

# ANNEXURE A

- 13.6(2) Notwithstanding RULE 13.6(1 ), the BOARD may appoint an Independent alternate BOARD MEMBER to serve in the place of both an Independent BOARD MEMBER and an Internal BOARD MEMBER, who will be able to serve in the place of either when they cannot attend a meeting of the BOARD or when a BOARD decision has to be taken by means of round robin and the Independent BOARD MEETING is not able to perform his/her duties.
- 13.6(3) A person may act as alternate for one BOARD MEMBER only at a time.
- 13.6(4) While acting as such, an alternate is subject to all the terms and conditions that apply to BOARD MEMBERS. And the alternate must exercise and discharge all the duties and functions of the BOARD MEMBER in whose place he/she is acting, provided that such duties and functions cease on the return of the BOARD MEMBER he/she represented.
- 13.6(5) An alternate ceases being an alternate at the next general appointment and election of new BOARD MEMBERS. And the same rules regarding resignation and removal from office and disqualification to serve that apply to BOARD MEMBERS, apply to alternates.

## 13.7 Object and duties of the BOARD

The object of the BOARD is to direct, control and oversee the operations of the FUND in accordance with the RULES, the ACT and other applicable laws. In so doing the BOARD must:

- (a) take all reasonable steps to ensure that the interests of MEMBERS in terms of the RULES and the provisions of the ACT are protected at all times;
- (b) act with due care, diligence and good faith;
- (c) avoid conflicts of interest;
- (d) act with impartiality in respect of all MEMBERS and other BENEFICIARIES;
- (e) act independently;
- (f) ensure that proper accounts, entries, registers and records of the operations of the FUND are kept;
- (g) ensure that proper control systems are employed by or on behalf of the BOARD to protect the assets of the FUND;
- (h) ensure that adequate and appropriate information is communicated to the MEMBERS and other BENEFICIARIES informing them of their rights, benefits and duties in terms of the RULES, subject to such disclosure requirements as may be prescribed;
- (i) ensure that contributions are paid timeously to the FUND in accordance with the RULES and the ACT;
- (j) obtain expert advice on matters where the BOARD lacks sufficient expertise;
- (k) ensure that the RULES and the operation and administration of the FUND comply with all applicable legislation and any legally binding ruling laid down by the REGISTRAR or the REVENUE AUTHORITIES;

- (l) keep registers containing the information prescribed by the regulations to the ACT at the FUND's registered office;
- (m) determine the manner of dealing with expenses of the FUND not provided for in the RULES;
- (n) ensure that the assets of the FUND are kept in the name of the FUND or in the name of a nominee company approved by the REGISTRAR;
- (o) arrange for the safekeeping of all title deeds and other securities belonging to or held by the FUND and for the marking of those documents so as to easily establish at any time that the documents belong to or are held by the FUND; and
- (p) comply with any other prescribed requirement.

13.7(2) The BOARD must request each EMPLOYER to notify it of the identity of any director or member or person, as the case may be, who is regularly involved in the management of the overall financial affairs of the company or close corporation or in case of an EMPLOYER of any other legal status or description respectively, the persons who are held personally liable for compliance with Section 13A of the ACT and for payment of contributions to the FUND.

13.7(3) A newly elected or appointed BOARD MEMBER must attain such levels of skills as may be prescribed by the REGISTRAR within the prescribed period and must retain such prescribed levels throughout his/her term of office as required in terms of the ACT.

13.7(4) When a BOARD MEMBER is removed from office other than as a result of the expiration of his/her term of office or voluntary resignation, the affected BOARD MEMBER must provide the REGISTRAR with written reasons for such removal within the prescribed period and in the prescribed format.

13.7(5) If a BOARD MEMBER becomes aware of any material matter relating to the affairs of the FUND which may, in his/her opinion, seriously prejudice the financial viability of the FUND or its MEMBERS, he/she must inform the REGISTRAR thereof in writing.

### **13.8 Powers of the BOARD**

**The BOARD must carry out the objects of the FUND and fulfil their duties in terms of the RULES and the ACT. In achieving this end, the BOARD has the following powers:**

- (a) to open and operate a banking account in the name of the FUND;
- (b) to receive, administer and apply the moneys of the FUND;
- (c) to acquire or hold movable and immovable property and to sell, rent, hire, borrow or lend such property or to obtain it otherwise and to transfer or dispose of it;
- (d) to lend, invest, let out at interest, place on deposit, invest in policies, advance or otherwise deal with all moneys of the FUND against such security and in the manner as the BOARD may determine from time to time, and to realise, vary, reinvest or otherwise deal with such securities and other investments in the manner it may determine;

- (e) to borrow money at interest or otherwise, for the purposes of the FUND, in order to meet any temporary cash shortage, or complete any investment;
- (f) in the name of the FUND to institute, conduct, defend, compound, settle or abandon any legal proceedings by or against the FUND;
  
- (g) to effect policies with one or more INSURERS for the purpose of insuring in whole or in part, the benefits payable in terms of these RULES if it should so determine and to maintain existing policies (if any) for as long as it may deem fit;
- (h) to delegate any of its powers and duties in accordance with RULE 13.9; and
- (i) generally to do whatever, in its opinion, is conducive to attaining the objects of the FUND.

### **13.9 Delegation of powers and duties**

The BOARD may delegate any of its powers and duties under the ACT to a person or group of persons, or a committee of the BOARD, subject to the following:

- (a) The BOARD must establish, by means of a resolution, a system in accordance with which the delegation must be done, including the process to be followed to determine the suitability of the delegated person, group of persons or committee of the BOARD and to ensure the correct and effective performing of such delegated powers and duties;