



**CONSOLIDATED RULES
OF THE**

**SENTINEL MINING INDUSTRY
RETIREMENT FUND**

**AS AT
19 July 2011**

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1. INTRODUCTION

- 1.1 The FUND was established on 1 March 1946 and was known as the Mine Officials Pension Fund. On 1 March 2001 the benefits under the FUND were restructured to operate purely on a defined contribution basis. The FUND became known as the Sentinel Mining Industry Retirement Fund with effect from 1 March 2001.
- 1.2 The registered office of the FUND is at 32 Princess of Wales Terrace, Sunnyside Park, Parktown, Johannesburg.
- 1.3 The object of the FUND is to provide retirement and other benefits for those employees and former employees of the EMPLOYERS admitted to the FUND, and benefits in the event of their death, in terms of these RULES.
- 1.4 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.
- 1.5 These revised RULES replace the previously registered rules and all amendments up to 1 March 2001. If the registration of these revised RULES in terms of the ACT is effected later than 1 March 2001, the RULES shall nevertheless take effect from 1 March 2001.
- 1.6 The main provisions of these revised RULES apply equally to those who retired from the FUND prior to the CONVERSION DATE except where they are varied as set out in Appendix 3 to reflect the benefits and provisions still applicable to them.

2. DEFINITIONS

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

"ACT" shall mean the Pension Funds Act, 1956, as amended, and the regulations made in terms of that Act.

"ACTUARY" shall mean the Actuary appointed in terms of these RULES.

"ADMINISTRATORS" shall mean the administrators appointed in terms of these RULES.

"APPROVED PENSION FUND" shall mean a pension fund, other than a PRESERVATION PENSION FUND, approved as such by the REVENUE AUTHORITIES.

"APPROVED PROVIDENT FUND" shall mean a provident fund, other than a PRESERVATION PROVIDENT FUND, approved as such by the REVENUE AUTHORITIES.

"APPROVED RETIREMENT ANNUITY FUND" shall mean a retirement annuity fund approved as such by the REVENUE AUTHORITIES.

"AUDITOR" shall mean the Auditor appointed in terms of these RULES.

"AVERAGE FUND RISK SALARY" shall mean the annual average of the MEMBER'S FUND RISK SALARY for the twelve-month period preceding the MEMBER'S death or disablement, or over the full period of a MEMBER'S membership if such period is less than twelve months.

“AVERAGE FUND SALARY” shall mean the annual average of the MEMBER’S FUND SALARY for the twelve-month period preceding the MEMBER’S death or disablement, or over the full period of a MEMBER’S membership if such period is less than twelve months.

“CHILD” shall mean the child of a MEMBER or PENSIONER who is under the age of 18 years as elected by him at retirement for the purposes of a PENSION benefit on death after retirement in terms of Rule 5.2.2.2(c).

Approved 19.04.2007

“CONTRIBUTORY MEMBER” shall mean a MEMBER contributing to the FUND in terms of Rule 4.1.1.

“CONVERSION DATE” shall mean 1 March 2001.

“DEATH COVER” shall mean in relation to each CONTRIBUTORY MEMBER, for each twelve-month period from 1 January to 31 December, such amount of death cover applicable to the MEMBER in accordance with a defined age-related multiple of AVERAGE FUND RISK SALARY scale, on the basis set out in Rule 14.5.1.3(b), which is applicable to the MEMBER based on his age at his last birthday prior to the date of his death and payable from the RISK RESERVE ACCOUNT.

“DISABILITY COVER” shall mean in relation to each CONTRIBUTORY MEMBER, for each twelve-month period from 1 January to 31 December, such amount of disability cover applicable to the MEMBER in accordance with a defined age-related multiple of AVERAGE FUND RISK SALARY scale, on the basis set out in Rule 14.5.1.3.(b) which is applicable to the MEMBER based on his age at his last birthday prior to the date of his early retirement due to disability and payable from the RISK RESERVE ACCOUNT.

"ELIGIBLE EMPLOYEE" shall mean an employee who is eligible for membership of the FUND in terms of his conditions of employment.

"EMPLOYER" shall mean:

- (a) all existing companies, institutions and organisations participating in the FUND as at 28 February 2001; and
- (b) those companies, institutions or organisations within the mining industry whose participation in the FUND after 1 March 2001 is approved by the TRUSTEES.

In relation to any particular employee or MEMBER, "EMPLOYER" means the EMPLOYER by whom the person is or was last employed.

"EMPLOYER SURPLUS ACCOUNT" An account of the FUND to which shall be credited any amounts transferred to the FUND in terms of section 14 or 15E of the ACT from an employer surplus account in another fund at the request of an EMPLOYER, provided that where an EMPLOYER SURPLUS ACCOUNT has been established in the name of an individual EMPLOYER only that EMPLOYER shall acquire rights to the moneys allocated to such an EMPLOYER SURPLUS ACCOUNT.

"FINANCIAL YEAR" shall mean each twelve-month period ending on 30 June.

"FLEXIBLE ANNUITANT" means a retired MEMBER who has elected to receive a FLEXIBLE ANNUITY in terms of the provisions of Rule 5.2.4, provided that "FLEXIBLE ANNUITANT will, where appropriate, include the SPOUSE of a deceased FLEXIBLE ANNUITANT who has elected to receive a FLEXIBLE ANNUITY in terms of the provisions of Rule 5.3.11(d).

Approved 19.04.2007

"FLEXIBLE ANNUITY" shall mean an annuity paid from a FLEXIBLE ANNUITANT'S FLEXIBLE ANNUITY CAPITAL ACCOUNT in terms of the provisions of Rules 5.2.4 or 5.3.11.

Approved 19.04.2007

"FLEXIBLE ANNUITY CAPITAL ACCOUNT " shall mean at any particular date for each FLEXIBLE ANNUITANT who was a MEMBER of the FUND the portion of the FUND CREDIT at retirement which is utilised to provide for a FLEXIBLE ANNUITY in terms of Rule 5.2.4 or, in the case of a FLEXIBLE ANNUITANT who is the SPOUSE of a deceased FLEXIBLE ANNUITANT, the value of the FLEXIBLE ANNUITY CAPITAL ACCOUNT at the time of the death of the FLEXIBLE ANNUITANT;

- a) together with GAINS on the balance of this amount as invested in the different INVESTMENT PORTFOLIOS, as applicable;
- b) less such expenses in terms of of Rule 14.2 as the TRUSTEES may determine from time to time;
- c) less FLEXIBLE ANNUITY payments made.

"FUND" shall mean the Sentinel Mining Industry Retirement Fund.

"FUND CREDIT" shall mean for each MEMBER at any particular date the sum of:

- (a) the contributions paid to the FUND in terms of Rule 4.1 and allocated in terms of Rule 4.2(c) on or after the CONVERSION DATE;
- (b) any amounts transferred to the FUND in terms of Rule 9.1.1 on or after the CONVERSION DATE;
- (c) the MEMBER'S CONVERSION CREDIT (if any);
- (d) any additional contributions paid to the FUND by or in respect of a MEMBER in terms of Rule 4.3;

together with GAINS on the amounts in (a), (b), (c) and (d) as invested in the different investment portfolios from the CONVERSION DATE or date of receipt by the FUND, as applicable;

less such expenses in terms of Rule 14.2 as the TRUSTEES may determine from time to time;

plus, in the case of a CONTRIBUTORY MEMBER or INTERIM MEMBER who retires in terms of Rule 5.1.3.1, his DISABILITY COVER (if any) as at date of early retirement due to disability, provided that such MEMBER fulfils the requirements of Rules 6.2.2 and 6.2.3;

provided that:

in the case of a MEMBER who elected the GUARANTEED PENSION AT NORMAL RETIREMENT DATE option, FUND CREDIT shall be as set out in Appendix 2.

“FUND RISK SALARY” shall mean that portion of a MEMBER’S total remuneration, as agreed from time to time between a MEMBER and EMPLOYER; provided that:

- (a) for the purpose of the FUND, FUND RISK SALARY shall be determined on the first day of each month of membership of the FUND;
- (b) if the amount on which a MEMBER’S FUND RISK SALARY is based is reduced at any time then, subject to the agreement of the MEMBER, his EMPLOYER may direct that, for the purposes of the FUND, the reduction shall not be applied in the calculation of the MEMBER’S FUND RISK SALARY or shall be applied only partially.

New 10.12.2004

“FUND SALARY” shall mean that portion of a MEMBER’S total remuneration, as agreed from time to time between a MEMBER AND EMPLOYER; provided that:

- (a) for the purpose of the FUND, FUND SALARY shall be determined on the first day of each month of membership of the FUND;

- (b) if the amount on which a MEMBER'S FUND SALARY is based is reduced at any time then, subject to the agreement of the MEMBER, his EMPLOYER may direct that, for the purposes of the FUND, the reduction shall not be applied in the calculation of the MEMBER'S FUND SALARY or shall be applied only partially.

Effective 10.12.2004

"GAINS" shall mean any investment income (received or accrued) and capital gains and losses (realised and unrealised) excluding any late payment interest received in terms of Rule 4.4.1. Such GAINS may be positive or negative. The following provisions shall apply:

- (a) GAINS shall be allocated to MEMBERS' FUND CREDITS and FLEXIBLE ANNUITANTS' FLEXIBLE ANNUITY CAPITAL ACCOUNTS on such equitable basis as the TRUSTEES, in consultation with the ACTUARY, determine in their reasonable discretion from time to time.
- (b) Where a MEMBER'S FUND CREDIT and/or contributions paid by or in respect of a MEMBER, or a FLEXIBLE ANNUITANT'S FLEXIBLE ANNUITY CAPITAL ACCOUNT, are invested in different investment portfolios, the GAINS relating to each such MEMBER'S or FLEXIBLE ANNUITANT'S investment within those investment portfolios will be allocated to such MEMBER'S or FLEXIBLE ANNUITANT'S investment within those investment portfolios. GAINS shall be calculated from the date on which all or part of the MEMBER'S FUND CREDIT, contributions, or FLEXIBLE ANNUITANT'S FLEXIBLE ANNUITY CAPITAL ACCOUNT are actually invested in that investment portfolio up to the date of disinvestment.
- (c) Deleted
- (d) GAINS earned on the assets held in respect of any of the SPECIAL ACCOUNTS shall be added to such accounts.

- (e) The TRUSTEES may in their sole discretion determine such reasonable amounts from the GAINS to be allocated from time to time to or from the SPECIAL ACCOUNTS in terms of Rule 14.5.

“GUARANTEED PENSION AT NORMAL RETIREMENT DATE ACCOUNT” shall mean the SPECIAL ACCOUNT as per Rule 14.5.2.

New 26.01.2005

“INTERIM MEMBER” shall mean a person who has ceased to be a CONTRIBUTORY MEMBER but who has not yet made an election as envisaged in terms of Rule 3.4.1, provided that such person will subject to Rule 3.5, cease to be an INTERIM MEMBER once he makes such election whereupon he will either become a NON-CONTRIBUTORY MEMBER or cease to be a MEMBER of the FUND.

“LEGAL RESERVE ACCOUNT” shall mean the SPECIAL ACCOUNT as per Rule 14.5.5.

New 26.01.2005

“MEMBER” shall mean a person who, having been admitted to membership of the FUND in accordance with these RULES, has not ceased to be a CONTRIBUTORY MEMBER, an INTERIM MEMBER or a NON-CONTRIBUTORY MEMBER in terms of these RULES.

Approved 19.04.2007

"MEMBER'S CONVERSION CREDIT" shall mean in relation to each NON-CONTRIBUTORY MEMBER of the FUND as at 1 March 2001 a benefit based on the MEMBER'S benefit entitlement in terms of the rules in force prior to that date as calculated by the ACTUARY and in relation to each CONTRIBUTORY MEMBER of the FUND as at 1 March 2001:

- (a) a benefit equal to the CONTRIBUTORY MEMBER'S actuarial reserve value as calculated by the ACTUARY in accordance with the basis used in the last statutory valuation of the FUND taking into account the MEMBER'S pensionable service applicable to his benefit entitlement in

terms of the rules in force prior to the CONVERSION DATE but excluding any amount standing to the credit of a MEMBER in his death benefit scheme account and any special contributions made by him for purposes of enhancing his death and other benefits, together with the interest accumulated thereon in terms of the rules in force prior to the CONVERSION DATE; and

(b) in respect of a MEMBER aged 40 or over, an additional amount determined by the TRUSTEES and calculated by the ACTUARY equal to:

(i) for a MEMBER aged between the ages of 40 and 55: one one-hundred and eightieth ($1/180^{\text{th}}$) of one hundred per cent (100%) for each month by which the MEMBER'S age in years and months exceeds 40, of the discounted value of the difference, if any, in his expected normal retirement benefit payable in terms of the rules in force prior to the CONVERSION DATE and his normal retirement benefit projected to be payable in terms of the RULES after the CONVERSION DATE; and

(ii) for a MEMBER aged 55 or over: the full discounted value of the difference, if any, in his expected normal retirement benefit payable in terms of the rules in force prior to the CONVERSION DATE and his normal retirement benefit projected to be payable in terms of the RULES after the CONVERSION DATE;

provided that:

(iii) the additional amounts calculated in (i) and (ii) above shall not exceed a maximum of thirty three per cent (33%) of the MEMBER'S actuarial reserve value as calculated by the ACTUARY in accordance with the basis used in the last statutory valuation of the FUND taking into account the MEMBER'S benefit entitlement in terms of the rules in force at the CONVERSION DATE but excluding any amount standing to the credit of a MEMBER in his death benefit scheme account and any special

contributions made by him for purposes of enhancing his death and other benefits, together with the interest accumulated thereon in terms of the rules in force prior to that date;

and

- (c) any amount standing to the credit of a MEMBER in his death benefit scheme account and any special contributions made by him for purposes of enhancing his death and other benefits, together with the interest accumulated thereon in terms of the rules in force prior to the CONVERSION DATE;

The amounts so determined in respect of a CONTRIBUTORY and NON-CONTRIBUTORY MEMBER shall then be increased or decreased by the ratio of the FUND'S total assets to its total liabilities as at the CONVERSION DATE; subject to a minimum of the member's and employer's contributions plus 0,42% thereof per year of service.

"MISMATCH RESERVE ACCOUNT" shall mean the SPECIAL ACCOUNT as per Rule 14.5.4.

New 26.01.2005

"NON-CONTRIBUTORY MEMBER" shall mean a MEMBER:

- (a) who, in terms of the RULES in force prior to the CONVERSION DATE, ceased to be a contributing member of the FUND before 1 November 2000 and who became a non-contributing member through non-termination of his membership; or
- (b) who ceased to be a CONTRIBUTORY MEMBER from 28 August 2002 until 30 June 2004 and did not terminate his membership of the FUND; or
- (c) who left SERVICE on or after 1 July 2004 and elected to become a NON-CONTRIBUTORY MEMBER as envisaged in Rule 3.4.2.

"NORMAL RETIREMENT AGE" shall mean:

- (a) in respect of a MEMBER who was a MEMBER of the FUND prior to the CONVERSION DATE, the age of the MEMBER as notified to the FUND by the EMPLOYER, from time to time, to be the MEMBER'S normal retirement age; provided that where the FUND has not been so notified, NORMAL RETIREMENT AGE shall mean the month in which the MEMBER reaches the pensionable age applicable in terms of the rules in force prior to the CONVERSION DATE.
- (b) in respect of a MEMBER who joins the FUND after the CONVERSION DATE, the age of the MEMBER as notified to the FUND by the EMPLOYER, from time to time, to be the MEMBER'S normal retirement age.

New 26.01.2005

"NORMAL RETIREMENT DATE" shall mean in relation to:

- (a) CONTRIBUTORY MEMBERS of a particular EMPLOYER, the last day of the month in which the MEMBERS attain NORMAL RETIREMENT AGE, subject to the provisions of Rules 5.1.2, 5.1.3 and 5.1.4.
- (b) NON-CONTRIBUTORY MEMBERS, the last day of the month in which he reaches the pensionable age in terms of the rules in force prior to the CONVERSION DATE, or where such MEMBER became a NON-CONTRIBUTORY MEMBER on or after 28 August 2002, his NORMAL RETIREMENT AGE as notified to the FUND by his last EMPLOYER, subject to the provisions of Rules 5.1.2, 5.1.3 and 5.1.4.

"PENSION" shall mean a pension paid from the PENSION ACCOUNT in terms of these RULES and increased from time to time by such amount as the TRUSTEES, in consultation with the ACTUARY, shall determine, subject to the minimum pension increase provisions in terms of the ACT, provided that this shall not include a FLEXIBLE ANNUITY paid from a FLEXIBLE ANNUITANT'S

FLEXIBLE ANNUITY CAPITAL ACCOUNT.

Approved 19.04.2007

“PENSIONER” shall mean a person in receipt of a PENSION from the FUND, provided that this will not include a FLEXIBLE ANNUITANT in receipt of a FLEXIBLE ANNUITY.

Approved 19.04.2007

“PENSIONS ACCOUNT” shall mean the SPECIAL ACCOUNT as per Rule 14.5.3.

New 26.01.2005

“PRESERVATION PENSION FUND” shall mean an APPROVED PENSION FUND recognised as a preservation fund, subject to the conditions set out by the REVENUE AUTHORITIES from time to time.

“PRESERVATION PROVIDENT FUND” shall mean an APPROVED PROVIDENT FUND recognised as a preservation fund, subject to the conditions set out by the REVENUE AUTHORITIES from time to time.

"PRINCIPAL OFFICER" shall mean the Principal Officer of the FUND appointed in accordance with these RULES.

“REGISTERED INSURER” shall mean an insurer registered in terms of the Long Term Insurance Act, 1998.

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

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

“RISK RESERVE ACCOUNT” shall mean the SPECIAL ACCOUNT as per Rule 14.5.1.

Effective 26.01.2005

"RULES" shall mean these rules, appendices and annexures and such amendments as may at any time be in force.

"SERVICE" shall mean employment with any of the EMPLOYERS and shall include any period during which the MEMBER is deemed to remain in SERVICE in terms of Rule 8.

SERVICE shall include any past period of employment before joining SERVICE in respect of which benefits have been transferred to the FUND in terms of Rule 9.1 or in respect of which additional contributions have been made to the FUND in terms of Rule 4.3.

The period of past service to be reckoned as SERVICE for the purposes of the FUND shall in respect of an amount transferred to the FUND be the relevant pensionable service earned in respect of such amount, and in respect of additional contributions be such period as the proportion of the total additional contributions made to the FUND by either the MEMBER or EMPLOYER in each twelve month period ending on the last day of February, bears to the total contributions made to the FUND for the same period by the MEMBER or EMPLOYER, as the case may be.

"SPECIAL ACCOUNTS" shall mean the SPECIAL ACCOUNTS established in terms of Rule 14.5.

New 26.01.2005

"SPOUSE" shall mean at the date of the death of the MEMBER, PENSIONER or FLEXIBLE ANNUITANT the person who was:

- (a) the legal spouse of the MEMBER or PENSIONER or FLEXIBLE ANNUITANT; or
- (b) the MEMBER'S, PENSIONER'S, or FLEXIBLE ANNUITANT'S partner of a union according to customary law; or
- (c) the MEMBER'S, PENSIONER'S or FLEXIBLE ANNUITANT'S partner of a union recognised as a marriage under any religion; or

- (d) the MEMBER'S, PENSIONER'S or FLEXIBLE ANNUITANT'S life partner in a relationship which the TRUSTEES regard as having been permanent, provided that in making such determination the TRUSTEES must have regard to whether or not there was, at the relevant date or dates, cohabitation as well as other factors which they, in their sole discretion, regard as being relevant;

at the time that the PENSIONER or FLEXIBLE ANNUITANT retired or retired early from the FUND in the case of a benefit arising as a result of the death of a PENSIONER or FLEXIBLE ANNUITANT or at the date that the MEMBER died in the case of a benefit arising as a result of the death of a MEMBER, provided that:

- (i) the SPOUSE of a PENSIONER or FLEXIBLE ANNUITANT shall be the SPOUSE of the PENSIONER or FLEXIBLE ANNUITANT who is notified by him to the FUND at the date of his retirement;
- (ii) the MEMBER must have notified the FUND of the existence of such a SPOUSE prior to the date upon which a death benefit becomes due from the FUND in terms of Rule 6.1, unless the TRUSTEES, in their sole discretion, decide that such notification is not necessary in the particular circumstances; and
- (iii) at the sole discretion of the TRUSTEES, where there is more than one (1) person qualifying as SPOUSE the benefit shall be distributed among the SPOUSES at the discretion of the TRUSTEES and the total benefit payable to such SPOUSES shall be equal to the benefit which would have been payable to one (1) SPOUSE. In the event of the death of one (1) or more of the SPOUSES the benefit payable to such SPOUSE or SPOUSES shall, subject to the provisions of Rule 5.3.8, cease to be payable and the benefit payable to the remaining SPOUSE or SPOUSES shall not be re-calculated.

"TRUSTEES" shall mean the TRUSTEES or their alternates appointed or elected in terms of these RULES.

"UNCLAIMED BENEFITS ACCOUNT" shall mean the SPECIAL ACCOUNT as per Rule 14.5.6.

New 26.01.2005

3. MEMBERSHIP

- 3.1 Each person who was a MEMBER of the FUND immediately prior to the CONVERSION DATE shall remain a MEMBER of the FUND.
- 3.2 Each employee who is not referred to in Rule 3.1 must become a MEMBER of the FUND on the day on which he becomes an ELIGIBLE EMPLOYEE.
- 3.3 A CONTRIBUTORY MEMBER shall not be permitted to withdraw from membership while he remains in SERVICE unless his conditions of employment change and he becomes eligible for membership of another APPROVED PENSION FUND or APPROVED PROVIDENT FUND to which his EMPLOYER contributes and he elects to transfer his benefit as determined by Rule 9.2 to such APPROVED PENSION FUND or APPROVED PROVIDENT FUND or, with the consent of his EMPLOYER, to an APPROVED RETIREMENT ANNUITY FUND of the member's choice. In the event of the MEMBER not electing to transfer his benefit, he shall remain a NON-CONTRIBUTORY MEMBER of the FUND, provided he notifies the FUND in the prescribed manner.
- 3.4 The following provisions will apply to a CONTRIBUTORY MEMBER who ceases to be a CONTRIBUTORY MEMBER due to termination of SERVICE for reasons other than retirement or death:
 - 3.4.1 Upon leaving SERVICE, such person will become an INTERIM MEMBER with the option to make an election as envisaged in Rule 3.4.2 below.
 - 3.4.2 Such person must notify the FUND in writing within twenty four (24) months of leaving the SERVICE of his last EMPLOYER of his election to either become a NON-CONTRIBUTORY MEMBER or to claim a benefit for which he may be eligible in terms of these RULES. In respect of a MEMBER who leaves SERVICE or ceases being a CONTRIBUTORY MEMBER prior to 1 March 2009, a period of six (6) months will apply. This shall

not apply to a person described in paragraphs (a) and (b) of the definition of NON-CONTRIBUTORY MEMBER.

3.4.3 Should he fail to notify the FUND of his election as envisaged in Rule 3.4.2 above within twenty four (24) months of leaving the SERVICE of his last EMPLOYER, the provisions of Rule 18 will apply. In respect of a MEMBER who leaves SERVICE or ceases being a CONTRIBUTORY MEMBER prior to 1 March 2009, a period of six (6) months will apply.

3.4.4 Deleted

3.4.5 An INTERIM MEMBER who elects to become a NON-CONTRIBUTORY MEMBER will become a NON-CONTRIBUTORY MEMBER with effect from the date on which the FUND receives the INTERIM MEMBER'S written notification of his election to become a NON-CONTRIBUTORY MEMBER, provided that this written notification is furnished before the expiry of the period referred to in Rule 3.4.2 above.

3.4.6 The election of an INTERIM MEMBER to become a NON-CONTRIBUTORY MEMBER is irrevocable.

3.4.7 A NON-CONTRIBUTORY MEMBER shall remain a MEMBER of the FUND and will only be entitled to a benefit in terms of Rules 5 and 6.

3.4.8 A NON-CONTRIBUTORY MEMBER and an INTERIM MEMBER shall not be eligible for DEATH COVER and DISABILITY COVER.

3.5 (a) A CONTRIBUTORY MEMBER who was an INTERIM MEMBER prior to returning to SERVICE may only claim a benefit in terms of the RULES in respect of his previous period as a MEMBER if he had applied to the FUND in writing in the prescribed form for such a benefit before returning to SERVICE; provided that where the

FUND has awarded a benefit in respect of such previous period to the MEMBER after his return to such SERVICE it will have no further liability toward the MEMBER or his beneficiaries in respect of such previous period.

- (b) A NON-CONTRIBUTORY MEMBER who subsequently returns to SERVICE as a CONTRIBUTORY MEMBER will cease to be a NON-CONTRIBUTORY MEMBER. His FUND CREDIT will thus incorporate the value of FUND CREDIT as it stood when he ceased to be a NON-CONTRIBUTORY MEMBER and will thus be subject to the terms and conditions set out in these RULES applicable to a CONTRIBUTORY MEMBER.

- 3.6 A MEMBER shall, subject to the provisions of these RULES, cease his membership of this FUND on the later of notification in writing from the MEMBER to exit from the FUND or date of discharge.

4. CONTRIBUTIONS

4.1 Contributions by MEMBERS and EMPLOYERS

4.1.1 Each CONTRIBUTORY MEMBER shall contribute to the FUND throughout his SERVICE at the rate of seven comma five per cent (7,5%) of his FUND SALARY, unless otherwise specified in Appendix 1.

The MEMBER'S contribution rate payable in terms of this Rule shall not be amended without the consent of the MEMBER.

4.1.2 The EMPLOYERS shall make a monthly contribution in respect of the CONTRIBUTORY MEMBERS in their SERVICE, equal to nine comma five per cent (9,5%) of MEMBERS' FUND SALARIES, unless otherwise specified in Appendix 1 and three per cent (3%) of MEMBERS' RISK SALARIES.

The EMPLOYER'S contribution rate payable in terms of this Rule shall not be amended without the consent of the EMPLOYER.

Effective 10.12.2004

4.2 Allocation of Contributions

The total amount paid by CONTRIBUTORY MEMBERS and EMPLOYERS in terms of Rule 4.1 shall be allocated as follows:

- (a) in the case of a MEMBER who has not reached NORMAL RETIREMENT AGE, such percentage of MEMBERS' FUND RISK SALARIES, as determined by the TRUSTEES in consultation with the ACTUARY and notified to MEMBERS, provided such percentage does not exceed two per cent (2%), shall be allocated to provide DEATH COVER;

- (b) such percentage of MEMBERS' FUND RISK SALARIES, as determined by the TRUSTEES in consultation with the ACTUARY and notified to MEMBERS, provided such percentage does not exceed one per cent (1%), shall be allocated to provide DISABILITY COVER; provided that; a MEMBER who has reached the earliest of his NORMAL RETIREMENT AGE or the age of sixty (60) years, such percentage of MEMBER'S FUND RISK SALARY shall be allocated in terms of paragraph (c) in which event DISABILITY COVER shall no longer apply,
- (c) the balance of contributions remaining shall be allocated to MEMBERS' FUND CREDITS.
- (d) In the event of a MEMBER who the TRUSTEES determine is not eligible to receive any DEATH COVER or DISABILITY COVER in terms of Rules 6.1.3 and 6.2.3 respectively, such percentage of the MEMBER'S FUND RISK SALARY shall be allocated in terms of paragraph (c) above.

4.3 Additional Contributions by MEMBERS and EMPLOYERS

- 4.3.1 A MEMBER may make additional contributions to the FUND, in accordance with such conditions and procedures as the TRUSTEES may prescribe from time to time. Such additional contributions shall be allocated to the MEMBER'S FUND CREDIT.
- 4.3.2 An EMPLOYER may make additional contributions to the FUND in respect of a MEMBER in accordance with such conditions and procedures as the TRUSTEES may require from time to time. Such additional contributions shall be allocated to the MEMBER'S FUND CREDIT.

4.4 Payment of Contributions

4.4.1 Contributions in terms of Rule 4.1 must be paid to the FUND by the EMPLOYER within seven days after the end of the month to which they relate. Contributions not paid within this period shall be subject to the penalty interest payable in terms of the ACT. Any interest payable to the FUND in terms of the ACT shall be credited to the FUND CREDITS of the MEMBERS employed by the relevant EMPLOYERS on the date of receipt of such interest.

4.4.2 The FUND shall not accept any contribution adjustments whether positive or negative, in respect of a MEMBER whose benefit was paid out in full prior to the FUND receiving such notification.

Approved 19.04.2007

5. RETIREMENT BENEFITS

5.1 Qualification Criteria

5.1.1 Normal Retirement

5.1.1.1 A CONTRIBUTORY MEMBER who retires from SERVICE at his NORMAL RETIREMENT DATE shall receive the benefit referred to in Rule 5.2, subject to the provisions of Rule 5.3.

5.1.1.2 A NON-CONTRIBUTORY MEMBER who has attained the NORMAL RETIREMENT AGE shall receive the benefit referred to in Rule 5.2, subject to the provisions of Rule 5.3.

5.1.2 Early Retirement

A MEMBER who has reached age fifty (50) years and is within ten (10) years of his NORMAL RETIREMENT DATE may retire before he reaches his NORMAL RETIREMENT DATE in which event the benefit referred to in Rule 5.2 shall be payable, subject to the provisions of Rule 5.3.

5.1.3 Disability Early Retirement

5.1.3.1 A CONTRIBUTORY MEMBER or an INTERIM MEMBER who was a CONTRIBUTORY MEMBER at the time of the event or events giving rise to his claim for disability early retirement must submit an application for disability benefits to the FUND within six (6) months of leaving the SERVICE of his last EMPLOYER, or as otherwise decided by the TRUSTEES, where appropriate, and if the TRUSTEES, after considering medical evidence acceptable to them, are satisfied that a CONTRIBUTORY MEMBER or an INTERIM MEMBER:

- (a) who has not yet attained the earliest of his NORMAL RETIREMENT AGE or the age of sixty (60) years qualifies for the disability benefit referred to in Rule 6.2, they shall agree to his disability early retirement in which event the disability benefit referred to in Rule 6.2 shall be payable;
- (b) who has attained the age of sixty (60) years but not yet NORMAL RETIREMENT AGE or does not qualify for the disability benefit referred to in Rule 6.2, they may agree to his disability early retirement in which event the benefit referred to in Rule 5.2, subject to the provisions of Rule 5.3.

5.1.3.2 If the TRUSTEES, after considering medical evidence acceptable to them, are satisfied that a NON-CONTRIBUTORY MEMBER or INTERIM MEMBER qualifies for retirement on the grounds of disability, they may agree to his disability early retirement at any time before he reaches NORMAL RETIREMENT DATE in which event the benefit referred to in Rule 5.2 shall be payable, subject to the provisions of Rule 5.3.

5.1.4 Late Retirement

5.1.4.1 A CONTRIBUTORY MEMBER who, by agreement with his EMPLOYER, is allowed to remain in SERVICE after his NORMAL RETIREMENT DATE shall retire on such later date as he agrees with his EMPLOYER in which event the benefit referred to in Rule 5.2 shall be payable, subject to the provisions of Rule 5.3. A MEMBER shall cease to be entitled to the DEATH COVER in terms of Rule 6.1.1.1(b) and DISABILITY COVER after his NORMAL RETIREMENT DATE.

5.1.4.2 A NON-CONTRIBUTORY MEMBER shall cease his membership of the FUND at the date of attaining his NORMAL RETIREMENT DATE in which event the benefit referred to in Rule 5.2 shall be payable, subject to the provisions of Rule 5.3.

5.2 Retirement Benefit Options

5.2.1 Lump sum benefits

Prior to the commencement date of his PENSION or PENSIONS and his FLEXIBLE ANNUITY, if applicable, a MEMBER may elect to commute for a lump sum:

5.2.1.1 if his total FUND CREDIT would purchase a PENSION or benefit that does not exceed the limit set by the REVENUE AUTHORITIES from time to time, the whole of the FUND CREDIT, or

5.2.1.2 if his total FUND CREDIT would purchase a PENSION or benefit that exceeds the amount in Rule 5.2.1.1 above, not more than the limit set by the REVENUE AUTHORITIES from time to time.

5.2.2 First Tier Options

5.2.2.1 The options set out in this Rule 5.2.2 apply to a MEMBER'S FUND CREDIT after payment of any lump sum in terms of Rule 5.2.1.

5.2.2.2 On the retirement of a MEMBER on or after 1 August 2005 the MEMBER will become entitled to the payment of a PENSION and must make the elections set out below:

(a) Term certain guarantee:

The PENSION amount will continue to be paid for a minimum period of five (5) years after retirement, irrespective of whether the PENSIONER is alive or not. A MEMBER may elect at retirement to increase this period in increments of five (5) years to a maximum period of twenty five (25) years.

(b) Spouse pension provision:

(i) A MEMBER who has a SPOUSE at retirement, shall be compelled to provide for a SPOUSE PENSION, that follows on the expiry of the term certain guarantee period, at a level of 75% of his PENSION at his date of death, or he may elect to increase this provision to a level of 100%.

(ii) Where there is more than one (1) person qualifying as a SPOUSE, provision shall be made for each SPOUSE and the total provision made for such SPOUSES shall be equal to the benefit which would have been provided for one (1) SPOUSE.

(iii) In the event that a MEMBER is at retirement estranged from his SPOUSE, he may inform the FUND in writing with such evidence as it may deem acceptable, in which case the TRUSTEES may deem that the MEMBER does not have a SPOUSE for purposes of Rule 5.2.2.2(b)(i).

(iv) If it subsequently transpires that the MEMBER failed to disclose that he had a

SPOUSE at retirement or fraudulently informed the FUND that he was estranged from such SPOUSE, the FUND shall not be liable to such SPOUSE for a SPOUSE PENSION or for any loss incurred by such SPOUSE.

(c) Child pension provision:

A MEMBER may elect at the date of his retirement to provide a CHILD'S PENSION of such an amount as he determines for one (1) or more of his children from his PENSION.

5.2.2.3 The sum of any SPOUSE'S PENSION provision and any CHILD'S PENSION elected shall not exceed the PENSIONER'S PENSION.

5.2.2.4 The PENSION shall be calculated using factors supplied by the ACTUARY after taking into account the exercise of any option in terms of this Rule.

5.2.3 Second Tier Options

5.2.3.1 Notwithstanding the provisions of Rule 5.2.2.1, a MEMBER who qualifies to retire in terms of Rule 5.1 on or after the date of registration of this amendment to the RULES of the FUND and whose FUND CREDIT or balance of FUND CREDIT after payment of a lump sum in terms of Rule 5.2.1 would purchase a PENSION in terms of Rule 5.2.2 greater than a minimum level set by the REVENUE AUTHORITIES from time to time may, in respect of the whole or part of the balance of the FUND CREDIT after payment of a lump sum in terms of rule 5.2.1 less that part of the FUND CREDIT used to purchase a PENSION up to the aforementioned

minimum level, elect one (1) or both the following additional PENSIONS provided that all PENSIONS and FLEXIBLE ANNUITIES elected (including the PENSIONS elected in terms of Rule 5.2.2 and the FLEXIBLE ANNUITY, if any, elected in terms of Rule 5.2.4) will become payable simultaneously:

- (a) An additional PENSION with a term certain guarantee which may but need not be different to the term certain guarantee elected in terms of Rule 5.2.2.2(a), provided that such term certain guarantee will be subject to the restrictions set out in Rule 5.2.2.2(a), and/or
- (b) A MEMBER who has a SPOUSE at retirement shall have the option to either not provide for a SPOUSE PENSION, or to provide for a SPOUSE PENSION, that follows on the expiry of the term certain guarantee period, at a level of 25%, 50%, 75% or 100% of his PENSION at his date of death.

5.2.3.2 The PENSION elected in terms of this Rule shall be calculated using factors supplied by the ACTUARY after taking into account the exercise of any option in terms of this Rule.

5.2.4 Third Tier Option

5.2.4.1 Notwithstanding the provisions of Rule 5.2.2.1, a MEMBER who qualifies to retire in terms of Rule 5.1 on or after the date of registration of this amendment to the RULES of the FUND and whose FUND CREDIT or balance of FUND CREDIT after payment of a lump sum in terms of Rule 5.2.1 would purchase a PENSION in

terms of Rule 5.2.2 greater than a minimum level set by the REVENUE AUTHORITIES from time to time may, in respect of the whole or part of the balance of the FUND CREDIT after payment of a lump sum in terms of Rule 5.2.1 less that part of the FUND CREDIT used to purchase a PENSION up to the aforementioned minimum level, elect a FLEXIBLE ANNUITY, provided that he complies with the eligibility requirements set by the TRUSTEES from time to time and provided further that all PENSIONS and FLEXIBLE ANNUITIES elected (including the PENSIONS elected in terms of Rules 5.2.2 and 5.2.3 and the FLEXIBLE ANNUITY, if any, elected in terms of this Rule 5.2.4) will become payable simultaneously.

5.2.4.2 The conditions relating to the payment of the FLEXIBLE ANNUITY will be mutually agreed between the MEMBER and TRUSTEES, in consultation with the ACTUARY at the date of the MEMBER'S retirement.

5.2.4.3 The annual minimum and maximum amount of the FLEXIBLE ANNUITY must be within the percentage limits as laid down by the REVENUE AUTHORITIES from time to time or such greater limit (in respect of the minimum amount) and/or such lesser limit (in respect of the maximum amount) as may be set by the TRUSTEES from time to time, after consultation with the ACTUARY, of the credit balance of the FLEXIBLE ANNUITANT'S FLEXIBLE ANNUITY CAPITAL ACCOUNT at each anniversary of the FLEXIBLE ANNUITANT'S retirement that follows.

5.3 Payment of PENSION and FLEXIBLE ANNUITY

- 5.3.1 Notwithstanding the provisions of these RULES, PENSIONS already in payment to PENSIONERS and/or other beneficiaries at the CONVERSION DATE shall continue to be paid from the FUND in accordance with the provisions of the rules in force prior to the CONVERSION DATE as set out in Appendix 3, and PENSIONS already in payment to PENSIONERS and/or other beneficiaries that became payable after the CONVERSION DATE shall continue to be paid from the FUND in accordance with the provisions of the rules in force at that time.
- 5.3.2 The PENSION payable on the retirement of a MEMBER who has elected the GUARANTEED PENSION AT NORMAL RETIREMENT DATE option shall be as set out in Appendix 2.
- 5.3.3 Subject to the provisions of Rule 12, the balance of the FUND CREDIT of a MEMBER who retires, after paying any amount which is taken as a lump sum shall be transferred to the PENSIONS ACCOUNT, provided that in the case of a MEMBER electing a FLEXIBLE ANNUITY in terms of Rule 5.2.4, that portion of his FUND CREDIT at the time of retirement used to purchase a FLEXIBLE ANNUITY will form the opening balance of his FLEXIBLE ANNUITY CAPITAL ACCOUNT and will not be transferred to the PENSIONS ACCOUNT.
- 5.3.4 PENSIONS payable to PENSIONERS who retire in terms of these RULES after the CONVERSION DATE shall be paid from the PENSIONS ACCOUNT within the FUND and FLEXIBLE ANNUITIES paid to FLEXIBLE ANNUITANTS will be paid from the FLEXIBLE ANNUITANT'S FLEXIBLE ANNUITY CAPITAL ACCOUNT within the FUND.
- 5.3.5 Each PENSION and FLEXIBLE ANNUITY shall be payable by

equal monthly instalments on the fifteenth (15th) day of each calendar month, unless otherwise agreed to by the TRUSTEES from time to time.

- 5.3.6 The first monthly instalment of a PENSION payable to a PENSIONER or a FLEXIBLE ANNUITY payable to a FLEXIBLE ANNUITANT shall be payable on the fifteenth (15th) day of the calendar month following the award of his PENSION or FLEXIBLE ANNUITY, and such PENSION or FLEXIBLE ANNUITY shall be payable until the fifteenth (15th) day of the month in which the PENSIONER or FLEXIBLE ANNUITANT dies or the month after the PENSIONER or FLEXIBLE ANNUITANT dies if he dies after the fifteenth (15th) day of a calendar month.
- 5.3.7 If within the term certain guarantee period provided in terms of Rule 5.2.2.2(a) and 5.2.3.1(a) after retirement, a PENSIONER dies leaving a SPOUSE and /or a CHILD in the case of having elected a CHILD'S PENSION in terms of Rule 5.2.2.2(c), his PENSION shall continue to be paid to his SPOUSE and/or CHILD for the remainder of the term certain guarantee period and thereafter the SPOUSE'S PENSION and/or CHILD'S PENSION in terms of Rule 5.2.2.2 and 5.2.3.1 shall become payable, subject to eligibility as set out in the definition of SPOUSE and/or CHILD. If there is no SPOUSE and/or CHILD the PENSION that would have been paid for the remainder of the term certain guarantee period shall be capitalised and distributed in terms of Section 37C of the ACT.
- 5.3.8 A PENSION awarded following an election in terms of Rules 5.2.2.2(b) and 5.2.3.1(b) shall cease on the death of the SPOUSE, provided that if the death of the SPOUSE occurs within the term certain guarantee period elected in terms of Rules 5.2.2.2(a) and 5.2.3.1(a), the balance of the capitalised PENSION shall be paid to the SPOUSE'S estate, unless a CHILD'S PENSION was awarded to a CHILD or CHILDREN of the SPOUSE in terms of

Rule 5.2.2.2(c) in which case the SPOUSE'S PENSION will be allocated to the CHILD or amongst the CHILDREN as the TRUSTEES may decide and such additional PENSION will be regarded as a CHILD or CHILDREN'S PENSION, provided that the liability for such additional PENSION will be limited to the remainder of the term certain guarantee period.

5.3.9 A PENSION awarded following an election in terms of Rule 5.2.2.2(c) or to a CHILD following the death of a SPOUSE in accordance with Rule 5.3.8 shall cease on the CHILD attaining the age of eighteen (18) years or on the death of the CHILD, whichever occurs first, and if the aforementioned event occurs within the term certain guarantee period elected in terms of Rules 5.2.2.2(a) and 5.2.3.1(a), the balance of the capitalised PENSION shall be paid to the CHILD'S estate unless a SPOUSE'S PENSION was awarded to the parent of the CHILD or a CHILD'S PENSION was awarded to siblings of the CHILD in terms of Rules 5.2.2.2(b) or 5.2.3.1(b) or 5.2.2.2(c) in which case the CHILD'S PENSION will be allocated to the SPOUSE and/or CHILD or CHILDREN as the TRUSTEES may decide and such additional PENSION will be regarded as a CHILD/CHILDREN'S PENSION and/or a SPOUSE'S PENSION, provided that the liability for such additional PENSION will be limited to the remainder of the term certain guarantee period.

5.3.10 Each PENSIONER or FLEXIBLE ANNUITANT shall provide such evidence of his survival or continued eligibility as the TRUSTEES may require. If such evidence is not produced, then the TRUSTEES may direct that payment of the PENSION or FLEXIBLE ANNUITY be suspended until such evidence is produced.

5.3.11 The payment of a FLEXIBLE ANNUITY elected in terms of Rule 5.2.4 will be subject to the following conditions:

- (a) The amount of such FLEXIBLE ANNUITY will comply with the minimum and maximum amounts as referred to in Rule 5.2.4.3 and must be elected in writing by the FLEXIBLE ANNUITANT on each retirement anniversary date.
- (b) If the FLEXIBLE ANNUITANT does not exercise his choice within the period as determined by the TRUSTEES, his FLEXIBLE ANNUITY may be adjusted to an amount as determined by TRUSTEES in consultation with the ACTUARY and advised in writing to the FLEXIBLE ANNUITANT.
- (c) The FLEXIBLE ANNUITY payable to a FLEXIBLE ANNUITANT shall be paid exclusively out of the remaining credit balance of the FLEXIBLE ANNUITANT'S FLEXIBLE ANNUITY CAPITAL ACCOUNT at each retirement anniversary as determined by the TRUSTEES in consultation with the ACTUARY, taking into account the FLEXIBLE ANNUITY payments already paid to the FLEXIBLE ANNUITANT, GAINS realised by the FUND on the investment of such credit balance of the FLEXIBLE ANNUITANT'S FLEXIBLE ANNUITY CAPITAL ACCOUNT in the FUND, as well as any other factors deemed to be appropriate.
- (d) If a FLEXIBLE ANNUITANT who was a MEMBER of the FUND prior to retirement dies, the remaining credit balance of the FLEXIBLE ANNUITANT'S FLEXIBLE ANNUITY CAPITAL ACCOUNT will be used to provide a similar FLEXIBLE ANNUITY for a SPOUSE or SPOUSES of the FLEXIBLE ANNUITANT in which case the SPOUSE or SPOUSES will be regarded as a FLEXIBLE ANNUITANT or FLEXIBLE ANNUITANTS and the

provisions of this Rule will apply *mutatis mutandis* to the SPOUSE'S or SPOUSES' FLEXIBLE ANNUITY or FLEXIBLE ANNUITIES.

If however, such SPOUSE or SPOUSES elects or elect to, and the TRUSTEES approve it, the remaining credit balance of the deceased FLEXIBLE ANNUITANT'S FLEXIBLE ANNUITY CAPITAL ACCOUNT may be paid to the applicable SPOUSE or SPOUSES in a lump sum within 6 (six) months from the date of the death of the FLEXIBLE ANNUITANT.

- (e) If a FLEXIBLE ANNUITANT who was a MEMBER of the FUND dies without leaving a SPOUSE, the remaining credit balance of the deceased FLEXIBLE ANNUITANT'S FLEXIBLE ANNUITY CAPITAL ACCOUNT will be paid in terms of section 37C of the ACT.
- (f) If a FLEXIBLE ANNUITANT who was a SPOUSE prior to becoming a FLEXIBLE ANNUITANT dies, the remaining credit balance of the deceased FLEXIBLE ANNUITANT'S FLEXIBLE ANNUITY CAPITAL ACCOUNT will be paid to such FLEXIBLE ANNUITANT'S estate.

6. DEATH AND DISABILITY BENEFITS

6.1 Death of a MEMBER

6.1.1 Benefit Amount

6.1.1.1 If a CONTRIBUTORY MEMBER dies while in SERVICE an amount equal to the sum of the following shall be payable in accordance with Rule 6.1.4:

- (a) his FUND CREDIT at the date of his death provided that in the case of a MEMBER who elected the GUARANTEED PENSION AT NORMAL RETIREMENT DATE OPTION his FUND CREDIT shall be as defined in Appendix 2; and
- (b) subject to the provisions of Rules 5.1.4.1, 6.1.2, 6.1.3, and 8 his DEATH COVER at the date of his death.

6.1.1.2 If a NON-CONTRIBUTORY MEMBER or an INTERIM MEMBER dies, an amount equal to his FUND CREDIT at the date of his death shall be payable in accordance with Rule 6.1.4.

6.1.1.3 A MEMBER will cease to be entitled to the DEATH COVER in terms of Rule 6.1.1.1(b) after his NORMAL RETIREMENT DATE, and should he die while in SERVICE an amount equal to his FUND CREDIT at the date of his death shall be payable in accordance with Rule 6.1.4.

6.1.2 Terms and Conditions

6.1.2.1 The DEATH COVER shall be determined annually by the TRUSTEES in consultation with the ACTUARY.

6.1.2.2 The DEATH COVER shall be notified to the MEMBERS annually in advance in writing.

6.1.2.3 The TRUSTEES may, at their sole discretion, insure all or part of the DEATH COVER with a REGISTERED INSURER.

6.1.3 Restrictions

6.1.3.1 The TRUSTEES may require a MEMBER who joins the FUND to be examined at the FUND'S expense by a medical practitioner agreed to by the TRUSTEES.

6.1.3.2 Acting on the results of this examination, the TRUSTEES may decide that the DEATH COVER shall be restricted in such manner as they decide.

6.1.3.3 The TRUSTEES must inform the MEMBER in writing of the terms of any restriction imposed in terms of Rule 6.1.3.

6.1.3.4 Where the TRUSTEES decide to insure all or part of the DEATH COVER with a REGISTERED INSURER the conditions and restrictions of the REGISTERED INSURER shall be taken into consideration when considering a MEMBER to be eligible for DEATH COVER. The DEATH COVER so insured shall not become payable unless the claim for the benefit has been admitted by the REGISTERED INSURER.

6.1.4 Payment of Death Benefit and Commutation

6.1.4.1 On the death of a MEMBER who is survived by a SPOUSE or SPOUSES as defined in these RULES;

(a) a PENSION of such amount as can be purchased by fifty per cent (50%) of the benefit determined in terms of Rule 6.1.1 shall be payable to the SPOUSE or SPOUSES; and

(b) the balance of the benefit determined in terms of Rule 6.1.1 shall be allocated in terms of section 37C of the ACT to the person or persons and in the proportions determined by the TRUSTEES, provided that should the TRUSTEES allocate an amount to the SPOUSE referred to in Rule 6.1.4.1(a), such SPOUSE may elect to take such lump sum as a PENSION.

6.1.4.2 On the death of a MEMBER who is not survived by a SPOUSE as defined in these RULES, the benefit determined in terms of Rule 6.1.1 shall be distributed by the TRUSTEES in terms of Section 37C of the ACT.

6.1.4.3 Any PENSION paid to a SPOUSE in terms of Rule 6.1.4 will be paid in accordance with the provisions of Rule 5.3.

6.1.4.4 Subject to the provisions of Rule 12 the amount allocated for a SPOUSE'S PENSION in term of Rules 6.1.4.1(a) or 6.1.4.1(b) shall be transferred to the PENSIONS ACCOUNT and the amount of such SPOUSE'S PENSION will be calculated using factors supplied by the ACTUARY after taking into account the exercise of any

options permitted. The options set out in Rule 5.2.2.2(a) will be available to the SPOUSE if the SPOUSE'S PENSION becomes payable on or after 1 August 2005 but the options set out in Rules 5.2.1, 5.2.2.2(b), 5.2.2.2(c), 5.2.3, and 5.2.4 will not be available to the SPOUSE. Any SPOUSE'S PENSION will be paid in terms of Rule 5.3 and the first monthly instalment of a PENSION payable to a SPOUSE shall be payable on the fifteenth (15th) day of the month following the MEMBER'S death.

6.2 Disability Benefit in SERVICE

6.2.1 Benefit Amount

A CONTRIBUTORY MEMBER who has not attained the earliest of his NORMAL RETIREMENT AGE or the age of sixty (60) years and who retires early due to disability in terms of Rule 5.1.3.1(a) shall, subject to the provisions of Rules 6.2.2, 6.2.3 and 8 become entitled to a PENSION in terms of Rule 5.2 of such amount as can be provided by his FUND CREDIT at the date of early retirement due to disability after taking into account the exercise of any option in terms of Rules 5.2.2, 5.2.3 and 5.2.4, provided that in the case of a MEMBER who elected the GUARANTEED PENSION AT NORMAL RETIREMENT DATE, the definition of FUND CREDIT in Appendix 2 will, for the purposes of this Rule 6.2.1, be deemed to include his DISABILITY COVER.

6.2.2 Terms and Conditions

6.2.2.1 The DISABILITY COVER shall be determined annually by the TRUSTEES in consultation with the ACTUARY.

6.2.2.2 The DISABILITY COVER shall be notified in writing to the MEMBERS annually in advance.

6.2.2.3 The TRUSTEES shall, at their sole discretion, determine the percentage of the DISABILITY COVER to be paid to each CONTRIBUTORY MEMBER when such MEMBER becomes, in their sole opinion, totally and permanently disabled to perform his own and any similar occupation in a specific environment. The burden of proof of such permanent disability shall rest with the MEMBER.

6.2.2.4 The TRUSTEES shall determine when the DISABILITY COVER shall become payable.

6.2.2.5 The TRUSTEES may, at their sole discretion, insure all or part of the DISABILITY COVER AMOUNT with a REGISTERED INSURER.

6.2.3 Restrictions

6.2.3.1 The TRUSTEES may require a MEMBER to be examined at the FUND'S expense by a medical practitioner agreed to by the TRUSTEES.

6.2.3.2 Acting on the results of this examination, the TRUSTEES may decide that the DISABILITY COVER shall be restricted in such manner as they decide.

6.2.3.3 At the time of awarding a disability benefit in terms of Rule 6.2, the TRUSTEES shall, in their sole discretion, exclude the medical condition and related impairments in terms of whereof the disability benefit is awarded for purposes of future DISABILITY COVER.

6.2.3.4 The TRUSTEES must inform the MEMBER in writing of the terms of any restriction imposed in terms of Rule

6.2.3.

6.2.3.5 Where the TRUSTEES decide to insure all or part of the DISABILITY COVER with a REGISTERED INSURER the conditions, restrictions and exclusions of the REGISTERED INSURER shall be taken into consideration when considering a MEMBER to be eligible for DISABILITY COVER. The DISABILITY COVER so insured shall not become payable unless the claim for the benefit has been admitted by the REGISTERED INSURER.

6.2.3.6 Where a MEMBER has previously received a disability benefit from the FUND or the Mine Employees Pension Fund, the TRUSTEES shall have the discretion to:

- (a) exclude the MEMBER from receiving a further benefit in terms of Rule 6.2; or
- (b) award the MEMBER the benefit to which he would otherwise be entitled in terms of Rule 6.2; or
- (c) award the MEMBER a benefit that has been reduced as decided by the TRUSTEES in consultation with the ACTUARY;

Provided that in exercising their discretion in terms of this Rule 6.2.3.3 the TRUSTEES shall take into account whether or not the medical condition or impairment is the same as that for which the MEMBER had previously received a benefit from the FUND or the Mine Employees Pension Fund ; whether or not specific terms and conditions that applied when the disability benefit was awarded previously apply on the current occasion; a comparison of the specific environment in which the

MEMBER worked previously and on the current occasion; the period of time since the MEMBER returned to SERVICE; and any other factors which they consider relevant.

6.2.4 Payment of Disability Benefit and Commutation

6.2.4.1 On the retirement of a MEMBER in terms of Rule 6.2 the MEMBER may elect as provided for in Rule 5.2.1, to commute for a lump sum that part of the PENSION payable in terms of Rule 6.2.1 which is not more than the limit set by the relevant legislation from time to time.

6.2.4.2 Any PENSION and, if applicable, FLEXIBLE ANNUITY payable in terms of Rule 6.2 will be paid in accordance with the provisions of Rule 5.3.

6.3 SPOUSE'S and CHILD'S PENSIONS payable on a PENSIONER'S Death after Retirement

6.3.1 Payment of SPOUSE'S and CHILD'S PENSIONS

6.3.1.1 Subject to the provisions of Rules 5.3.11 and 12 the PENSION payable to a SPOUSE and/or CHILD shall be paid from the PENSIONS ACCOUNT.

6.3.1.2 The PENSION payable to a SPOUSE and/or CHILD shall be paid in terms of Rule 5.3.

7. TERMINATION OF MEMBERSHIP

7.1 Subject to the provisions of Rule 3.5, if a CONTRIBUTORY MEMBER leaves SERVICE for any reason other than death or retirement he shall become entitled to a lump sum benefit equal to his FUND CREDIT at the date of ceasing membership which shall become payable in terms of Rule 7.2 together with any late payment interest payable in terms of Rule 11 or, if applicable, any penalty interest payable in terms of Rule 7.2.3.

7.2 Payment of Benefit

7.2.1 Subject to the provisions of Rule 12, the benefit in terms of Rule 7.1 shall be payable to the MEMBER as a lump sum provided that application is made by the MEMBER within twenty four (24) months from the date on which the MEMBER leaves SERVICE. After the date of his leaving SERVICE the MEMBER shall not be eligible for DEATH COVER and DISABILITY COVER.

7.2.2 Instead of receiving the benefit entirely as a lump sum, the MEMBER may, transfer part, or all, of the benefit to an APPROVED PENSION FUND, a PRESERVATION PENSION FUND, an APPROVED PROVIDENT FUND or an APPROVED RETIREMENT ANNUITY FUND; provided that:

(a) a transfer to an APPROVED PROVIDENT FUND shall be subject to any tax payable thereon; and

(b) a transfer to a PRESERVATION PENSION FUND shall be subject to the requirements of the REVENUE AUTHORITIES as specified from time to time.

7.2.3 Provided that the transfer is not subject to approval in terms of Section 14 of the ACT, any benefit to be transferred in terms of Rule 7.2.2 shall be subject to the penalty interest payable in terms of the ACT if the benefit is not transferred within the later of:

- (a) sixty (60) days of the end of the three (3) month period, or
- (b) sixty (60) days of the MEMBER'S written request to the FUND to transfer his benefit, or
- (c) such longer period as approved by the REGISTRAR.

7.2.4 When a benefit has been paid to the MEMBER as a lump sum in terms of Rule 7.2.1 or transferred in terms of Rule 7.2.2, the MEMBER shall have no further claim on the FUND.

8. ABSENCE AND LIQUIDATION OF EMPLOYER

8.1 ABSENCE

8.1.1 When a MEMBER is on leave with full pay or with pay less than full pay he shall be deemed to remain in SERVICE.

8.1.2 If a MEMBER is on leave without pay, the EMPLOYER may elect whichever of the following options is acceptable to the EMPLOYER in his case:

- (a) to cease all contributions under Rule 4.1 in which event the DEATH COVER and DISABILITY COVER set out in Rule 6 shall not become payable upon the MEMBER'S death or disability during the period of the MEMBER'S leave; or
- (b) to cease all EMPLOYER contributions under Rule 4.1.2 in which event the DEATH COVER and DISABILITY COVER set out in Rule 6 shall not become payable upon the MEMBER'S death or disability during the period of the MEMBER'S leave unless the MEMBER maintains all or part, as decided by the EMPLOYER, of such contributions as is required to provide the MEMBER'S DEATH COVER and DISABILITY COVER in terms of Rule 4.2 (a) and (b); or
- (c) to contribute all or part of the EMPLOYER contributions under Rule 4.1.2 in which event the EMPLOYER may require the MEMBER to maintain all or part, as decided by the EMPLOYER, of such contributions as is required to provide the MEMBER'S DEATH COVER and DISABILITY COVER in terms of Rule 4.2 (a) and (b); or
- (d) to maintain contributions under Rule 4.1 by reference to the MEMBER'S FUND SALARY immediately prior to the

commencement of the period of leave whereupon the MEMBER shall be deemed to remain in SERVICE.

An option provided for in Rule 8.2 shall be exercisable by the EMPLOYER'S giving notice of the option elected in writing to the FUND within one month of the date on which the MEMBER'S leave commences. If the EMPLOYER fails to exercise the option he shall be deemed to have exercised option (d) in Rule 8.2.

8.2 LIQUIDATION OF EMPLOYER

8.2.1 A MEMBER who is in the SERVICE of an EMPLOYER immediately before the EMPLOYER is liquidated shall be deemed to be in the SERVICE of the EMPLOYER until such time as the FUND is notified of his discharge.

8.2.2 Whilst a MEMBER is deemed to be in the SERVICE of an EMPLOYER in terms of Rule 8.2.1, he may elect one of the following options in the event that the payment of contributions ceases:

- (a) to maintain contributions to the FUND for purposes of Rule 4.2 (a) and 4.2 (b) in respect of the MEMBER'S FUND RISK SALARY at the rate these contributions were made immediately prior to the commencement of the period that the EMPLOYER was liquidated, for the period in respect of which contributions are not paid by or for the EMPLOYER. In such event the full risk cover will be payable should the MEMBER die or be found disabled whilst deemed to be in SERVICE; or
- (b) to not maintain contributions as envisaged in paragraph (a). In such event the MEMBER will be entitled to a pro rata

portion of the DEATH COVER and DISABILITY COVER based on the period contributions were received in terms of Rule 4.2 (a) and 4.2 (b) in the twelve (12) month period preceding the MEMBER'S discharge, should he die or be found to be disabled in terms of Rule 6.1 or 6.2 as the case may be.

9. TRANSFERS

9.1 Transfers into the FUND

9.1.1 If a MEMBER who was a member of an APPROVED PENSION FUND or an APPROVED PROVIDENT FUND prior to becoming a MEMBER of the FUND chooses to transfer the benefit to which he is entitled on leaving that fund into the FUND, the amount so transferred shall be applied under the MEMBER'S FUND CREDIT.

9.1.2 The TRUSTEES shall have the power to take transfer of the assets and liabilities or a portion thereof of an APPROVED PENSION FUND or an APPROVED PROVIDENT FUND.

9.2 Transfers out of the FUND

In the event of part or all of one or more of the participating EMPLOYERS, or part or all of the FUND, transferring to or amalgamating with an APPROVED PENSION FUND, or an APPROVED PROVIDENT FUND, the TRUSTEES shall have the power to transfer all or part of the assets and liabilities of the FUND to such a fund or funds; provided that:

- (a) a transfer to an APPROVED PROVIDENT FUND shall be subject to any tax payable thereon; and
- (b) any such transfer out of the FUND shall be effected in terms of Section 14 of the ACT; and
- (c) regardless of any RULE to the contrary, approval in terms of Section 14 of the ACT will be required for any other transfers specified in Section 14 or in any instructions to that effect from the REGISTRAR or other appropriate authority.

10. TERMINATION OF THE FUND

10.1 The TRUSTEES may at any time and for any reason they deem fit, terminate the FUND by giving six (6) months' written notice to:

(a) the EMPLOYERS; and

(b) to all the MEMBERS, PENSIONERS and FLEXIBLE ANNUITANTS, or on their behalf to the United Association of South Africa, or its successor in title, the Mines Professional Associations, or its successor in title and the National Union of Mineworkers, or its successor in title;

provided that:

at least two-thirds of the EMPLOYERS and either two-thirds of all the MEMBERS, PENSIONERS and FLEXIBLE ANNUITANTS or the United Association of South Africa, or its successor in title, the Mines Professional Associations, or its successor in title and the National Union of Mineworkers, or its successor in title, agree to terminate the FUND.

10.2 The FUND must in any event be terminated if all the EMPLOYERS cease to participate unless one or more of the EMPLOYERS agree to continue with the FUND on such terms as they decide.

10.3 If the FUND is to be terminated, then the TRUSTEES shall, subject to the approval of the REGISTRAR, appoint a liquidator who must liquidate the FUND with effect from the date of the REGISTRAR'S approval of his appointment.

10.4 In accordance with the instructions of the liquidator, 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, PENSIONERS and FLEXIBLE ANNUITANTS on an equitable basis

recommended by the ACTUARY and approved by the liquidator.

10.5 The procedure in terms of Rule 10.4 shall be subject to the following provisions:

10.5.1 the amount available for a MEMBER under Rule 10.4 shall be transferred for his benefit to an APPROVED RETIREMENT ANNUITY FUND, or an APPROVED PENSION FUND, or an APPROVED PROVIDENT FUND (less any tax payable thereon, if applicable) and subject to the requirements of the REVENUE AUTHORITIES as specified from time to time, to a PRESERVATION PENSION FUND, or, if the TRUSTEES agree, shall be payable to a MEMBER in cash less any tax payable thereon;

10.5.2 the amount available for FLEXIBLE ANNUITANTS under Rule 10.4 shall be used to provide annuities of such amount as can be secured in their names from a REGISTERED INSURER.

10.5.3 the balances standing to the credit or debit of the GUARANTEED PENSION AT NORMAL RETIREMENT DATE ACCOUNT and the PENSIONS ACCOUNT shall be combined and the total amount allocated equitably between MEMBERS who elected the GUARANTEED PENSION AT NORMAL RETIREMENT DATE option and PENSIONERS, to provide annuities of such amount as can be secured in their names from a REGISTERED INSURER;

10.5.4 if a person to whom an amount is payable cannot be traced, the amount referred to in Rule 10.5.1 shall be disposed of in terms of the scheme of arrangement for the liquidation of the FUND; and

10.5.5 in making an apportionment in terms of Rule 10.4 the liquidator shall take into consideration every former MEMBER

who, during the period of twelve months ending on the date of commencement of liquidation, left SERVICE for reasons accepted by the liquidator as not being attributable to the former MEMBER'S fraud or misconduct. The former MEMBER'S apportionment shall be reduced by the amount of the benefit which he received on leaving SERVICE.

10.6 When all payments have been made by the FUND in terms of Rule 10.5, the FUND shall have no further liability to any person and its registration in terms of the ACT shall be cancelled.

10.7 If any EMPLOYER is, for any reason whatsoever, to cease its participation as an EMPLOYER in the FUND, then the FUND CREDIT of each MEMBER in the SERVICE of that EMPLOYER on a date determined by the TRUSTEES shall be transferred as envisaged in terms of Rule 9.2 to an APPROVED PENSION FUND, or a PRESERVATION PENSION FUND, or an APPROVED PROVIDENT FUND or an APPROVED RETIREMENT ANNUITY FUND; provided that

- (a) a transfer to an APPROVED PROVIDENT FUND shall be subject to any tax payable thereon; and
- (b) a transfer to a PRESERVATION PENSION FUND shall be subject to the requirements of the REVENUE AUTHORITIES as specified from time to time.

The EMPLOYER shall then cease to be an EMPLOYER and its MEMBERS shall cease to be MEMBERS and shall have no further claim on the FUND.

11. INTEREST PAYABLE ON LUMP SUM BENEFITS

- 11.1 Interest shall be payable on any lump sum benefit due on retirement, death or leaving SERVICE, except in the case where penalty interest is payable in terms of Rule 7.2.3.
- 11.2 Interest shall be payable from the third day after receipt of a tax directive issued in terms of tax legislation to the date of payment of the benefit.
- 11.3 The rate of interest shall be equal to the rate earned on the Fund's cash portfolio.

12. RIGHT TO WITHHOLD BENEFITS AND MAKE DEDUCTIONS

12.1 If the termination of the MEMBER'S SERVICE with the EMPLOYER is, in the opinion of the TRUSTEES and the EMPLOYER, due to theft, fraud or dishonesty and where the 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, the TRUSTEES may withhold payment of part or all of the benefit, payable in terms of these RULES provided that:

- (a) the TRUSTEES are satisfied that the EMPLOYER has made out a *prima facie* case against the MEMBER concerned; and
- (b) 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; and
- (c) the amount withheld shall not exceed the value of the EMPLOYER'S claim against the MEMBER; and
- (d) once the proceedings have been determined, settled or formally withdrawn, any benefit to which the MEMBER is entitled, is paid forthwith.

12.2 Notwithstanding the provisions of Rule 19.4, the FUND may make a deduction from the benefit which accrues to a MEMBER or beneficiary, provided that:

- (a) in certain instances such a deduction may be made from the FUND CREDIT of a member before his membership terminates; and

- (b) such a deduction shall be subject to the provisions of Section 37A, 37B and / or 37D of the ACT; and
- (c) the claim in respect of such deduction is lodged in writing with the FUND in the form and within the relevant time period set out in the ACT or otherwise as agreed between the FUND and the claimant, provided that the FUND may in other instances approve a claim if made within a reasonable time.

12.3 Where a deduction as envisaged in Rule 12.2 is made from the FUND CREDIT of a MEMBER before his membership terminates, the FUND may disinvest the deducted amount from the investment portfolio in which the FUND CREDIT is held and hold such amount in cash until payment thereof in the required manner. Where the claimant is entitled to the accrual of fund return on such amount, the interest earned in the cash portfolio shall be deemed to be fund return for the period following such disinvestment.

13. MANAGEMENT OF THE FUND

13.1 Management Structure

13.1.1 The FUND shall be managed by eighteen (18) TRUSTEES, comprising one (1) independent TRUSTEE, seven (7) EMPLOYER representative TRUSTEES and ten (10) MEMBER representative TRUSTEES, who are responsible for performing the obligations and duties as set out in the ACT and in these RULES.

Effective 01.11.2003

13.2 Management Powers

13.2.1 The TRUSTEES shall have the power to delegate all or part of their specific functions to such sub-committees, persons or organisations as set out in these RULES.

13.2.2 The TRUSTEES may decide that any power of decision on any matter that is vested in them shall be delegated, on such terms and conditions as they may specify, to a sub-committee, or sub-committees, comprising such of their number and other persons as they nominate from time to time. 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.

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

13.3 Independent TRUSTEE

13.3.1 The TRUSTEES shall appoint an independent TRUSTEE (hereinafter referred to as "Independent TRUSTEE") who is not in the employment of the EMPLOYERS or the ADMINISTRATORS and shall also appoint an independent alternate to act during the absence of the Independent TRUSTEE.

13.3.2 An Independent TRUSTEE shall cease to hold office

- (a) if he gives written notice of his resignation as a TRUSTEE to the FUND; or
- (b) if he has failed to attend three (3) consecutive TRUSTEE meetings without leave from the other TRUSTEES; or
- (c) if the other TRUSTEES resolve that he be removed from office.

13.4 EMPLOYER TRUSTEES

13.4.1 The Chamber of Mines shall appoint seven (7) TRUSTEES (hereinafter referred to as "EMPLOYER TRUSTEES") and shall also appoint an alternate to each such TRUSTEE to act during the absence of an EMPLOYER TRUSTEE.

13.4.2 An EMPLOYER TRUSTEE shall cease to hold office

- (a) if he gives written notice of his resignation as a TRUSTEE to the FUND; or
- (b) if he has failed to attend three (3) consecutive TRUSTEE

meetings without leave from the other TRUSTEES; or

- (c) if the other TRUSTEES resolve that he be removed from office; or
- (d) if the EMPLOYERS resolve that he be removed from office.

13.5 MEMBER TRUSTEES

13.5.1 The United Association of South Africa shall appoint six (6) TRUSTEES, the Mines Professional Associations shall appoint two (2) TRUSTEES and the National Union of Mineworkers shall appoint two (2) TRUSTEES (hereinafter collectively referred to as "MEMBER TRUSTEES") and shall also appoint an alternate to each such TRUSTEE to act during the absence of a MEMBER TRUSTEE.

13.5.2 A MEMBER TRUSTEE shall cease to hold office

- (a) if he gives written notice of his resignation as a TRUSTEE to the FUND; or
- (b) if he has failed to attend three (3) consecutive TRUSTEE meetings without leave from the other TRUSTEES; or
- (c) if the other TRUSTEES resolve that he is to be removed from office; or
- (d) if the United Association of South Africa, the Mines Professional Associations or the National Union of Mineworkers, as the case may be, resolve that he be removed from office.

13.6 Disqualification for holding office as TRUSTEE

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

- (a) a minor or any person who is insane or otherwise incapable of acting;
- (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 an office of trust on account of misconduct;
- (e) any person who has been convicted and sentenced either to imprisonment without the option of a fine or to a fine exceeding R100 for one of the following: theft, fraud, forgery or uttering a forged document, perjury, an offence under the Corruption Act, 1992, any offence involving dishonesty or any offence in connection with a pension or provident fund or with the promotion, formation or management of a company.

13.7 Term of Office and Remuneration

13.7.1 Each TRUSTEE appointed in terms of Rule 13.3, Rule 13.4 or Rule 13.5 shall hold office until the close of the TRUSTEE meeting which concludes the ordinary business of the FUND for the fifth FINANCIAL YEAR unless he ceases to hold office in terms of Rule 13.3.2, Rule 13.4.2, Rule 13.5.2 or Rule 13.6. The TRUSTEE so retiring shall be eligible for re-appointment.

13.7.2 The TRUSTEES shall determine any remuneration to be paid, and the nature of any expenses to be refunded, to TRUSTEES or their alternates for attendance at meetings and other work performed in connection with the FUND.

13.8 Meetings of TRUSTEES

13.8.1 The chairman shall be elected from time to time by the TRUSTEES from among their number.

13.8.2 The TRUSTEES shall meet from time to time to conduct the business of the FUND, but not less than four (4) times in any FINANCIAL YEAR.

13.8.3 Notice of at least fifteen (15) days for meetings shall be given to the TRUSTEES unless the TRUSTEES agree to waive such notice period. Minutes of all meetings must be kept.

13.8.4 At all meetings of the TRUSTEES:

(a) nine (9) TRUSTEES, of which the independent TRUSTEE must be one (1) other than for the purposes of Rule 13.3.1, shall form a quorum. Apart from the Independent TRUSTEE at least four (4) EMPLOYER TRUSTEES must be present and at least four (4) MEMBER TRUSTEES must be present;

(b) voting rights shall be allocated such that the independent TRUSTEE shall have one (1) deliberate vote and a casting vote, which shall be exercised in the event of equality of votes. Each EMPLOYER TRUSTEE and each MEMBER TRUSTEE shall be entitled to cast such number of votes that the sum of EMPLOYER TRUSTEE votes shall equal the sum of

the MEMBER TRUSTEE votes;

- (c) the decision of the majority of the TRUSTEES shall be binding.

13.8.5 A resolution in writing signed by:

- (a) all the TRUSTEES; or
- (b) all the TRUSTEES who at the time are present in South Africa and who form a quorum

shall be of the same force and effect as a resolution passed at a meeting of TRUSTEES and must be recorded in the FUND'S minute book; provided that for this purpose an alternate may sign in the absence of the TRUSTEE for whom he is acting as alternate.

13.9 Appointments by the TRUSTEES

13.9.1 The TRUSTEES shall appoint an AUDITOR to the FUND in terms of the ACT and may withdraw any such appointment and make another in its place at any time.

13.9.2 The TRUSTEES shall appoint the ACTUARY to the FUND and may terminate such appointment and make another in its place at any time.

Approved 19.04.2007

13.9.3 The TRUSTEES shall appoint a PRINCIPAL OFFICER in terms of the ACT and may withdraw any such appointment and make another in its place at any time. If the PRINCIPAL OFFICER is absent from South Africa or is otherwise unable to perform his duties, the TRUSTEES shall within thirty days appoint another person to act as PRINCIPAL OFFICER for

the period of his absence or inability.

- 13.9.4 The TRUSTEES may appoint consultants on such terms as they may determine and may withdraw any such appointment at any time.
- 13.9.5 The TRUSTEES shall arrange for the employment of employees, and/or may appoint ADMINISTRATORS not in the employment of the FUND, to administer the FUND. The TRUSTEES may terminate any such arrangement or appointment and make other arrangements or appointments at any time.

Approved 19.04.2007

13.10 Indemnification of the FUND, its Officers and Employees

- 13.10.1 The TRUSTEES, PRINCIPAL OFFICER and 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 negligence, dishonesty or fraud.
- 13.10.2 The TRUSTEES shall take reasonable steps to ensure that the FUND is insured against any loss resulting from, but not limited to, errors, omissions, negligence, dishonesty or fraud of any of the TRUSTEES, the PRINCIPAL OFFICER and other officers of the FUND.
- 13.10.3 The TRUSTEES shall take reasonable steps to ensure that any appointed ADMINISTRATORS, AUDITOR, ACTUARY, REGISTERED INSURERS, consultants, financial institution or any other provider of services to the FUND are adequately insured or indemnify the FUND against any loss resulting from, but not limited to, errors, omissions, negligence, dishonesty, fraud of any person employed by such service providers.

14. FINANCIAL PROVISIONS

14.1 Investments

- 14.1.1 All moneys received on account of the FUND must be paid into a banking account opened in the name of the FUND.
- 14.1.2 The TRUSTEES shall have power, subject to the provisions of the ACT, the requirements of the REGISTRAR and the provisions of Rule 14.1.8, to receive, administer and apply the moneys of the FUND; 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.
- 14.1.3 The TRUSTEES shall have 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 and/or to insure, in whole or in part, the death and disability benefits payable in terms of these RULES.
- 14.1.4 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 as they deem 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.
- 14.1.5 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.

14.1.6 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

- (a) a sub-committee of such of their number as they nominate; or
- (b) a financial institution as defined in the Financial Institutions (Protection of Funds) Act, 2001; or
- (c) a person approved in terms of Section 4(1)(a) of the Securities Services Act, 2004.

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

14.1.7 The investment powers of the TRUSTEES may be delegated by the TRUSTEES to each MEMBER and FLEXIBLE ANNUITANT of the FUND on such terms and conditions and in accordance with such procedures as the TRUSTEES may specify from time to time. The terms, conditions and procedures include, but not by way of limitation:

- (a) the right of the TRUSTEES to determine, and change the number, range and composition of any investment portfolios from which MEMBERS and FLEXIBLE ANNUITANTS can elect to invest their FUND CREDITS or FLEXIBLE ANNUITY CAPITAL ACCOUNTS and / or

contributions paid by and in respect of them;

- (b) the right of the TRUSTEES, in their sole discretion, to take into account any charges incurred in connection with any investment choice made by a MEMBER or FLEXIBLE ANNUITANT when determining GAINS in respect of that MEMBER or FLEXIBLE ANNUITANT;
- (c) in the case of a MEMBER or FLEXIBLE ANNUITANT who does not elect an investment portfolio within such timeframe specified by the TRUSTEES, the right of the TRUSTEES to select and change the appropriate investment portfolio best suited to such a MEMBER or FLEXIBLE ANNUITANT based on the period remaining to a notional target retirement age or life expectancy as determined by the TRUSTEES.

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

14.1.9 Whilst the TRUSTEES shall take reasonable steps to ensure that the interests of all MEMBERS, PENSIONERS and FLEXIBLE ANNUITANTS are protected, the TRUSTEES and the FUND shall not be liable for any loss, damage or prejudice suffered, or alleged to be suffered, by any MEMBER, PENSIONER or FLEXIBLE ANNUITANT or other person claiming to be entitled to a benefit under the FUND, as a result of or in connection with

any investment choice made by a MEMBER or FLEXIBLE ANNUITANT or on behalf of a MEMBER, PENSIONER or FLEXIBLE ANNUITANT.

14.1.10 A MEMBER'S or FLEXIBLE ANNUITANT'S investment in the investment portfolios shall be disinvested and held in cash within five (5) working days of the FUND or ADMINISTRATOR receiving formal notification,

- (a) by the EMPLOYER or the MEMBER, as the case may be, of a MEMBER'S death, retirement or of the MEMBER ceasing to be a CONTRIBUTORY MEMBER; or
- (b) of a FLEXIBLE ANNUITANT'S death, provided that such notification indicates that no SPOUSE'S PENSION is payable in terms of Rule 5.3.11(d); or
- (c) of the fact that no SPOUSE'S PENSION is payable in terms of Rule 5.3.11(d) if the original formal notification of the death of a FLEXIBLE ANNUITANT did not indicate whether or not such a SPOUSE'S PENSION was payable.

Interest at the rate earned in the cash portfolio shall be paid on the disinvested amount from the date of disinvestment to the date of payment, provided that;

- (i) in the case of an INTERIM MEMBER electing to become a NON-CONTRIBUTORY MEMBER in terms of Rule 3.4.2 or in the case of a retiring MEMBER electing a FLEXIBLE ANNUITY in terms of Rule 5.2.4, his FUND CREDIT or FLEXIBLE ANNUITY CAPITAL ACCOUNT will be reinvested in the investment portfolios;
- (ii) an INTERIM MEMBER may elect in writing that his FUND CREDIT be reinvested in the investment portfolios

until the earlier of his election in terms of Rule 3.4.2 or the expiry of the balance of the period referred to in Rule 3.4.3;

In which event the interest in terms of Rule 11 will form part of his FUND CREDIT or FLEXIBLE ANNUITY CAPITAL ACCOUNT as the case may be.

14.2 Expenses

The TRUSTEES shall determine the manner in which the expenses in connection with or incidental to the management or administration of the FUND shall be met in accordance with one (1) or more of the following methods:

- (a) by offsetting against any returns of the FUND; or
- (b) by direct charge to all or a group of the FUND CREDITS of MEMBERS and FLEXIBLE ANNUITY CAPITAL ACCOUNTS of FLEXIBLE ANNUITANTS having regard to the actual costs incurred by the FUND in respect of such MEMBERS and FLEXIBLE ANNUITANTS; or
- (c) by direct charge to the FUND CREDIT of an individual MEMBER or the FLEXIBLE ANNUITY CAPITAL ACCOUNT of an individual FLEXIBLE ANNUITANT having regard to the actual costs incurred by the FUND in respect of such MEMBER or FLEXIBLE ANNUITANT, particularly with regard to the costs of any individual investment choice; or
- (d) by direct charge to all or any of the SPECIAL ACCOUNTS; or
- (e) by direct charge to the UNCLAIMED BENEFITS ACCOUNT.

14.3 Accounts

The TRUSTEES shall cause full and true accounts of the FUND to be kept, such accounts to be made up as at the end of each FINANCIAL YEAR, to be audited by the AUDITOR and then to be submitted to the REGISTRAR.

14.4 Actuarial Valuation

14.4.1 The financial condition of the FUND, having regard to its assets and liabilities, shall be investigated and reported on by the ACTUARY at intervals not exceeding three (3) years. A copy of the actuarial valuation report shall be sent to the REGISTRAR and a copy or a summary thereof sent to each participating EMPLOYER.

14.4.2 Any decisions required as a result of the valuation shall be considered by the TRUSTEES in consultation with the ACTUARY. Where necessary the TRUSTEES shall amend the RULES to give effect to the decision of the TRUSTEES.

New 26.01.2005

14.5 Special Accounts

The following SPECIAL ACCOUNTS established under the FUND shall be considered at the end of each FINANCIAL YEAR by the TRUSTEES, in consultation with the ACTUARY:

14.5.1 RISK RESERVE ACCOUNT

14.5.1.1 The RISK RESERVE ACCOUNT shall be credited:

- (a) with an opening balance in an amount of R40,5 million (Forty Million, Five Hundred

Thousand Rand) being the balance in the Fund's death benefit account immediately prior to 1 March 2001; and

- (b) the contributions allocated in terms of Rule 4.2 (a) and (b).

14.5.1.2 The RISK RESERVE ACCOUNT shall be increased or decreased by the GAINS earned on the assets in the account.

14.5.1.3 The RISK RESERVE ACCOUNT shall be utilised for the purpose of:

- (a) paying the DEATH COVER and DISABILITY COVER; and
- (b) determining the age-related death and disability multiples after taking into consideration the FUND'S past and expected future death and disability claims experience.

14.5.1.4 The RISK RESERVE ACCOUNT shall not be shared out on the withdrawal, death, retirement or transfer of any MEMBER except for the purpose of rule 14.5.1.3 (a).

Effective 26.01.2005

14.5.2 GUARANTEED PENSION AT NORMAL RETIREMENT DATE ACCOUNT

14.5.2.1 The GUARANTEED PENSION AT NORMAL RETIREMENT DATE ACCOUNT shall be credited with an opening balance as at the CONVERSION

DATE as determined by the TRUSTEES in consultation with the ACTUARY to meet the liability of those MEMBERS who elected the GUARANTEED PENSION AT NORMAL RETIREMENT DATE.

14.5.2.2 The GUARANTEED PENSION AT NORMAL RETIREMENT DATE ACCOUNT shall be increased or decreased by the GAINS earned on the assets in the account.

14.5.2.3 The GUARANTEED PENSION AT NORMAL RETIREMENT DATE ACCOUNT shall be used to provide the benefits for MEMBERS who elected to receive the GUARANTEED PENSION AT NORMAL RETIREMENT DATE. On the normal, early or disability retirement of a MEMBER, the balance after paying any commuted amount in terms of Rule 5.3 shall be transferred to the PENSIONS ACCOUNT. On the NORMAL RETIREMENT AGE of a MEMBER the value as determined in terms of Appendix 2 shall be transferred out of the GUARANTEED PENSION AT NORMAL RETIREMENT DATE ACCOUNT to be held separately for the MEMBER until his retirement.

14.5.2.4 After a period of five (5) years from the CONVERSION DATE, the amount standing to the credit or debit of the GUARANTEED PENSION AT NORMAL RETIREMENT DATE ACCOUNT shall be transferred to the PENSIONS ACCOUNT in which event, the GUARANTEED PENSION AT NORMAL RETIREMENT DATE ACCOUNT shall

cease to exist.

14.5.2.5 The GUARANTEED PENSION AT NORMAL RETIREMENT DATE ACCOUNT shall not be shared out on the death, retirement or transfer of any MEMBER but will only be used to provide the benefits of a MEMBER who elected to receive the GUARANTEED PENSION AT NORMAL RETIREMENT DATE.

14.5.3 PENSIONS ACCOUNT

14.5.3.1 A PENSIONS ACCOUNT shall be maintained under the FUND to which shall be credited

- (a) the value as determined by the ACTUARY of the assets allocated to PENSIONERS as at the CONVERSION DATE;
- (b) any amount transferred from the GUARANTEED PENSION AT NORMAL RETIREMENT DATE ACCOUNT;
- (c) any amount required to be credited in terms of Rules 5.2.2 and 5.2.3;

14.5.3.2 The PENSIONS ACCOUNT may be credited or debited with any amount standing to the credit or debit in terms of Rule 14.5.2.4.

14.5.3.3 The PENSIONS ACCOUNT shall be increased or decreased by the GAINS earned on the assets in the account.

14.5.3.4 The amount standing to the credit of the PENSIONS ACCOUNT shall be used to pay PENSIONS to PENSIONERS in accordance with the provisions of these RULES governing payment of PENSIONS from the FUND.

14.5.3.5 The PENSIONS ACCOUNT shall not be shared out on the withdrawal, death, retirement or transfer of any MEMBER.

14.5.4 MISMATCH RESERVE ACCOUNT

14.5.4.1 The MISMATCH RESERVE ACCOUNT shall be credited with an opening balance consisting of a portion of the FUND'S assets as determined by the TRUSTEES in consultation with the ACTUARY.

14.5.4.2 The MISMATCH RESERVE ACCOUNT shall be increased or decreased by the GAINS earned on the assets in the account.

14.5.4.3 The MISMATCH RESERVE ACCOUNT may be used:

- (a) to balance losses or profits caused by the late investment of contributions paid to the FUND on a MEMBER'S behalf, the late disinvestment of a MEMBER'S FUND CREDIT or late / incorrect member investment choice switches and;
- (b) to make up the positive or negative difference in a MEMBER'S CONVERSION CREDIT where it has been determined

that there have been errors in the calculation thereof.

- (c) to effect corrections to benefit calculations or administrative / accounting errors related to members.

14.5.4.4 The TRUSTEES may from time to time increase or decrease the amount standing to the credit of the MISMATCH RESERVE ACCOUNT when calculating the GAINS.

14.5.4.5 The MISMATCH RESERVE ACCOUNT shall not be shared out on the withdrawal, death, retirement or transfer of any MEMBER.

New 26.01.2005

14.5.5 LEGAL RESERVE ACCOUNT

14.5.5.1 The LEGAL RESERVE ACCOUNT shall be credited with an opening balance consisting of a portion of the FUND'S assets as determined by the TRUSTEES in consultation with the ACTUARY.

14.5.5.2 The LEGAL RESERVE ACCOUNT shall be increased or decreased by the GAINS earned on the assets in the account.

14.5.5.3 The LEGAL RESERVE ACCOUNT shall be used to meet orders against the FUND or such claims against the FUND and such costs incurred in investigating or defending such order or claims as the TRUSTEES in their sole discretion may

determine from time to time.

14.5.5.4 The TRUSTEES may from time to time increase or decrease the amount standing to the credit of the LEGAL RESERVE ACCOUNT when calculating the GAINS.

14.5.5.5 The LEGAL RESERVE ACCOUNT shall not be shared out on the withdrawal, death, retirement or transfer of any MEMBER.

New 26.01.2005

14.5.6 UNCLAIMED BENEFITS ACCOUNT

14.5.6.1 An UNCLAIMED BENEFITS ACCOUNT shall be maintained under the FUND to which shall be credited any unclaimed amount credited in terms of Rule 18.

14.5.6.2 The UNCLAIMED BENEFITS ACCOUNT shall be increased or decreased by the GAINS earned on the assets in the account.

14.5.6.3 The amount standing to the credit of the UNCLAIMED BENEFITS ACCOUNT shall be used to meet any unclaimed benefit claim payable in terms of Rule 18.

14.5.6.4 The UNCLAIMED BENEFITS ACCOUNT shall not be shared out on the withdrawal, death, retirement or transfer of any MEMBER, except for the purpose of Rule 14.5.6.3.

Approved 19.04.2007

14.5.7 EMPLOYER SURPLUS ACCOUNT

14.5.7.1 An EMPLOYER SURPLUS ACCOUNT may be established in the name of an individual EMPLOYER and to which shall be credited the following amounts:

- (a) amounts transferred to the FUND from an employer surplus account in another fund at the request of the EMPLOYER; and
- (b) positive investment earnings earned on the credit balance in this account.

14.5.7.2 The credit balance in the EMPLOYER SURPLUS ACCOUNT shall be debited with:

- (a) amounts used in terms of section 15E of the ACT for the benefit of the EMPLOYER in whose name the EMPLOYER SURPLUS ACCOUNT has been established;
- (b) negative investment earnings.

14.5.7.3 The credit balance in the EMPLOYER SURPLUS ACCOUNT shall only be used in the manner and for the purposes set out in section 15E of the ACT.

14.6 Home Loan Guarantees

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. Such guarantee shall be subject to the provisions of the ACT and the requirements of the REGISTRAR.

15. ADMINISTRATION OF THE FUND

- 15.1 The FUND shall be self-administered and/or administered by ADMINISTRATORS not in the employ of the FUND. The ADMINISTRATORS shall act on the instructions of the TRUSTEES.
- 15.2 The EMPLOYERS shall from time to time furnish to the TRUSTEES in respect of those employees who are MEMBERS all necessary particulars affecting their benefits or their entitlement to benefits under the FUND and the TRUSTEES shall ensure that such particulars are furnished to the ADMINISTRATORS. The TRUSTEES 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.
- 15.3 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.
- 15.4 The TRUSTEES shall take reasonable steps to ensure that the ADMINISTRATORS shall keep full and true accounts of the FUND as required in terms of Rule 14.3.
- 15.5 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.
- 15.6 The TRUSTEES shall take reasonable steps to ensure that the FUND and/or ADMINISTRATORS maintain fidelity cover to indemnify the FUND against any loss resulting from the dishonesty or fraud of any person employed by them.

16. AMENDMENTS

- 16.1 The TRUSTEES may amend these RULES at any time; provided that any amendment which affects an EMPLOYER'S financial obligation to the FUND shall be subject to such EMPLOYER'S consent.
- 16.2 All amendments to the RULES shall be submitted to the REGISTRAR, the REVENUE AUTHORITIES and any other statutory authority that so requires.
- 16.3 If the registration of any amendment to these RULES in terms of the ACT is effected on a date after the effective date of the amendments, the amendments shall nevertheless take effect from the effective date as stated in the amendments.

17. INTERPRETATION OF RULES AND DISPUTES

- 17.1 The decision of the TRUSTEES as to the meaning of or interpretation of these RULES or of any particular Rule or part of a Rule shall, subject to the provisions of Section 30A of the ACT, be binding on the EMPLOYERS, MEMBERS, PENSIONERS, FLEXIBLE ANNUITANTS and every person claiming to be entitled to a benefit under these RULES.
- 17.2 Any dispute which may arise with regard to the RULES by any person under these RULES shall be dealt with in terms of the provisions of Section 30A of the ACT.
- 17.3 If any person affected by a decision of the TRUSTEES in terms of RULES 17.1 or 17.2 is dissatisfied with the decision, he shall
- (a) have the right to lodge a written complaint as envisaged in Section 30A of the ACT. If such person remains dissatisfied he may lodge his complaint with the Pension Funds Adjudicator appointed in terms of the ACT which shall be dealt with in accordance with Sections 30D to 30P of the ACT; or
 - (b) have the right to refer the matter to arbitration in accordance with the provisions of the Arbitration Act, 1965. Notice of intention to exercise such right must be given by the person concerned to the TRUSTEES not later than three months from the date of the TRUSTEES' decision and before the arbitration commences the person concerned must furnish such security for the costs of the arbitration as the TRUSTEES may reasonably require. The decision of the arbitrator shall be final and binding on all the parties. The costs of the arbitration shall follow the award of the arbitrator.

17.4 The EMPLOYER, the TRUSTEES (or one or more of their number), or any other person having a complaint or dispute of fact or law shall, notwithstanding anything to the contrary in these RULES, have the right to invoke the complaint procedures in accordance with the ACT.

18. UNCLAIMED BENEFITS

- 18.1 The TRUSTEES shall establish an UNCLAIMED BENEFITS ACCOUNT and in the event that a MEMBER who leaves SERVICE on or after the CONVERSION DATE does not exercise an election as envisaged in and subject to Rule 3.4, his FUND CREDIT shall be credited to the UNCLAIMED BENEFITS ACCOUNT.
- 18.2 If a PENSION payable by the FUND after the CONVERSION DATE from the PENSION ACCOUNT is not claimed within twenty four (24) months after the date on which it became due for payment, the PENSION shall cease to be due and payable and the benefit shall be credited to the UNCLAIMED BENEFITS ACCOUNT.
- 18.3 If a FLEXIBLE ANNUITY payable by the FUND after the CONVERSION DATE from a FLEXIBLE ANNUITANT'S FLEXIBLE ANNUITY CAPITAL ACCOUNT is not claimed within twenty four (24) months after the date on which it became due for payment, the FLEXIBLE ANNUITY shall cease to be due and payable and the benefit shall be credited to the UNCLAIMED BENEFITS ACCOUNT.
- 18.4 If a potential beneficiary approaches the FUND at any stage after his benefit was transferred to the UNCLAIMED BENEFITS ACCOUNT including after the period referred to in Rules 18.2, the TRUSTEES shall consider his claim and if the circumstances so warrant, shall pay the benefit to the beneficiary, from the UNCLAIMED BENEFITS ACCOUNT, together with such interest as they may deem appropriate notwithstanding the provisions of Rule 11, provided that in the case of a FLEXIBLE ANNUITY payable to a FLEXIBLE ANNUITANT, the FLEXIBLE ANNUITY CAPITAL ACCOUNT will be reinstated and the provisions of the RULES will apply to such FLEXIBLE ANNUITY CAPITAL ACCOUNT and the FLEXIBLE ANNUITY.

- 18.5 The FUND shall keep record of all unclaimed benefits since the CONVERSION DATE. Any exceptional costs incurred in the tracing of related beneficiaries shall be off-set against the total of the unclaimed benefits in the UNCLAIMED BENEFITS ACCOUNT.
- 18.6 Notwithstanding the above provisions, the FUND may transfer such unclaimed benefits or amounts held in the UNCLAIMED BENEFITS ACCOUNT into a PRESERVATION PENSION FUND or PRESERVATION PROVIDENT FUND created for the purposes of receiving and disbursing unclaimed benefits approved by the TRUSTEES. Once the unclaimed benefit or amount has been transferred, the MEMBER, PENSIONER, FLEXIBLE ANNUITANT or beneficiary concerned will have no further claim against the FUND in respect of such benefit or amount.

19. GENERAL PROVISIONS

19.1 Subject to payment of such fee as the TRUSTEES may require, a MEMBER shall be entitled on application to a copy of these RULES or, if the MEMBER so requests, a summary of these RULES.

Subject to payment of such fee as the TRUSTEES may require, a MEMBER shall also be entitled on application to a copy of

(i) the latest Revenue Account of the FUND;

(ii) the latest Balance Sheet of the FUND.

19.2 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.

19.3 (a) Payment of each benefit in terms of these RULES shall be made to the person entitled thereto at the registered office of the FUND.

(b) Payment elsewhere than at the registered office of the FUND or by electronic means into a banking account may be made at the request of the beneficiary in a manner agreed upon by the beneficiary and the TRUSTEES, including postage by ordinary mail of a cheque or cheques; provided that should a beneficiary request postage by ordinary mail of a cheque or cheques, the FUND shall explain in writing to him that in so doing he shall carry the risk of a cheque being lost in the post or being stolen.

- (c) Payment in terms of (a) or (b) shall constitute full and final settlement of all claims to the benefit against the FUND and neither the FUND, the TRUSTEES nor the ADMINISTRATORS shall have any further liability for the benefit to any person.
- 19.4 All benefits and rights to benefits in terms of these RULES shall be subject to the prohibitions as to reduction, cession, etc. contained in Sections 37A and 37B of the ACT.
- 19.5 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.
- 19.6 No person shall have any claim concerning the FUND either upon the FUND or against the EMPLOYERS, except in accordance with these RULES.
- 19.7 Admission to membership of the FUND shall be regarded as an acknowledgement by the MEMBER that he agrees that these RULES, including any amendments to these RULES, shall be binding upon him and upon any person claiming to derive a benefit under the FUND by virtue of his membership.
- 19.8 The TRUSTEES and other officers of the FUND and every other person involved with the administration or management of the FUND shall treat all information that may come to their knowledge in the performance of their duties with the utmost confidence and respect.

APPENDIX 1

“SPECIFIED RATE OF CONTRIBUTIONS BY MEMBERS AND EMPLOYERS FOR ALL PARTICIPATING EMPLOYERS”

With reference to the provisions of Rules 4.1.1 and 4.1.2:

- a) each CONTRIBUTORY MEMBER of the following EMPLOYERS who participate in the FUND shall contribute to the Fund at the specified rate of his FUND SALARY; and
- b) the EMPLOYERS who participate in the FUND shall contribute to the Fund in respect of the specified rate of the CONTRIBUTORY MEMBER’S FUND SALARY in their service.
- c) The EMPLOYER, with the agreement of the MEMBERS in their SERVICE must notify the FUND as to the relevant rate of CONTRIBUTION at time of engagement or at the time of a change in the MEMBERS’ Condition of Employment as applicable from time to time.

**PROVISIONS APPLICABLE TO MEMBERS WHO ELECT THE GUARANTEED AT
NORMAL RETIREMENT DATE PENSION OPTION**

1. INTRODUCTION

Notwithstanding anything to the contrary contained elsewhere in these RULES, the RULES shall be varied by the provisions of this Appendix in respect of those MEMBERS of the FUND who were within five years as at the CONVERSION DATE of their normal retirement date in terms of the rules in force prior to the CONVERSION DATE, who were given the option and elected the guaranteed pension at the CONVERSION DATE and who die, become disabled or retire from the FUND.

The provisions set out in Appendix 3 shall apply in the calculation of a MEMBER'S guaranteed pension amount for a MEMBER who elects the option in terms of this Appendix except that the PRE-CONVERSION PENSION referred to in Appendix 3 shall mean the PENSION payable to the MEMBER at his date of retirement.

On death or disability the provisions of the Rules will apply except that the MEMBER'S FUND CREDIT shall be as defined in this Appendix.

The benefit on late retirement shall be as determined in Rule 4 of this Appendix.

2. DEFINITION

"FUND CREDIT" shall mean for each MEMBER at the date of his death or disablement, the cash equivalent of the MEMBER'S GUARANTEED PENSION, as calculated in Rule 3 of this Appendix, as at the date of death or disablement.

“GUARANTEED AT NORMAL RETIREMENT DATE PENSION” shall mean for each MEMBER within five years as at the CONVERSION DATE of his normal retirement date in terms of the rules in force prior to the CONVERSION DATE who elected this guaranteed option at the CONVERSION DATE, the expected pension at his NORMAL RETIREMENT DATE as calculated by the ACTUARY at the CONVERSION DATE.

The GUARANTEED AT NORMAL RETIREMENT DATE PENSION so determined shall be adjusted by the ratio of the FUND'S total assets to its total liabilities as at the CONVERSION DATE.

In addition, this “GUARANTEED AT NORMAL RETIREMENT DATE PENSION” will be adjusted for the pension which can be purchased at the MEMBER'S date of retirement with the difference, whether positive or negative, between

- (a) the actual retirement contributions paid on behalf of the MEMBER after the CONVERSION DATE, accumulated with the actual net investment returns earned on such contributions, and
- (b) the expected retirement contributions for the MEMBER after the CONVERSION DATE accumulated at the expected net rate of return, based on the assumptions adopted by the ACTUARY at the CONVERSION DATE.

“GUARANTEED PENSION AT THE CONVERSION DATE” shall mean for each MEMBER within five years as at the CONVERSION DATE of his normal retirement date in terms of the rules in force prior to the CONVERSION DATE who elected this guaranteed option at the CONVERSION DATE, his early retirement pension at the CONVERSION DATE in terms of the rules in force prior to the CONVERSION DATE.

The "GUARANTEED PENSION AT THE CONVERSION DATE" so determined shall be adjusted by the ratio of the FUND'S total assets to its total liabilities as at the CONVERSION DATE.

3. **Early Retirement**

Where a MEMBER who elected the GUARANTEED AT NORMAL RETIREMENT DATE PENSION leaves service for any reason before his NORMAL RETIREMENT DATE, shall for the purposes of the FUND be regarded as having retired early in terms of this Rule and entitled to a pension equal to the interpolated value, between the CONVERSION DATE and the MEMBER'S NORMAL RETIREMENT DATE, between the GUARANTEED PENSION AT THE CONVERSION DATE and the GUARANTEED AT NORMAL RETIREMENT DATE PENSION.

Effective 28.11.2002

4. **Late Retirement**

A MEMBER who, by agreement with his EMPLOYER, is allowed to remain in SERVICE after his NORMAL RETIREMENT DATE shall retire on such later date as he agrees with his EMPLOYER. The capitalised value of the GUARANTEED AT NORMAL RETIREMENT DATE PENSION shall be calculated at the date of the MEMBER'S NORMAL RETIREMENT AGE and shall be accumulated with the contributions paid to the FUND and allocated in terms of Rule 4.2(c) after the MEMBER'S NORMAL RETIREMENT DATE, and the GAINS thereon at a rate declared by the TRUSTEES in consultation with the ACTUARY.

Effective 26.01.2005

APPENDIX 3

PROVISIONS APPLICABLE TO PENSIONERS AND OTHER BENEFICIARIES ALREADY IN RECEIPT OF A PENSION AS AT THE CONVERSION DATE

1. INTRODUCTION

1.1 Notwithstanding anything to the contrary contained elsewhere in these RULES, the RULES shall be varied by the provisions of this Appendix which shall apply to the PRE-CONVERSION PENSIONERS and other beneficiaries in receipt of a PRE-CONVERSION PENSION from the FUND at the CONVERSION DATE.

1.2 The following provisions reflect the benefits and provisions applicable in terms of the rules in force prior to the CONVERSION DATE, except that the provision that a pension would cease if a PRE-CONVERSION PENSIONER had retired early and returns to the mining industry before attaining the age of 55 years, or if he had retired due to incapacitation and returns to the same class of work for which he was found unfit shall no longer be applicable and the pension payments previously suspended in terms of this provision shall, with effect from the CONVERSION DATE, recommence to be paid.

2. DEFINITIONS

“ACCUMULATED CONTRIBUTIONS” shall mean:

- (a) a MEMBER’S contributions made to the FUND and increased by three per cent (3%) for each complete period of twelve months during which he was or was deemed to have been a MEMBER up to the CONVERSION DATE; and

- (b) a MEMBER'S additional contributions made to the FUND and increased by three per cent (3%) for each complete period of twelve months from the date of making such additional contributions up to the CONVERSION DATE.

"CLASSES OF WORK" shall mean work underground, work as a Winding Engine Driver, work of a risk nature on the surface and surface work with an EMPLOYER.

"DBS PENSION" shall mean, for a PRE-CONVERSION PENSIONER, his Death Benefit Scheme pension prior to the CONVERSION DATE.

"NORMAL RETIREMENT DATE" shall mean the pensionable age in terms of the rules in force prior to the CONVERSION DATE.

"PAST SERVICE PENSION" shall mean the pension awarded for service prior to 1 March 1946.

"PRE-CONVERSION PENSION" shall mean the annual sum payable to a PRE-CONVERSION PENSIONER, existing SPOUSE and DEPENDENT CHILD prior to the CONVERSION DATE.

"PRE-CONVERSION PENSIONER" shall mean a retired MEMBER to whom any PRE-CONVERSION PENSION was awarded prior to the CONVERSION DATE.

3. INCAPACITY PENSION

The pension payable to a PRE-CONVERSION PENSIONER who retired after 1 October 1972 and was granted an incapacity pension equal to fifty per cent (50%) of the pension to which he would have become entitled at his NORMAL RETIREMENT DATE, shall increase to one hundred per cent (100%) from his NORMAL RETIREMENT DATE, or earlier if the TRUSTEES are satisfied that he is permanently incapacitated for all CLASSES OF WORK.

4. REDUCTION OF PENSION TO PROVIDE FOR SPOUSE

4.1 For the purpose of this Rule, "SPOUSE" means the person whom the MEMBER was married to at the date of retirement. If a male MEMBER retired prior to 31 May 1981 and elected to receive a reduced pension, the SPOUSE to whom he was married will receive the SPOUSE'S pension equal to fifty per cent (50%) of the pension he was receiving, irrespective whether they were divorced after the date of retirement. If the pension was less than R120 and a fifty per cent (50%) pension was less than R60 per annum, no SPOUSE'S pension will be payable.

4.2 The pension payable to the SPOUSE of a PRE-CONVERSION PENSIONER who was awarded a reduced pension shall be equal to fifty per cent (50%) of the pension he would have received if he had been awarded an incapacity pension or pension age benefit at the date of death.

5. SPOUSE'S OR DEPENDENT CHILD'S PENSION

5.1 For the purposes of this Rule "SPOUSE" shall mean:

- (a) the spouse of an PRE-CONVERSION PENSIONER at the date of his death; provided that such person was his legal spouse, by whatsoever customary rites or legally married as recognised in law;
- (b) a person of the same or opposite sex who was co-habiting as if married and who was dependent on the PRE-CONVERSION PENSIONER at the date of his death, and whom the TRUSTEES in their discretion may regard as his spouse; and
- (c) was a spouse as specified in paragraph (a) or paragraph (b) when the PRE-CONVERSION PENSIONER retired; and if the TRUSTEES become aware of any period when the PRE-CONVERSION PENSIONER and his spouse were not co-habiting between the date of his retirement and the date of his death, they may either deem the couple:
 - (i) to have been co-habiting throughout the period between the date of the PRE-CONVERSION PENSIONER'S retirement and death and in such case award the full spouse's pension payable in terms of Rule 5.3 below; or

- (ii) not to have been co-habiting during this period and not to award the spouse's pension payable in terms of Rule 5.3 below;

and provided further the TRUSTEES at their discretion may decide that:

- (d) if two or more persons qualify as the SPOUSE of a PRE-CONVERSION PENSIONER in terms of paragraph (a) and/or paragraph (b) above, the pension shall, at the discretion of the TRUSTEES, be awarded to one of the persons so qualifying or apportioned between some or all of them; provided that should one or more of the SPOUSES die, the pension that had been awarded to the deceased SPOUSE/S will not be reapportioned among the surviving SPOUSE/S.

5.2 For the purpose of this Rule, "DEPENDENT CHILD" shall mean the biological or legally adopted child of a PRE-CONVERSION PENSIONER provided that this child is under the age of eighteen and unmarried.

5.3 If a PRE-CONVERSION PENSIONER whose pension was awarded on or after 1 June 1981 dies and leaves a SPOUSE, there shall be granted in addition to any other amounts the SPOUSE may be entitled to and subject to the provisions of paragraph (a) and paragraph (b) of the definition of "SPOUSE", a pension payable on the last day of the month in which the PENSIONER dies, unless otherwise agreed by the TRUSTEES, equal to fifty per cent (50%) of the pension he was receiving or would have been receiving if part of it had not been commuted; provided that:

- (a) if a PRE-CONVERSION PENSIONER was receiving a pension of fifty per cent (50%) and dies before reaching the NORMAL RETIREMENT DATE, the SPOUSE'S pension shall be equal to the pension that he was receiving or would have been receiving if part of it had not been commuted; and
- (b) if the PRE-CONVERSION PENSIONER was awarded an early retirement pension, the SPOUSE'S pension shall be equal to the pension the SPOUSE would have received if the PRE-CONVERSION PENSIONER had been awarded an incapacity pension.

5.4 If a PRE-CONVERSION PENSIONER whose pension was awarded on or after 1 June 1981 dies and leaves DEPENDENT CHILDREN, there shall be granted in respect of them in addition to any other amounts they may be entitled to, a pension payable on the last day of the month in which the PENSIONER dies, unless otherwise agreed by the TRUSTEES, equal to the following percentage of the pension that has been granted to a SPOUSE:

- (a) while there is a SPOUSE in receipt of a pension, twenty-five per cent (25%) if there is one DEPENDENT CHILD, or up to a maximum of fifty per cent (50%) if there are two or more DEPENDENT CHILDREN; or
- (b) while there is no SPOUSE in receipt of a pension, one hundred per cent (100%).

The pension shall be payable so long as there is a DEPENDENT CHILD. The DEPENDENT CHILD'S pension will be apportioned equally among all the DEPENDENT CHILDREN and shall be payable to such persons on behalf of the DEPENDENT CHILDREN as the

TRUSTEES may from time to time determine.

5.5 The pension awarded to the SPOUSE/S and/or DEPENDENT CHILDREN of a PRE-CONVERSION PENSIONER, will cease on the later of, the date of the death of the last surviving SPOUSE or the date on which the last of the DEPENDENT CHILDREN attains the age of eighteen or marries or dies, unless otherwise agreed by the Trustees; in which event, a benefit equal to the amount (if any) by which the ACCUMULATED CONTRIBUTIONS together with the EMPLOYER'S contributions exceed the total of the amounts paid to or in respect of the PRE-CONVERSION PENSIONER, SPOUSE/S and DEPENDENT CHILDREN, other than amounts paid to or in respect of or derived from DBS PENSION, past service pension, shall be paid in accordance with provisions of Rule 8.3 below.

Effective 26.01.2005

6. DEATH OF A PENSIONER

If a PRE-CONVERSION PENSIONER dies and no pension becomes payable to a SPOUSE or DEPENDENT CHILDREN in terms of Rule 5 above, a benefit equal to the amount (if any) by which his ACCUMULATED CONTRIBUTIONS, together with the EMPLOYER'S contributions exceed the total of the amounts paid to or in respect of him, other than amounts paid in respect of DBS PENSION and past service pension shall be paid in accordance with Rule 8 below.

7. Deleted.

Effective 26.01.2005

8. CONDITIONS GOVERNING PAYMENT OF BENEFITS

8.1 In the event of the death of a PRE-CONVERSION PENSIONER to whom a benefit has been awarded by the TRUSTEES, any balance of the benefit shall be paid in accordance with the provisions of Section

37C of the ACT.

8.2 In the event of the death of a beneficiary, other than a PRE-CONVERSION PENSIONER, to whom a benefit has been awarded by the TRUSTEES, any balance of the benefit shall be paid in accordance with the provisions of Rule 8.3 below.

8.3 On the death of a beneficiary who was not a PRE-CONVERSION PENSIONER, and/or upon the cessation of a DEPENDENT CHILD'S pension, the TRUSTEES may in their discretion pay the benefit to the other DEPENDANTS of the beneficiary or if there are no DEPENDANTS, an amount equal to the benefit to such person or persons as it may determine.

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9. DEATH OF A PENSIONER WHO LAST BECAME A PENSIONER BEFORE 1 JULY 1961

On the death of a PRE-CONVERSION PENSIONER who was a member of the Mines Death Benefit Fund on 31 May 1979, and an official who became entitled to a pension within six months after discharge, a benefit of R700 will become payable. This benefit shall be paid in accordance with Section 37C of the ACT.

10. DEATH OF A PENSIONER WHO LAST BECAME A PENSIONER AFTER 1 JULY 1961

10.1 On the death of a PRE-CONVERSION PENSIONER who was an official who retired within six months after discharge or who reached NORMAL RETIREMENT DATE within two years of discharge, a benefit equal to twenty four times the pension prior to commutation but not less than R2200 shall become payable excluding any pension and bonus pension that is based on his member's additional contributions.

10.2 If he retired after 1 January 1988 the benefit payable shall be thirty times the pension before commutation excluding any pension and bonus pension that is based on his member's additional contributions. These benefits shall be paid in accordance with Section 37C of the ACT.

11. CONVERSION TO DBS PENSION

A PRE-CONVERSION PENSIONER who retired after 1 July 1961 and opted for a SPOUSE'S pension may at any time after his retirement opt to have his death benefit that would have become payable on his death, converted into an additional monthly pension. On exercising this option no lump sum will be payable on his death but only a monthly DBS PENSION to his SPOUSE and minor children if any, shall become payable in terms of Rule 5 above. A DBS PENSION will cease on the death of the person entitled thereto.

12. FORMER PENSIONERS OF THE P.F. STAFF PENSION FUND

12.1 If a PRE-CONVERSION PENSIONER dies and leaves a SPOUSE, the spouse shall be entitled to:

- (a) a lump sum equal to fifty per cent (50%) of the annual pre-commuted pension that the pensioner was receiving; and
- (b) a pension equal to sixty per cent (60%) of the pre-commuted pension that the pensioner was receiving at date of death.

12.2 If a PRE-CONVERSION PENSIONER dies and leaves ELIGIBLE CHILDREN, a pension shall be granted in respect of them equal to one-third of the pension payable to the SPOUSE for each such child up to two in number, provided that if there is no SPOUSE, the ELIGIBLE

CHILDREN'S pension shall be twice that which would have been granted had a SPOUSE been left and they shall also be entitled to the lump sum that would have been paid to a SPOUSE.

12.3 The pension payable to a SPOUSE shall cease on death, in which event the pension payable in respect of any ELIGIBLE CHILDREN shall be doubled.

12.4 When a child ceases to be an ELIGIBLE CHILD, the pension payable in respect of him shall cease and the pension payable in respect of any other ELIGIBLE CHILD or CHILDREN shall be recalculated in accordance with Rule 12.2 above.

12.5 For the purpose of this Rule 12:

"ELIGIBLE CHILD" shall mean a child of a PRE-CONVERSION PENSIONER and shall include a posthumous child, a stepchild, an illegitimate child and an adopted child on proof of adoption to the satisfaction of the TRUSTEES, provided the child has not been married and is under the age of 18 years or is, in the opinion of the TRUSTEES, permanently incapacitated and unable to fend for himself, provided such incapacity commenced before the child attained the age of 18 years.

"SPOUSE" shall mean a person who was married to the PRE-CONVERSION PENSIONER when he/she retired on pension; provided that:

(a) the TRUSTEES, in their discretion, may determine that some other person, who may be a person with whom the PRE-CONVERSION PENSIONER was living as man and wife at the time of his retirement, is the spouse; and

- (b) if a PRE-CONVERSION PENSIONER dies leaving more than one SPOUSE, the TRUSTEES may, in their discretion, apportion the benefits payable among the SPOUSES on such basis as they shall determine. In the event of the death of one or more of the SPOUSES the benefit payable to such SPOUSE or SPOUSES shall cease to be payable and shall not be reapportioned amongst the surviving SPOUSE/S.

Effective 26.01.2005

13. NEW DEATH BENEFIT SCHEME

13.1 The Death Benefit Scheme set out in Rules 9, 10 and 11 above shall only remain in force after 31 August 1994 in respect of those PRE-CONVERSION PENSIONERS for whom the death cover referred to therein was in force before 1 September 1994.

13.2 With effect from 1 September 1994 the following provisions shall apply to all persons, other than those referred to in Rule 13.1 above:

- (a) on retirement prior to the CONVERSION DATE, a PRE-CONVERSION PENSIONER would have had the option to elect one of the following:
 - (i) a pension payable for the remainder of his life and upon his death a pension payable to his SPOUSE and/or DEPENDENT CHILDREN in terms of Rule 5 above, or
 - (ii) to purchase a lump sum benefit payable in the event of his death, or
 - (iii) to purchase a combination of pension as referred to in (i) and a lump sum as referred to in (ii) above;
- (b) On the death of a PRE-CONVERSION PENSIONER who last left service not more than three months before the date of his

death; and who was an official when he last left service, a lump sum benefit of an amount equal to:

- (i) A benefit awarded in terms of (a) above; plus a benefit awarded in terms of (a) above in accordance with the option selected; and
 - (ii) twenty-four (24) times the monthly average salary on which contributions were being paid at the date on which he last left SERVICE, shall be paid in accordance with the provisions of Section 37C of the ACT.
- (c) A pensioner in receipt of a PENSION on or after 1 September 1994 but before 1 March 2001, may at any time opt to have his death benefit, elected in terms of Rule 13.2(a) converted into a DBS PENSION and will cease in terms of Rule 5.12.3 and 12.4.

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