

Following is a brief exposition of the main aspects of the Rules of the Benchmark Retirement Fund (hereinafter referred to as 'the Fund') and should not be relied on to make any decision without reference to the Rules. In case of a conflict with the Rules, the Rules shall prevail.

BANK ACCOUNT

All money received by and on behalf of the Fund shall be deposited in the Fund's bank account and credited to the general reserve account, and all payments by and on behalf of the Fund shall be made from this account, net of any deductions in terms of the Rules of the Fund and shall be debited to the general reserve account.

For reasons of administrative expedience, the administrator may set a monthly cut-off date, whereby money received for investment in terms of the Rules will be invested not later than the last working day of the month in which it was received, and money received after the cut-off date will be invested not later than the last working day of the month following that in which it is received.

EXPENSES

The Fund shall bear all expenses arising from the management of the Fund, including investment expenses, actuarial, administration, audit and consultancy fees and other expenses. The Fund may recoup these and acquisition costs, including commission payable, renewal expenses and claims expenses from contributions, benefits paid and investment income on such basis as the Board of Trustees of the Fund may decide upon.

CHANGE OF PARTICULARS OF BENEFICIARIES

Any person, who is entitled to benefits in terms of the Rules of the Fund, shall notify the Fund of any change of his or her address or banking details. The Fund shall not be liable if a beneficiary's rights are prejudiced as a result of non-compliance.

THE MEMBER'S SHARE ACCOUNT

The assets of the Deferred Pensioner shall be held in the MEMBER'S SHARE ACCOUNT. All transactions relevant to his or her investment shall be recorded in the manner set out below.

For reasons of administrative expedience, the administrator of the Fund may set a monthly cut-off date in respect of transactions, whereby the date of a transaction which occurred before the cut-off date shall be deemed to have been the 1st day of the month, and the date of a transaction which occurred after the cut-off date shall be deemed to have been the 1st of the following month for the purpose of debiting or crediting the MEMBER'S SHARE ACCOUNT.

Benefits and transfer values payable, shall be transferred from the MEMBER'S SHARE ACCOUNT to the Fund's general reserve account or to the LIVING ANNUITY ACCOUNT, as the case may be, net of any expenses (see EXPENSES above).

Contributions received from the Deferred Pensioner shall be transferred from the general reserve account to the MEMBER'S SHARE ACCOUNT net of any expenses (see EXPENSES above).

INVESTMENT YIELD

Investment yield in respect of the investments underlying the MEMBER'S SHARE ACCOUNT, shall be transferred from the Fund's general reserve account to the MEMBER'S SHARE ACCOUNT, or vice versa in the case of negative yield, based on the investment yield attained by the Fund during the period for which the said earnings are determined, net of any deductions in respect of any expenses payable (see EXPENSES above). Investment yield shall include interest earned at such rate as may be determined

by the Trustees of the fund from time to time, in respect of monies while in the Fund's bank account.

Where the Fund has granted a housing loan to the Deferred Pensioner, the investment yield on that portion of the MEMBER'S SHARE represented by the outstanding amount of such loan shall be deemed to be equal to the amount paid to the Fund in interest on such loan by the Deferred Pensioner.

INVESTMENTS

The Fund offers its Deferred Pensioners a choice of different investment portfolios, subject to such conditions as the Trustees of the Fund may determine. These portfolios shall, at all times, comply with any prescriptions of the Pension Funds Act. One such portfolio may be a housing loan portfolio for the purpose of enabling the Fund to grant housing loans to Deferred Pensioners by way of investment of the Fund's assets. Such loans shall be subject to conditions laid down by the Trustees and no further loan(s) will be granted should the member default on his/her housing loan.

Investment earnings to be transferred from the general reserve account to the MEMBER'S SHARE ACCOUNT shall be equal to the net investment yield earned by the underlying investment portfolio after deduction of the applicable expenses (refer to EXPENSES above). Investments and withdrawals of investments shall only be made effective the first working day of the month following, taking into account the cut-off date for any transaction referred to in MEMBER'S SHARE ACCOUNT.

The contractual conditions applied to each investment portfolio by the relevant portfolio manager shall apply mutatis mutandis to the Deferred Pensioner. No investment guarantees are given by the Fund, either explicitly or implicitly and the value of the Deferred Pensioner's investment shall be determined solely by reference to the net value of the specific assets underlying the selected portfolio/s.

RECURRENT CONTRIBUTIONS

Subject to any conditions determined by the Trustees of the Fund, the Deferred Pensioner shall contribute each month such amount as he or she may determine from time to time and as has been advised to the Fund in writing. Contributions made by a natural person are not deductible for tax purposes.

RETIREMENT BENEFITS

A Deferred Pensioner may retire at any time after the age of 55 but not later than the age of 70. Upon retirement, the Deferred Pensioner may request the Fund in writing to pay up to one-third of the MEMBER'S SHARE to the Deferred Pensioner and to purchase a pension for the Deferred Pensioner from the Fund from any balance of the MEMBER'S SHARE or to purchase a pension from another approved retirement fund or a registered insurer from such balance. Where the pension is not purchased from the Fund, the Fund shall have no further liability towards the Deferred Pensioner once any balance of the MEMBER'S SHARE has been transferred to such other approved retirement fund or registered insurer.

A Deferred Pensioner who, upon submission of satisfactory proof of his or her ill-health, is deemed by the Trustees to be in ill-health may retire prior to the age of 55 subject to the approval of the Receiver of Revenue.

Where the Fund has granted a loan to the Deferred Pensioner or has furnished a guarantee in respect of such loan by another person, the Deferred Pensioner shall be deemed to have requested that a lump sum equal to the outstanding balance be paid to him or her.

DEATH BENEFITS

If a Deferred Pensioner dies before retirement, the capital in the MEMBER'S SHARE ACCOUNT, after deducting any balance outstanding on a housing loan granted by the Fund or in respect of which the Fund has furnished a guarantee, shall be paid in accordance with the provisions of section 37C of the Pension Funds Act, subject to any restriction in terms of the Income Tax Act. Section 37C requires that the capital be paid, in the first instance, to any dependant of the deceased who has been traced by the Trustees within twelve months. If the Trustees have been unable to trace any dependant and the deferred pensioner has nominated a beneficiary, or the Trustees have identified dependants and the Deferred Pensioner has nominated a beneficiary, the capital shall be paid to such dependant(s) and such beneficiary(ies) in such proportions as the Trustees deem equitable within twelve months of the death of the Deferred Pensioner.

If the Trustees cannot trace a dependant and no beneficiary was nominated, the capital shall be paid into the estate of the deceased.

Deferred Pensioners also need to be aware of and to make provision in their financial planning that the Receiver of Revenue recently imposed tax on lump sum death benefits.

WITHDRAWAL BENEFIT

A Deferred Pensioner may withdraw from the Fund and may direct that the MEMBER'S SHARE, after deducting any balance outstanding on a housing loan granted by the Fund or in respect of which the Fund has furnished a guarantee, either be paid out in cash or transferred to another approved retirement fund or partly paid out in cash and partly transferred to another retirement fund and/or partly retained in the Fund.

In terms of the Income Tax Act, such a withdrawal may only be made within the first 3 years of the Deferred Pensioner's withdrawal from the transferor fund.

In terms of the Pension Funds Act, any housing loan must be repaid over a maximum period of 30 years at such interest rate as is determined by the Registrar from time to time. Should a Deferred Pensioner, who has been granted a housing loan, fail to make such repayments for three months within the first 3 years of transfer of the capital, the Deferred Pensioner will be deemed to have made a partial withdrawal equal to the balance outstanding on the loan. Income tax will be calculated and withdrawn from the Deferred Pensioner's MEMBERS SHARE ACCOUNT and will be paid over to the Receiver of Revenue.

DISABILITY BENEFITS

If at any time prior to retirement and as a result of an injury or illness a Deferred Pensioner becomes totally and permanently disabled to the extent that he or she can no longer pursue an occupation for gain, the MEMBER'S SHARE, after deducting any balance outstanding on a housing loan granted by the Fund or in respect of which the Fund has furnished a guarantee, shall be paid out in a lump sum, subject to any restrictions in terms of the Income Tax Act.

NON-ASSIGNABILITY OF BENEFITS

Other than as provided in the Pension Funds Act, the Income Tax Act and the Maintenance Act, no benefit or right thereto shall be reduced, ceded, pledged, hypothecated, attached or subjected to any form of execution under a judgement or order of a court.

Subject to section 37B of the Pension Funds Act, no benefit payable to a beneficiary shall form part of the estate of a beneficiary whose estate is sequestrated or surrendered.

Subject to section 37C of the Pension Funds Act, a benefit payable in respect of a deceased beneficiary shall not be regarded an asset in such beneficiary's estate.

GENERAL TERMS AND CONDITIONS

The Fund is a separate legal entity managed by an independent Board of Trustees in terms of its Rules, which were registered and approved for tax purposes under the reference numbers reflected above. The Deferred Pensioner's signed Application Form, the signed Conditions of Individual Membership form and the Rules of the Fund form the legal basis for membership of the Fund.

The Rules of the Fund are subject to amendment by the Board of Trustees from time to time. Any such amendment will apply to all members from the effective date. Any dispute will be dealt with as set out in the Rules of the Fund.

The Fund will invest the capital of the applicant in such portfolio/s as directed by the applicant and will administer the investment within certain reasonable, practical constraints and subject to such administrative conditions as it may lay down from time to time.

The Fund shall not act upon any instruction unless this is in writing and reflects the signature of the applicant and may for this purpose accept photocopies or facsimiles.