER. The BOARD must notify the Registrar of Pension Funds of the name of each person appointed as PRINCIPAL OFFICER.
- 13.9(2) If the PRINCIPAL OFFICER is absent from the Republic of South Africa for a period of more than thirty days or is unable to perform the duties imposed on him/her, the BOARD must appoint another person to act as PRINCIPAL OFFICER during his/her absence or disability and must notify the Registrar of Pension Funds of such person's name.
- 13.9(3) If the BOARD deems it necessary it may appoint a secretary and other personnel on such conditions as it may determine and it may cancel such appointments and may make new ones.

13.10 ADMINISTRATOR

The BOARD appoints an administrator to perform administrative functions for the FUND for such period as it may decide. The BOARD may dismiss the ADMINISTRATOR at any time. In terms of section 13B of the ACT the ADMINISTRATOR must be approved as such by the Registrar of Pension Funds.

13.11 ACTUARY

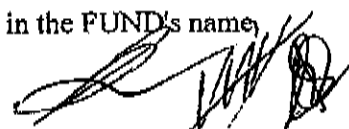
The BOARD must appoint an ACTUARY and may withdraw any such appointment and make another appointment in its place at any time.

13.12 AUDITOR

- 13.12(1) The BOARD must appoint an auditor for the FUND for such period as it may decide and has the right to dismiss him/her at any time. The AUDITOR must be registered under the Public Accountants and Auditors Act, No. 80 of 1991, and may not be an officer of the FUND.
- 13.12(2) The AUDITOR must have access to all books, papers, vouchers, accounts, and documents connected with the FUND. He/she must audit the books of accounts as at the end of each FINANCIAL YEAR and must certify the results of each audit in writing and submit them to the relevant authorities (if any).

13.13 Registration of assets

The BOARD must cause the assets of the FUND to be registered in the FUND's name



13.14 Safe custody of securities

The BOARD must keep any mortgage bond, title deed or other security belonging to or held by the FUND, except when in the temporary custody of others for the purpose of the FUND, in safe custody in the safes or strongrooms at the registered office of the FUND or at a financial institution approved by it.

13.15 Expenditure of BOARD MEMBERS

13.15(1) All reasonable travelling and accommodation expenses incurred by the BOARD MEMBERS in directing, controlling and overseeing the operations of the FUND must be borne by the FUND.

13.15(2) The BOARD MEMBERS are remunerated for their duties as BOARD MEMBERS. Such remuneration must relate to services rendered to the FUND.

13.16 Provision of data

13.16(1) The EMPLOYERS must from time to time furnish to the BOARD those particulars about MEMBERS that determine their benefits from the FUND or their entitlement to benefits. The BOARD may act upon those particulars without further enquiry and is not responsible to anybody for any mis-statements, errors or omissions that may be contained in those particulars.

13.16(2) COUNCIL as collecting agent must from time to time furnish to the BOARD those particulars about MEMBERS that determine their benefits from the FUND or their entitlement to benefits. The BOARD may act upon those particulars without further enquiry and is not responsible to anybody for any mis-statements, errors or omissions that may be contained in those particulars.

13.17 Execution of contracts and other documents binding on the FUND

The BOARD is competent to enter into and amend contracts on behalf of the FUND in accordance with the RULES and to sign such contracts and other documents on behalf of the FUND. The BOARD may authorise by resolution certain BOARD MEMBERS to sign, on behalf of the FUND, any contract or document which binds or affects the FUND. Documents to be submitted to the Registrar of Pension Funds must be signed in accordance with the regulations to the ACT.

13.18 Registers to be kept by the FUND

The BOARD must, in accordance with the regulations to the ACT, keep at the FUND's registered office registers containing specific information about the following -

- (a) the BOARD MEMBERS on the BOARD;
- (b) the minutes of the meetings of the BOARD;
- (c) the MEMBERS of the FUND;
- (d) the FUND's postal address and registered office;
- (e) the administrators of benefits and investments;
- (f) the ACTUARY;
- (g) the AUDITOR.

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PART 14. MISCELLANEOUS PROVISIONS

14.1 Manner of payment of benefits

Benefits payable to a BENEFICIARY, are paid by way of an electronic transfer into the BENEFICIARY's account at a deposit taking institution, the details of which have been furnished by the EMPLOYER or the BENEFICIARY to the FUND.

At the special request of any BENEFICIARY and the completion of an indemnity payment can be made by means of a non transferable cheque made payable to the BENEFICIARY and posted to the postal address as notified to the FUND by the EMPLOYER or the BENEFICIARY. Posting the cheque to this address will constitute full payment, and the BENEFICIARY will carry the risk of the cheque's being lost or stolen or fraud being committed after it was posted.

14.2 BENEFICIARIES of death benefits

14.2(1) Subject to the prescriptions laid down by the FUND, a MEMBER may, in writing, designate a person (and revoke such a designation in writing) to receive the benefits at his/her death.

14.2(2) The benefits payable to the DEPENDANTS and NOMINEES of a deceased MEMBER, other than those payable to a particular DEPENDANT in terms of the RULES, are paid by the FUND to the DEPENDANTS and NOMINEES in accordance with section 37C of the ACT.

14.3 Benefits inalienable

14.3(1) All benefits and rights to benefits in terms of these RULES are subject to the prohibitions as to reduction, cession, attachment, etc. contained in sections 37A and 37B of the ACT.

14.3(2) Subject to RULE 14.5, any benefit payable regarding a deceased MEMBER by the FUND, does not form part of the assets in the estate of such a MEMBER.

14.4 Guarantees by the FUND for housing loans

The BOARD may bind the FUND as guarantor for the due repayment by a MEMBER of his/her indebtedness in terms of a loan granted by some other person to him/her for a residence. The amount of the guarantee may not exceed the cash benefit that the MEMBER would receive if he/she were to terminate his/her MEMBERSHIP of the FUND voluntarily, less any tax payable thereon, and the amount of any pension

interest, as defined in the Divorce Act, 1979, allocated to an ex spouse in terms of a court order.

The furnishing of the guarantee is further subject to section 19(5) of the ACT.

14.5 Deductions from benefits

14.5(1) The BOARD may, subject to section 37D of the ACT, deduct certain amounts from the benefit to which a BENEFICIARY is entitled in terms of the RULES. These amounts are -

- (a) the amount of any income tax payable on the benefit;
- (b) any amount due to the FUND or the EMPLOYER by the MEMBER regarding a loan granted to the MEMBER for a residence, including a guarantee furnished by the FUND regarding such a loan;
- (c) compensation for any damage caused to the EMPLOYER by reason of any theft, dishonesty, fraud or misconduct by the MEMBER and regarding which the MEMBER has, in writing, admitted liability to the EMPLOYER or judgement has been obtained against the MEMBER in any court;
- (d) any amount which the FUND must pay by arrangement with, and on behalf of, a BENEFICIARY in respect of -
 - (i) the BENEFICIARY's subscription to a registered medical scheme; or
 - (ii) any insurance premium payable by the BENEFICIARY to a REGISTERED INSURER; or
 - (iii) an amount for any purpose approved by the Registrar of Pension Funds, on the conditions laid down by him/her.

14.5(2) A claim for the amount due in terms of paragraphs (b) and (c) of sub-RULE (1) must be lodged in writing with the BOARD within such reasonable time of the event giving rise to the payment of the benefit as the BOARD may from time to time determine for lodging such claims.

14.5(3) Pending judgement determining the liability for compensation envisaged in paragraph (c) of sub-RULE (1), the FUND may withhold from benefits an amount up to the value of the claim for a reasonable period, provided that the balance of the benefit must be paid in accordance with the RULES applicable to that benefit.



- 14.5(4) The FUND's right to recover or withhold amounts from benefits in terms of paragraphs (b) and (c) of sub-RULE (1), is limited to the amount that, in terms of the RULES, may be taken by the BENEFICIARY as a lump sum benefit. In order to make deductions from benefits payable regarding a MEMBER the BOARD may commute for a lump sum an amount of any pension becoming payable regarding the MEMBER up to the maximum amount which may be commuted in terms of the RULES on the understanding that –
- (a) the amount withheld shall not exceed the amount that may be deducted in terms of section 37D(b)(ii) of the ACT;
 - (b) the BOARD in their reasonable discretion is 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;
 - (c) the BOARD is satisfied that the EMPLOYER is not at any stage of the proceedings responsible for any undue delay in the prosecution of the proceedings;
 - (d) once the proceedings have been determined, settled or withdrawn, any benefit to which the MEMBER is entitled is paid forthwith; and
- 14.5(5) the BOARD, at the express written request of a MEMBER whose benefits are 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 BOARD believe appropriate, from the possibility of a decrease therein as a result of poor investment performance.

14.6 Currency

All amounts payable to or by the FUND in terms of the RULES are payable in the Republic of South Africa in the currency of the Republic of South Africa.

14.7 New participating EMPLOYERS

- 14.7(1) With the permission of the BOARD and subject to the conditions that it may lay down, any employer in the INDUSTRY may participate in the FUND.
- 14.7(2) An ELIGIBLE EMPLOYEE, who is in the service of a new participating EMPLOYER on the date on which the participating EMPLOYER starts participating in the FUND, must become a MEMBER of the FUND on or after the date on which he/she qualifies for MEMBERSHIP by applying to the FUND. But the date on which he/she becomes a

MEMBER of the FUND must be within a period of time determined by the FUND and the EMPLOYER, which may not be longer than twelve months.

14.8 Proof of claims

14.8(1) The FUND is not obliged to grant any benefit unless it has been satisfied with regard to the MEMBER's age and with regard to any other circumstance which it considers relevant to the benefit and for which it requested proof or information.

14.8(2) In addition to the proof of age that must be submitted in terms of sub-RULE (1) above, every person who qualifies to receive a benefit in terms of this RULE shall submit proof that he/she complies with the requirements to qualify as a BENEFICIARY on the date of the MEMBER's death. No benefit shall be paid in respect of a MEMBER until such proof has been submitted to the FUND.

14.9 Unclaimed benefits

Unclaimed benefits, except benefits which become payable at the death of a MEMBER, must remain in the FUND until they are claimed by a legitimate BENEFICIARY or the FUND is dissolved or partially dissolved in terms of section 28 of the ACT in which event they must be paid into the Guardian's Fund.

14.10 Binding force of the RULES

The RULES bind the EMPLOYER, the MEMBERS, the FUND and its officials and anyone who lays a claim in terms of the RULES or whose claim is derived from someone so claiming.

14.11 Interpretation, disputes and contingencies not provided for

14.11(1) Any dispute or disagreement relative to any claim, matter or issue arising under these RULES and any misunderstanding or conflict of interpretation of these RULES or the application thereof will, as applicable and unless otherwise specifically provided (including sub-RULE (3) below), be decided by the COUNCIL. Such decision will be final, conclusive and binding on all persons and parties in any way concerned, provided that it is not inconsistent with the provisions of these RULES.

14.11(2) Subject to sub-RULE (3) below, should any MEMBER or beneficiary be aggrieved and there be a failure to reach agreement as aforesaid, the parties will have the right to submit that claim, matter or issue (with all relevant documents and information) to mediation and thereafter arbitration under the laws of the Republic of South Africa.

14.11(3) A complaint may be lodged with the Pension Funds ADJUDICATOR in accordance with Chapter VA of the ACT in the event that the complainant has not received a reply to his/her satisfaction within 30 days after the COUNCIL, and/or the BOARD received the complaint.

14.11(4) In the event of any other contingency arising out of the FUND which has not been provided for in these RULES, the joint decision of the COUNCIL and the BOARD, as the case may be, thereon will be final and binding, provided that such decision is not inconsistent with the provisions of these RULES.

14.12 Inspection of and copies of documents of the FUND

The RULES, any policies insuring benefits of the FUND and the latest financial statements of the FUND will be open for inspection by MEMBERS at COUNCIL at any reasonable time. MEMBERS may, at a reasonable fee determined by the FUND, obtain copies of the RULES.

14.13 Conditions of service

Nothing in these RULES curtails the EMPLOYER's right to dismiss an ELIGIBLE EMPLOYEE from its service.

14.14 Expiry of PENSION FUND AGREEMENT

If the PENSION FUND AGREEMENT expires or becomes otherwise inoperative in relation to any EMPLOYER and/or any category of MEMBERS in its employ, all the provisions of the PENSION FUND AGREEMENT for active participation in the FUND will continue to apply in terms of the RULES and the applicable laws as if agreed between such EMPLOYER and each of its employees individually until varied or terminated by express agreement between them and subject to any subsequent collective agreement between the parties represented on the BOARD.

14.15 Termination of FUND contributions

Should payment by the COUNCIL of the full contributions hereunder to the ADMINISTRATOR in respect of all or any MEMBERS terminate at any time for any reason other than due to the events provided for in Parts 5, 6, 7 and 8, the FUND will retain the assets held by it in respect of the MEMBERS concerned at the date of such termination for the purpose of paying to such MEMBERS at their NORMAL RETIREMENT DATES the retirement benefit purchased up to the date of termination

in accordance with the applicable RULES and in the manner described therein, subject to the following provisions:

- (a) neither the retirement benefits which are at such time being paid under the FUND nor the retirement benefit entitlements of MEMBERS who have reached their NORMAL RETIREMENT AGES but have not commenced drawing a retirement benefit will be affected;
- (b) all deferred (paid-up) retirement benefits will continue earning FUND INTEREST;
- (c) such MEMBERS' retirement benefits will become payable from their NORMAL RETIREMENT DATES and no such retirement benefits nor the contributions made in respect of such MEMBERS will be capable of being surrendered, commuted or otherwise encashed except as provided in Parts 5, 6 and 7;
- (d) the life insurance, funeral aid insurance and insured disability benefits described in these RULES will cease with effect from the date of such termination and no surrender value will be payable in respect thereof, nor in respect of any contributions paid to meet the cost thereof, provided that any such benefit whose payment had become due before the date of termination will continue to be paid in full;
- (e) the provisions of these RULES will in all other respects apply mutatis mutandis.

14.16 Termination of FUND

In the event that both the COUNCIL'S and the BOARD'S collective PENSION FUND AGREEMENTS cease to be operative and neither is renewed within 180 days, or the NATIONAL COUNCIL and/or the relevant Regional Committee either:

- (a) resolves to dissolve itself; and/or
- (b) gives the ADMINISTRATOR, the INSURER and/or the BOARD written notice of its unwillingness or inability to continue carrying out its functions in terms of these RULES, or for any reason ceases to carry out its functions in terms of these RULES; and/or
- (c) is ordered by the Labour Court to be wound up;

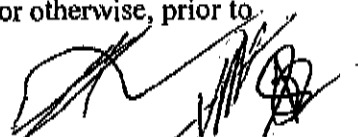
the FUND will continue to operate in terms of these RULES and to be a separate legal entity, and its assets and liabilities will continue to be incapable of forming part of the

assets and/or liabilities of any other person, association, body or legal entity whatsoever, provided that:

- (i) contributions will continue to be payable in accordance with the RULES, unless an EMPLOYER and the majority of its ELIGIBLE EMPLOYEES conclude a written agreement to cease contributing to the FUND, in which event they may discontinue their contributions from the expiry of at least 60 days' written notice of such discontinuation to the BOARD. The BOARD may require a copy of any such discontinuation agreement to be submitted to it together with said notice of discontinuation;
- (ii) any vacancy on the BOARD occurring upon any of the events referred to in (a), (b) and (c) above will be filled from nominations of the EMPLOYER- and MEMBER-parties to the FUND, in a manner determined by the BOARD. In the event that any such vacancies are not thus filled within 90 days, the ADMINISTRATOR must appoint the required new BOARD MEMBERS and their alternates for a term of one year and must have the power to annually renew their appointment by confirmation and to remove them from office at any time, provided that any subsequent vacancy on the BOARD may be filled from nominations of the EMPLOYER- and MEMBER-parties to the FUND;
- (iii) the continued operation of the FUND will in all other respects be subject to such arrangements as the ADMINISTRATOR is able to set up in conjunction with the BOARD and/or the EMPLOYER- and MEMBER-parties to the FUND with the approval of the Registrar of Pension Funds and the REVENUE AUTHORITIES;
- (iv) should the ADMINISTRATOR be unable to set up any such arrangements, contributions will cease and the provisions of RULE 14.14 will apply, subject to the ADMINISTRATOR either:
 - (A) assuming any powers of discretion formerly held by the COUNCIL for the purposes of the FUND, or
 - (B) appointing such other competent body or person/s as may be willing to assume such discretion, or

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- (C) if not willing to act as in (A) above or unable or unwilling to appoint such party as described in (B) above, having the discretion to act in terms of any of the following provisions:
- (i) arrange for the BOARD to appoint a liquidator for the full or partial liquidation of the FUND for the approval of the Registrar of Pension Funds, which liquidator will assume the powers of the BOARD for the purposes of the FUND'S liquidation and, in accordance with section 28 of the ACT and in consultation with the ACTUARY, will cause each affected MEMBER to be paid an amount related to the total number of contributions credited to him/her, but not less than the MEMBER SHARE or the MEMBER'S minimum individual reserve as defined in the ACT, subject to the prior deduction of the MEMBER'S pro rata share of the costs of the liquidation and any outstanding debt owed by the MEMBER in terms of RULE 14.5;
 - (ii) in accordance with section 14 of the ACT, pay over the total amount calculated as in (i) above to such other scheme or fund, competent at law, existing or established for the benefit of the MEMBERS concerned, as it deems expedient for such MEMBERS;
 - (iii) retain the assets of the FUND and pay over the amounts due in terms of RULE 14.15 or the cash surrender value thereof related to the total net contributions credited to the MEMBER, as calculated by the ACTUARY in terms of the RULES, to such other scheme or fund as described in (ii) above for disbursement to the MEMBER or his/her BENEFICIARY in accordance with the rules of that scheme or fund on the MEMBER leaving that scheme or fund and being entitled to a benefit thereunder. For this purpose a MEMBER who withdraws from such scheme or fund or retires or dies will be deemed to have left the INDUSTRY, or to have retired or died under this FUND and the applicable RULE will be adapted accordingly. If required, any waiting-period on withdrawal under this FUND will then be waived by the ADMINISTRATOR.
 - (v) for the purposes of this RULE, any MEMBER or former MEMBER whose service with the EMPLOYER is terminated, voluntarily or otherwise, prior to



the NORMAL RETIREMENT DATE and during a period immediately preceding the liquidation may, if considered appropriate by the liquidator, be deemed to have been a MEMBER and ELIGIBLE EMPLOYEE on the date of liquidation. But the benefits already paid to him/her must be taken into account. The liquidator must invoke this provision at least in respect of those whose service was terminated during the twelve months immediately preceding the liquidation.

14.17 Amendment to the RULES

14.17(1) The BOARD may amend the RULES at any time, provided that -

- (a) if an amendment may impact on the COUNCIL's responsibilities regarding the FUND, the approval of COUNCIL is obtained;
- (b) the approval of the REVENUE AUTHORITIES is obtained; and
- (c) the Registrar of Pension Funds registers the amendment.

14.17(2) The FUND must arrange for the Registrar of Pension Funds and the REVENUE AUTHORITIES to be notified of every amendment to the RULES.

14.17(3) If the RULES are amended with regard to the benefits that are provided by the FUND, the amendment will, unless specifically stated otherwise, not apply to -

- (a) the benefits in respect of MEMBERS who are no longer ELIGIBLE EMPLOYEES on the amendment date; and
- (b) benefits regarding claims which arise before the amendment date.

14.17(4) Once any amendment to the RULES has been registered by the Registrar, or at least once every year, the BOARD must notify the MEMBERS of every amendment to the RULES.

