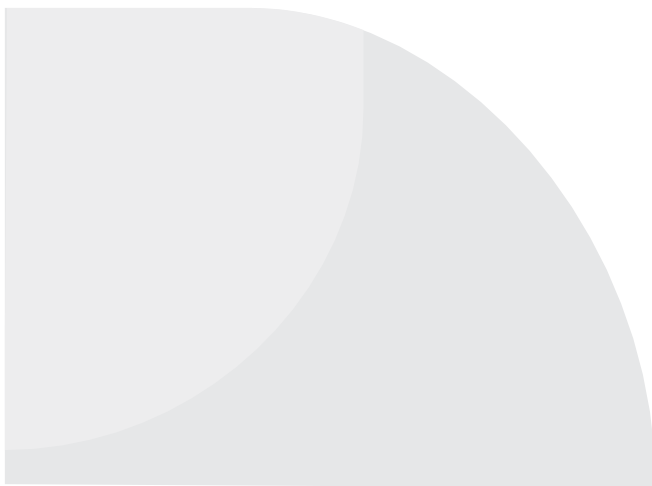


THE FUND OF CHOICE MEMBER GUIDE





MEMBER GUIDE 2017

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SECTION 1 Introduction

1. INTRODUCTION

WELCOME TO THE MINEWORKERS PROVIDENT FUND

“Clouds come floating into my life, no longer to carry rain or usher storm, but to add color to my sunset sky.” – Rabindranath Tagore.

The Mineworkers Provident Fund (‘Fund’) was established on 14 June 1989 with the main objective of providing benefits for members on retirement and for dependants of members who die in service. The Fund has its own legal identity and is governed by the Pension Funds Act (‘Act’), 1956. The Fund is a defined contribution Fund. This means that the member’s retirement benefit is dependent on the contributions made and the investment growth thereon.

This document is your personal guide to the benefits provided by the Fund, and is issued for information as a short summary of the Rules that apply. Where this document is inconsistent with the provision of the Rules of the Fund, the Rules of the Fund will prevail. A copy of the official Rules is available from your Human Resources Department and through the Fund’s website at www.mineworkers.co.za.

Use this document for reference purposes. **Show it to your family so they understand what your benefits are.**

If you need further information, please contact:

- Your member representative
- Your Human Resources Department
- Your Trustee
- The Fund

SECTION 2 Management Of The Fund

2. MANAGEMENT OF THE FUND

The Board of Trustees manages the Fund in compliance with its Rules and legislation. The Fund is managed by the Board of 20 Trustees. 9 member Trustees are appointed by the unions to represent members of the Fund and 9 appointed by the Chamber of Mines. The Board of Trustees appoints 2 independent Trustees, the one who is also an independent Chairperson of the board and the other one a deputy chair and the board.

The decisions in the Fund are made on a majority rule and the Chairman does not have a casting vote.

The Trustees meet at least four times a year to deal with the business of the Fund. Their main function is to act in the best interest of Members at all times and to make sure that the member's interests in the Fund are always protected.

Some of the Trustees responsibilities include the following:

- Safeguarding member's interests
- Formulating the investment policy and strategy of the Fund
- Ensuring effective administration of the Fund
- Distributing death benefits according to section 37C of the Pension Fund Act.

The retirement contributions are invested on behalf of Members by financial and investment managers on advice of the Fund's investment consultants in line with the Investment Policy of the Fund. Members' accounts are credited with net contributions and net investment returns earned by the Fund monthly.

The Trustees are accountable to Members of the Fund and other stakeholders.

SECTION 3 Fund's Management and Advisors

3.1 FUND'S MANAGEMENT

Chief Executive Officer	Mr M Mbomvu
Principal Officer	Ms Philda Mphephu

3.2 FUND'S ADVISORS

Self-administration	Mineworkers Provident Fund
Actuary	Moruba Consultant and Actuaries
Investment Consultants	27Four Investment Manager
Bankers	First National Bank
Auditors	Ernst & Young
Group Life Insurers	Metropolitan Employee Benefits
Funeral Insurers	Metropolitan Employee Benefits
Beneficiary Fund	Fairheads: Mineworkers Beneficiary Fund
Housing Loans	Standard Bank and Lemas

MEMBERSHIP

All permanent Employees of participating Employers under the age of 60 for underground employees and 63 for other employees are eligible to belong to the Fund.

SECTION 4 Retirement Benefit Contributions

4. RETIREMENT BENEFIT CONTRIBUTIONS

Gold	<ul style="list-style-type: none">• 14.5 towards retirement• 7% towards risk and expenses
Coal	<ul style="list-style-type: none">• 14.5% to 16.5 towards retirement• 6% towards risk and expenses
Other	<ul style="list-style-type: none">• 14% towards retirement• 6% towards risk and expenses

Example 1

Meet Sofie, she is employed in the Gold Mines and is subjected to Wage Agreements with the unions and the Chamber of Mines. Sofie earns R6 000 per month.



Sparky can you tell me what my retirement contribution will be?



Yes it is easy to calculate. You pay 14.5% of your salary - so $R6000 \times 14.5\%$ is equal to R870 per month. This money is invested for your retirement benefit and is shown on your salary advice.



And how much do I pay for the risk benefits?



For risk benefits (death and disability) you pay 7% of your salary - so $R6000 \times 7\%$ is equal to R420 per month. And if your wage increases to R6500 per month your risk expense will go up to R455 per month.

Example 2

Meet Bhambatha, he is employed in the Coals Mines and subjected to Wage Agreements with the unions and the Chamber of Mines. Bhambatha earns R7 000 per month.



Sparky can you tell me what my retirement contribution will be?



Yes it is easy to calculate. You pay 15.5% of your salary - so $R7000 \times 15.5\%$ is equal to R1085 per month. This money is invested for your retirement benefit and is shown on your salary advice.



And how much do I pay for the risk benefits?



For risk benefits (death and disability) you pay 6% of your salary - so $R7000 \times 6\%$ is equal to R420 per month. And if your wage increases to R7500 per month your risk expense will go up to R450 per month.

The above example also applies to members employed by Anglo Coal, Eyesizwe Coal, Kangra Coal, Springlake Colliery or Xstrata Coal in categories 3 to 8.

Example 3

Meet Ditshego, he is employed at Delmas Coal in categories 3 to 8. Ditshego earns R7 500 per month.



Sparky can you tell me what my retirement contribution will be?



Yes it is easy to calculate. You pay 14.5% of your salary - so $R7500 \times 14.5\%$ is equal to R1087.50 per month. This money is invested for your retirement benefit and is shown on your salary advice.



And how much do I pay for the risk benefits?



For risk benefits (death and disability) you pay 6% of your salary - so $R7500 \times 6\%$ is equal to R450 per month. And if your wage increases to R8000 per month your risk expense will go up to R480 per month.

SECTION 5 Exiting the Fund before Retirement age

RESIGNATION OR DISMISSAL

Should you resign or be dismissed, you will have the option to receive a cash lump sum equal to your Fund Credit.

Your Fund Credit will be:

- The total employer and member retirement contributions;
- Total Voluntary Contributions; (if any)
- Total Transferred Portion (if any); and
- Net investment return.

Documents required

- Withdrawal (Resignation, Dismissal & Retrenchment) claim form signed by the member and two Employer authorised signatories. The withdrawal form must be stamped by the mine;
- Banking details (copy of bank statement stamped by the bank);
- Certified copy of Identity Document.

RETRENCHMENT

The benefit payable on retrenchment is identical to the benefit payable on dismissal or resignation.

You may elect to take the benefit in cash or transfer the **tax-free** benefit either to an approved Provident Fund, Retirement Annuity or Preservation Provident Fund.

WHEN CAN YOU RETIRE?

- Retirement age is anytime between age 55 and 60 for underground members and 55 and 63 for other members;
- Anytime if you are disabled due to accident or illness, if the Trustees are satisfied that you can no longer perform your duties or any other duties in the category of work in which you were employed for.

WHAT DO YOU RECEIVE ON RETIREMENT?

Your Fund Credit:

- The total retirement contributions;
- Total Voluntary Contributions; (if any)
- Total Transferred Portion; and (if any)
- Net investment return.

You can choose to convert part or the whole retirement benefit to a lump sum.

Documents required

- Withdrawal (Resignation, Dismissal & Retrenchment) claim form signed by the member and two Employer authorised signatories. The withdrawal form must be stamped by the mine;
- Banking details (copy of bank statement stamped by the bank);
- Certified copy of Identity Document.

INCOME TAX

No tax will be paid on the part of the retirement benefit used to purchase a Pension. Tax will only be paid on the monthly income when paid to the member by the insurer. Members should always consult a financial planner before taking a retirement benefit.

WHAT HAPPENS IF YOU ARE DISABLED

If you satisfy the underwriter that:

- You are permanently unfit to continue in or resume employment in the category of work you have been employed in the service of the Employer; and
- You are permanently unfit to continue in or resume employment in any other category of work for which the Chamber minimum annual basic wages are greater than or equal to those for the category of work in which you have been so employed,
- You shall be entitled to your Fund Credit.
- Three times annual salary, if approved.

Your Fund Credit will be:

- The total retirement contributions;
- Total Voluntary Contributions;
- Total Transferred Portion; and
- Net investment return.

Documents required

- Withdrawal (Industry Related PTD Benefit) claim form signed by the member and two Employer authorised signatories. The form must be stamped by the mine;
- Banking details (copy of bank statement stamped by the bank);
- Certified copy of Identity Document.

INDUSTRY RELATED PTD BENEFIT

The benefit aims to provide you with a lump sum payment if you are permanently and totally unable to continue employment because one or more of the following conditions are not met and subject to approval of the trustees:

- The total, permanent and continuous inability of you, due to injury or illness, to engage for remuneration or profit in your own occupation or any other occupation for which you could be considered suited with your current employer, that is permanent loss of certificate of fitness to works, or
- You suffer one of the impairments; loss of vision, hearing loss, heart disease, insulin dependent diabetes (Type 2), epilepsy and any other impairments that are related to certificate of fitness to work.

The following benefit will be payable:

- 3x annual pensionable salary

Age limit:

- Minimum cover age last birthday 16
- Normal Retirement age last birthday 60 (Underground mineworkers)
- Normal Retirement age last birthday 63 (Surface mineworkers)
- Maximum cover termination age last birthday 65

Waiting period:

- Six months, however once a claim has been assessed and admitted it will be paid immediately.

Documents required:

- ID document
- Payslip as at last date actively at work
- Historical medicals and all fitness certificates (3-5 years)
- Last fitness medical completed by the Occupational Health Medical Practitioner

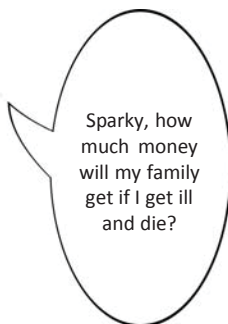
SECTION 6 When you die

6. WHAT HAPPENS WHEN YOU DIE

If you die whilst a member of the Fund, a cash lump sum will be allocated to your dependants, in terms of Section 37(C) of the Pension Funds Act. The Trustees are responsible for the distribution of your funds to the beneficiaries and have the final say in the distribution. It is paramount for members to regularly update the nomination of beneficiaries' forms, used by the Trustees as a base for investigations and distributing your death benefit. The Trustees have up to twelve months to finalize the distribution of a death benefit.

The benefit will be as follows:

- 3 x basic annual salary
- The total retirement contributions;
- Total Voluntary Contributions; (if any)
- Total Transferred Portion; and (if any)
- Net investment return.



The following applies to the death continuation benefit:

- Conversion option on withdrawal – If you leave the fund, you will have an option to convert the Group Life policy into an individual policy. This option must be exercised within 30 days of exiting the fund. The underwriter will require the member to undergo HIV test;
- Cover to continue for twelve months from date of being declared terminally ill.

Example

Meet Peter, he is 35 years old earns a basic salary of R5 000 per month. He was ill and died. His wife and two children survive him. He had been in the Fund for 30 years. His total retirement contributions and interest amounts to R250 000.



Threetimes your annual earnings plus your total fund credit will be paid out to your family. This means they will receive $3 \times R5000 \times 12 = R 180 000$ Plus your fund credit of R 250 000, so 'n total benefit of R 430 000 will be paid.

The above benefit will be taxed as per the Income Tax Act of South Africa.

Documents required

- Death claim form signed by two Employer authorised signatories and stamped by the mine;
- Deceased nomination of beneficiaries form;
- Original certified copy of death certificate;

- Original certified copy of death certificate from country of origin if not South African, eg Lesotho, Mozambique, Botswana, etc. Translation of the certified death certificate into English should also be obtained;
- Original certified copy of deceased 's identity document or passport;
- Original beneficiaries' bank statements with bank stamps;
- Original certified copy of marriage certificate and original certified copy of identity document or certified copy of passport of the spouse (For marriages registered at Home Affairs after the death of a member, A customary union letter signed by three of the deceased's family members before their Chief or Magistrate together with their certified identity documents copies or passport copies should be submitted);
- A letter signed by three relatives of the deceased in front of their Chief or Magistrate with certified copies of their identity documents or certified passports copies confirming that the member was never married and had no children;
- Beneficiaries' fully completed affidavit of dependency forms (MW16) signed and stamped by the Commissioner of Oaths listing all minor children must be submitted;
- Major children must complete their own affidavit of dependency, signed and stamped by the Commissioner of Oaths;
- All beneficiaries, including major children must submit an affidavit signed and stamped by the Commissioner of Oaths stating clearly the extent of their dependency on the deceased;
- Original certified copies of minor children (below 18 years)'s birth certificates, identity documents or passports must be submitted;
- Original certified copies of identity documents or passports of major children must be submitted;
- Guardian's original bank statement with bank stamp must be submitted;
- All major children still at school must submit a letter from school or the institution confirming that they are still at school;
- For children not using the deceased surname, a letter or affidavit from the deceased family confirming that the children belonged to the deceased must be submitted. The letter or affidavit must be signed by three of the family members in front of their Chief or Magistrate together with certified copies of their identity documents or passports (Alternatives are maintenance orders or unabridged birth certificates showing names of both parents);
- Proof of guardianship from a social worker's background report for minors not residing with their biological parents must be submitted. The report must be stamped by the social worker;
- Consent letter or an affidavit from one of the biological parents must be submitted if they are still alive;
- Ex-spouse must submit an original certified copy of the divorce decree.

FUNERAL BENEFIT

A funeral benefit is payable from the Fund in the event of death a Member, Spouse or Children. The benefit payable is as follows:

Members	R30 000
Spouse	R30 000
Children (aged 14 & older)	R30000
Children (aged 6 to 13)	R15 000
Children (aged 1 to 5)	R7 500
Children younger than 1 year	R3 750

The funeral benefit of R30 000 is also payable when a member who exited the Fund through retirement dies.

SECTION 7 Deferred Benefit

7. DEFERRED BENEFIT

The Rules of the Fund provides for members to defer their benefits until retirement age on resignation, dismissal and retrenchment. The following will apply to a deferred benefit:

- The minimum amount should be R10 000
- No further contributions will be permitted
- All benefits (Group life cover, ill health and funeral) ceases
- The deferred benefits will continue to be credited with net investment returns.

SECTION 8 General Notes

8. GENERAL NOTES

Withdrawals

If a member elects to take cash benefits on leaving the Fund, these benefits will be subject to tax in terms of the Income Tax Act. If a member elects to preserve his benefits, payment of tax can be deferred. Members are encouraged to seek professional advice from a properly accredited financial advisor, prior to the payment of a benefit from the Fund.

Home Loans

The facility to offer members housing loan does exist in the Fund. Loans are offered in line with section 19(5) of the Pension Funds Act. The Act sets out conditions for the loans and the loans must be used for housing purposes only. Any abuse of the housing loan facility will attract severe consequences.

Pension Backed Lending (PBL) loans application procedure changed with effect from 1 June 2007 because of the implementation of the National Credit Act (NCA). The NCA was signed into law on 15 March 2006 with an effective date of 1 June 2007. The aim of the NCA is to prohibit unfair credit practices, misleading credit marketing and reckless credit granting.

Benefit statements

Each year members will receive a benefit statement telling them how much they have contributed, and what their withdrawal, death and disability and retirement benefits amount to at the date of the statement. Members must check their details carefully and refer any queries or errors to the Human Resources Department.

Nomination of beneficiaries

It is important that members complete a new **“Nomination of Beneficiaries”** form each time their circumstances change, i.e. in the event of the birth of a child, divorce, marriage or change in any nominated beneficiaries. This form will assist the Trustees in their decision when distributing a deceased member’s benefit.

Pension Funds Adjudicator

The office of the Pension Funds Adjudicator (PFA) was established on 1 January 1998, as an independent and unbiased ombudsman for the retirement fund industry.

Members, former members, beneficiaries, former beneficiaries, Participating Employers, Board of Trustees, or anybody with vested interest in the Fund can lodge a claim.

This is a cost effective way of resolving Fund’s disputes compared to hiring of lawyers. The process that must be followed is that a complainant must first write to the Fund, if no response is received within 30 days or the complainant is not satisfied by the response, the complainant can then lodge a complaint with the adjudicator.

For further information on the Provident Funds Adjudicator, please visit the FSB’s website www.fsb.co.za, the PFA’s website www.pfa.org.za or contact them directly using the address in Section 8 of this report.

SECTION 9 ADDITIONAL INFORMATION

Beneficiary Nomination Form

Each year, you are required to nominate the person/s who must be paid, in the event of your death prior to retirement at the age and while you are still in the service of the mine. The information provided in this form will be used to help the trustees of the Fund with the fair distribution among your dependants of the benefits payable on your death and used only a guideline as the trustees are required, in the event of your death, to distribute the benefits in accordance with the provisions of the Pension Funds Act.

It is compulsory that you nominate your dependant/s and the form is attached to this guide.

Member Benefit Statement

Mineworkers Provident Fund provides you with an annual benefit statement around August – September to ensure that you are informed about your retirement saving in the Fund.

Information is also provided to help you understand how your Fund operates, the benefits and services it offers and the Risk Benefit Cover that you may have in the event of your death or permanent disability. The Fund usually conduct roadshows across the country following the distribution of the benefit statements to assist members in interpreting them.

Family Assistance Benefit

The Fund offers a Family Assistance Benefit (FAB) through its Group Risk Benefit service provider, Momentum, which can be accessed 24 hour/365 days a year that provides invaluable support to members during traumatic life events.

The FAB provides help in many ways:

On Bereavement:

- Repatriation – to ensure the deceased is safely returned home for burial;
- Funeral assistance – to help with funeral arrangements for the deceased;
- Legal advice – in the form of legal assistance provided by admitted attorneys;
- Bereavement counselling – in the form of face-to-face counselling services for support and advice

On trauma such as rape, assault, etc.:

- Trauma, assault and HIV counselling
- Emergency Medical Services (EMS)

All these services are available to the member and immediate family including spouse, children parents and parents-in-law.

In case of traumatic event, help can be reached on 086 166 6111 (Call Centre Number)

SECTION 10 Glossary

GLOSSARY

Term	Meaning
Beneficiary	A person who receives a benefit payment from the Fund in the event of your death.
Dependant	A person in respect of whom you are legally liable for maintenance or a person who is financially dependent on you, e.g. children, spouse and parents.
Employer	The mine that you work for.
The Fund	Mineworkers Provident Fund
Lump sum	A single payment made at a particular time, as opposed to a number of smaller payments.
Nominee	A person who is not a dependant but is nominated in writing to receive benefits upon your death.
Retirement fund	A retirement fund provides benefits for its members on their retirement, disability, withdrawal or when they die for their beneficiaries.
Trustees	A person or a member of board responsible for controlling, directing and overseeing the operation of the fund.
Voluntary contribution	An extra allocation of funds to a retirement fund benefit. The additional benefit contributions are the members' responsibility and will not be matched by the employer.

SECTION 11 Contact Details

Client contact centre

Tel: (010) 100 3000

Fax: (086) 776 3864

Email: info@mineworkers.co.za

Website: www.mineworkers.co.za

Physical address

Mineworkers Provident Fund
26 Ameshoff Street
Braamfontein
Johannesburg
2001

Pension Fund Adjudicator

Ms Muvhango Lukhaimane
4th Floor, Riverwalk Office Park Block A
41 Matroosberg Road
Ashlea Gardens
Pretoria
South Africa
0181

Tel: 012 748 8000

Fax: 086 693 7472

Email: enquiries@pfa.org.za

Communication with you, the member, remains the Trustees' biggest priority. The Trustees would like to urge you to inform them or Human Resources, of any recommendations and/or problems, which you may have relating to Mineworkers Provident Fund.



**MINEWORKERS
PROVIDENT FUND**



Financial Services Board (FSB) Registration no.12/8/23051 and
South African Revenue Services Registration no. 18/20/24968

YOUR FUND OF CHOICE

Disclaimer:

The purpose of this document is to give information only and doesn't constitute advice. Your specific benefits will be indicated in your benefit statement. Neither the Fund nor the Administrator can be held liable as a result of a decision based on this information. All rights of members are embodied in the official rules and policies of the Fund. A copy of the rules is available from the Fund.