LA RETIREMENT FUND

Formerly known as the Cape Joint Pension Fund

Securing your retirement

Providing you with the best retirement outcome.

No Fund allows members more choice.

MEMBER GUIDE

JULY 2026

www.laretirementfund.co.za

WELCOME

Congratulations on becoming a member of the LA Retirement Fund. As a member of this proven and reputable retirement fund, you are already in a strong position to build up the savings you need to enjoy the retirement you want and deserve.

For the LA Retirement Fund and its trustees, there is nothing more important than looking after the wellbeing of our members. That is why you and your future are at the heart of every decision made about your fund, and every action taken concerning it.

By placing your trust in the LA Retirement Fund, you can be assured that you have access to solid retirement investment options with a history of reliable performance, and modern, appropriate and relevant insured risk benefits to protect both your financial wellbeing and those of your loved ones.

Thank you for placing your trust in the LA Retirement Fund. We are confident that you have made the best decision, and we look forward to partnering with you on your retirement savings journey.

The LA Retirement Fund Trustees

CONTENTS

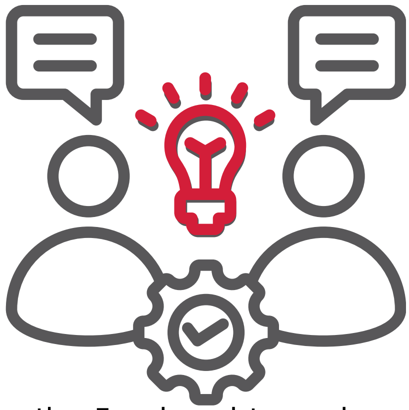
ABOUT THIS MEMBER GUIDE

The aim of this member guide is to provide you, as a member of the LA Retirement Fund, with important and valuable information about your fund and all the benefits it offers. As such, it is important that you spend some time looking through the contents of this guide to ensure that you get the most out of your fund membership.

The member guide includes sections on how your fund works, who manages it, where you can invest your retirement savings, the choices you have regarding your risk benefits cover, and what to do if you ever need to submit a claim, or you leave the Fund.

To start you off, the next section provides some easy- to-understand explanations of the financial words and phrases you are likely to come across in this guide. If, after having a look through this member guide, you still have any questions or concerns, speak to your financial adviser or contact the LA Retirement Fund call centre. The contact details are at the end of the guide.

UNDERSTANDING THE LANGUAGE



Aggressive investment: An investment strategy that places the emphasis on growing your money by investing a larger portion in riskier assets like equities.

Annuity: This is an investment, of your choice, that is made either within or outside the Fund with your retirement savings so that you can receive monthly annuity income payments when you retire.

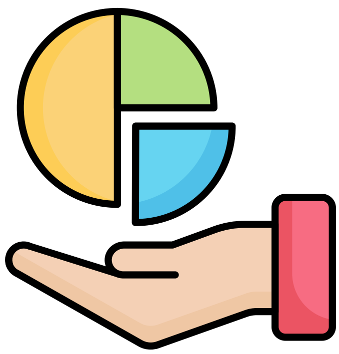
Board of Trustees: A group of people appointed and elected to oversee the Fund and to make various decisions about it in the best interests of its members.

Capital: The amount of money you have invested. If it is invested in an annuity, this is the lump sum of money (inclusive of growth thereon) from which you will draw your annuity income every month.

Conservative investment: An investment strategy that focuses more on protecting your money from losing value than growing it.

Conversion option: The cover provided by the insured risk benefit options will cease when you terminate employment. However, in most instances there is a conversion option which allows you to convert all or some of the cover into individual insurance policies. You will have 90 days from your exit from employment to take up the conversion option without needing to undergo any medicals. The insurer will calculate the premium that is payable based on your personal circumstances.

Death cover: A type of insurance benefit that pays out a lump sum which the Board of Trustees will allocate to your dependants and/or nominees to assist them financially should you die in service.



Defined contribution fund: A type of retirement fund where the amount of money that you and your employer contribute to the fund every month is clearly set out in its rules. The amount of your retirement benefit depends on both the returns earned on the investment of your member share while you are contributing and the amount of the monthly contribution that is made to the fund. The greater the contribution and the greater the investment returns, the greater the retirement benefit.

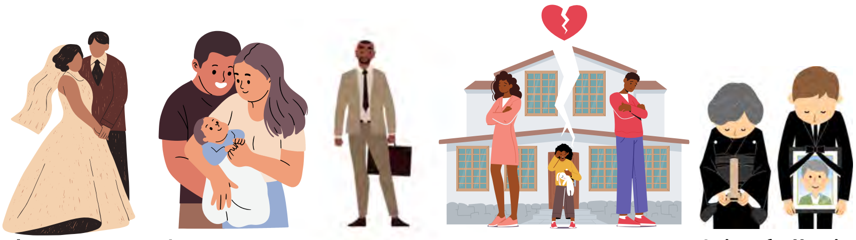
Disability cover: A form of insurance benefit that provides a monthly income to help you and your family members financially if you become disabled and are unable to earn a salary.

Draw-down rate: A term used to explain the amount of money that you take from your retirement capital that has been invested in the Fund's In-Fund Living Annuity to provide a monthly annuity.

Governance: The way your fund is managed, in line with the relevant regulations and laws.

In-Fund Living Annuity (IFLA): Your capital is invested in a variety of assets and will therefore be affected by investment returns. The percentage you choose to draw as an annuity income will depend on the option you have chosen (trustee endorsed or customised). The risk lies with you to ensure that your investment keeps up with inflation and that your invested capital is sufficient to provide you with an income until your death. Any remaining capital on death may be paid to your nominated beneficiaries.

Life Event: A life event is a significant event that causes a major change in a person's life. The following are seen as life events:



- Marriage
- The birth of a child
- Promotion
- Divorce
- The death of a spouse
- A member whose contract of employment changes from being permanent and in full-time service of the employer to an employee employed on a fixed-term contract or vice versa, may change his/her death cover option on the date of the employment contract change.

Life events under the Voluntary Critical Illness Benefit differ from these life events. These details are available on the Fund's website.

Life Stage investment strategy: An investment strategy that provides balance of risk and expected return at different stages in your working life. Your retirement savings are invested according to the number of years you have left until your normal retirement date, and you are automatically moved through investment phases as you approach this date.

Member share: The balance in your Fund account, including your contributions, your employer's contributions, plus investment growth - less any costs, inclusive of the costs of the risk benefits and the administration, investment and Fund management costs.

Moderate investment: An investment strategy that provides a balance between aggressive and conservative to give you equal parts of growth and protection of your money.

Pensionable salary: The part of your total salary or package that is used to calculate your total retirement fund contributions and risk benefits. You will find this amount in the new entrant certificate you received when you joined the Fund, and in your annual member benefit statement.

Personal Information: Means identity and/or passport number; date of birth and age; phone number; email address; online messaging identifier; account number; physical address; gender, race and ethnic origin; photos; marital/relationship status; criminal record; private correspondence; employment history; salary information; financial information; education information; physical and health information including medical history; and membership of organisations/unions; the biometric information of the person; personal opinions, views or preferences of the person; and the name of the person if it appears with other Personal Information relating to the person or if the disclosure of the name itself would reveal information about the person.

Pooled Annuity Account (PAC): The PAC provides a single life or joint life pension on retirement. The monthly pension is calculated by the Actuary.

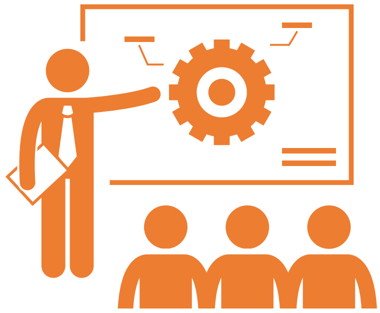
Two-Pot Retirement System: The two-pot retirement system was introduced into legislation from 1 September 2024. Contributions are split between the savings pot and the retirement pot. Members can access a certain amount from their savings pot once in a tax year.

Vested right: Your full member share as at 28 February 2021 together with investment returns. Members who were 55 or older on 1 March 2021 only have vested rights. Vested rights only apply to members with vested pots – refer to Two-Pot Retirement System.

Non-Vested right: Your member share from 1 March 2021 together with investment returns. Non-vested rights only apply to members with vested pots – refer to Two-Pot Retirement System.

The Taxation Laws Amendment Act 23 of 2020 requires the annuitisation of certain provident fund retirement benefits with effect from 1 March 2021 and hence the distinction between vested and non-vested rights from this date.

HOW THE LA RETIREMENT FUND WORKS



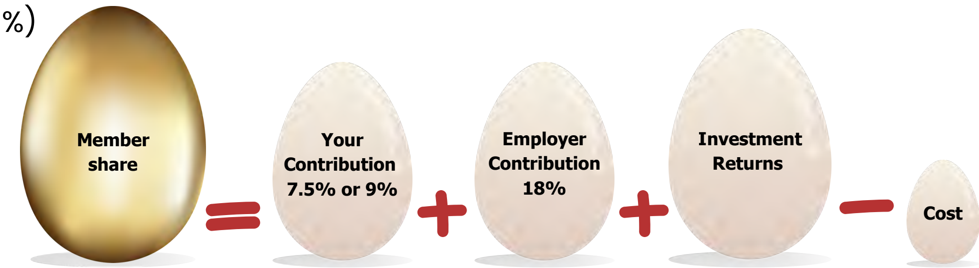
The LA Retirement Fund is a defined contribution retirement fund that is designed to provide fund members (i.e. local government employees and councillors) with superior retirement benefits as well as a choice of competitive death, disability, critical illness and funeral benefits.

Members have the option to invest their member share or retirement savings in an annuity at retirement (within or outside the Fund) or receive some or all their savings in cash – however, doing so will mean having to pay tax on the cash amount received.

As a defined contribution fund, both you and your employer pay a set percentage of your pensionable salary into the Fund every month. Your contribution will be deducted from your salary automatically before you get paid each month.

The contributions are as follows:

- Your monthly contribution = 9% of your pensionable salary (councillors pay 7.5%). However, if your conditions of employment provide for it, you can decide on a contribution rate of either 7.5% or 9% of pensionable salary.
- Your employer's monthly contribution = 18% of your pensionable salary (for councillors this is either 7.5% or 10%)



To make sure that your retirement savings keeps on growing, it is invested and earns returns that are also added to the account balance.

All of these, together, make up your member share, which grows steadily over time so that when you retire it will provide you with a monthly income for your old age.

As a member of a defined contribution retirement fund, you have your own account within the Fund and your contributions, and those of your employer (less costs), are paid into that account. 1/3rd of your total net monthly contribution is allocated to your savings pot within the Fund. The remaining 2/3rds of your total net monthly contribution is allocated to your retirement pot within the Fund. Refer to Two-Pot Retirement System Q&A on the Fund's website for more information.

KEEP AN EYE ON HOW YOUR RETIREMENT SAVINGS ARE GROWING

Since you have your own fund account, you can check on how your retirement fund savings are growing whenever you like. To do that, simply register for online access. You can then log in by clicking "Member Portal" on the home page of the LA Retirement Fund website: www.laretirementfund.co.za. You can also download the InTouch by Verso mobile app, details on how to access the mobile app is available on the Fund's website.

GROWING YOUR MEMBER SHARE

The LA Retirement Fund allows you to save even more towards your retirement if you want to. You can do that by making extra voluntary payments into your fund account, via your payroll whenever you have the money to do so. Remember, the more you put into your retirement fund now, the more it will pay out one day when you retire – especially if you leave your member share to keep growing right up until your retirement date.

WHO LOOKS AFTER THE LA RETIREMENT FUND AND YOUR SAVINGS

The LA Retirement Fund places a priority on being well managed and applying the Fund rules and laws that govern retirement funds in South Africa, thereby ensuring that Fund members are properly protected in the Fund.

A Board of Trustees is in charge of managing the Fund and making decisions about its investments, and benefit structures in the best interests of its members. At least 50% of the members of this Board are elected by members, annuitants and pensioners which means you have a say in who manages the Fund. The remaining 50% comprises trustees who are appointed and elected by local authorities and additional trustees who may be completely independent (i.e. suitably experienced individuals.)

In addition to being responsible for effectively managing the Fund, the Board of Trustees must:

- Assess and select appropriate investments and investment managers.
- Communicate with Fund members and keep them up to date about all matters regarding their Fund.
- Make decisions about who should receive the death benefits of members who have passed away in-service.
- Help resolve any disputes lodged by members about various aspects of their Fund.
- Know and understand the rules of the Fund and be aware of any changes to the laws governing the Fund.

Since this is a big and often complicated job, the Board of Trustees may call in various experts and consultants to help them make decisions about the Fund. However, the trustees always have the final say and are fully accountable to you, as a member, for the decisions and actions they take.

The Board of Trustees is assisted by the Principal Officer in running the Fund. The Principal Officer must ensure that the decisions taken by the Board are actioned and that all the Fund's service providers, including the administrator, fulfil the conditions of their contracts and mandates.

To see who the trustees of the LA Retirement Fund are go to: www.laretirementfund.co.za and click on Fund Management.

INVESTMENTS

As a member of a defined contribution retirement fund, your invested member share is directly affected by any positive or negative returns earned by the investments you have chosen.

Since every Fund member has different investment needs, expectations and risk appetites, the LA Retirement Fund developed an innovative life stage investment strategy that provides members with an appropriate balance of risk and expected return at different stages in their working life. The contributions you and your employer make to the LA Retirement Fund are invested, by default, into the Life Stage Investment Model.

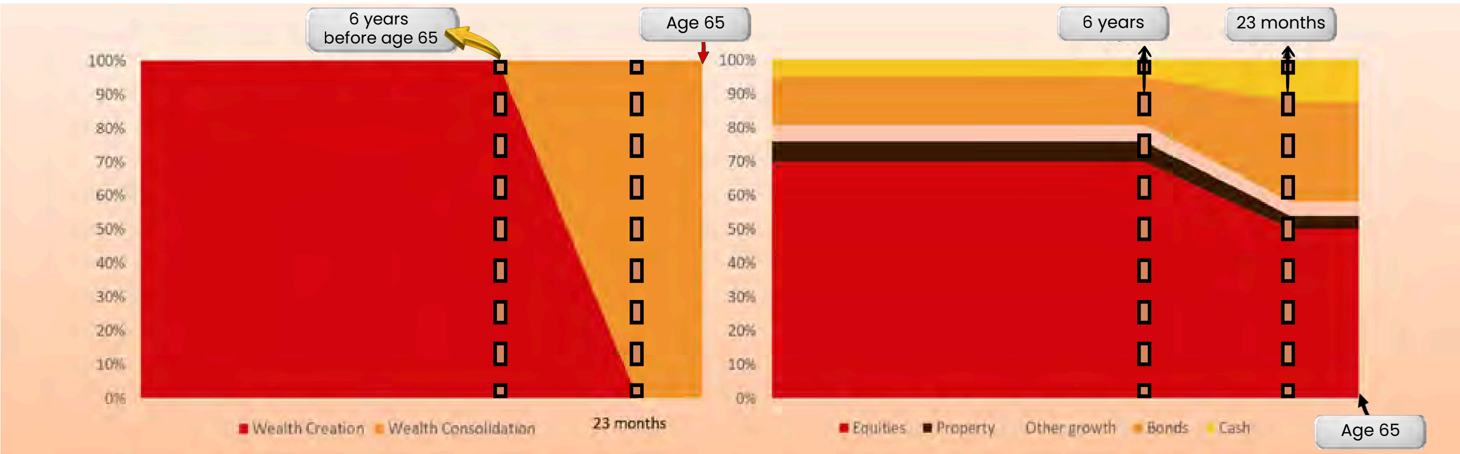
HOW THE LIFE STAGE INVESTMENT STRATEGY WORKS

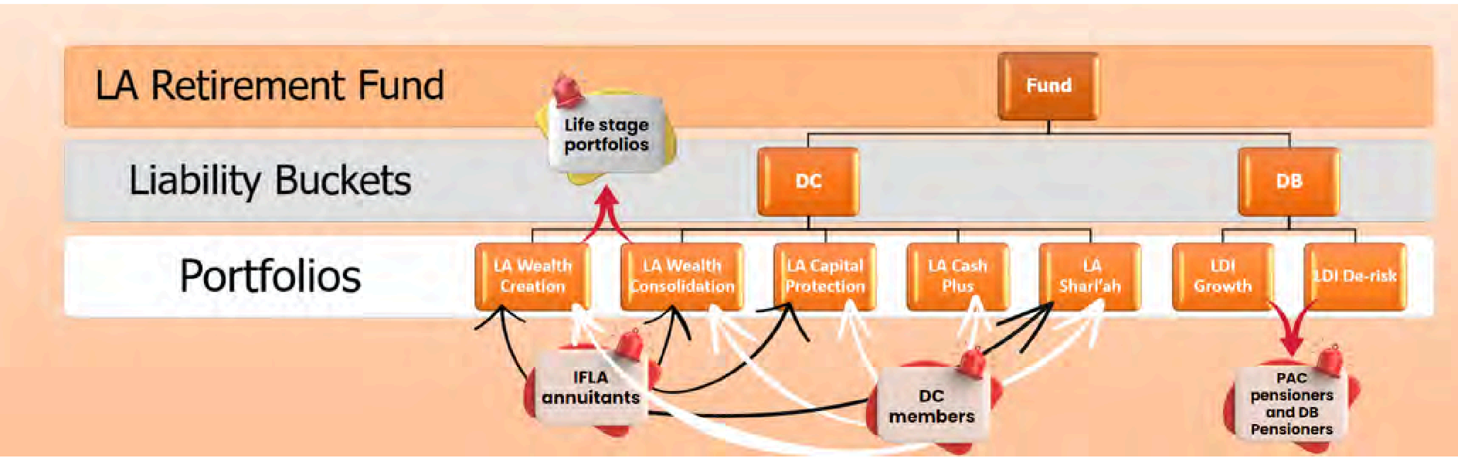
The strategy sees to it that your member share is automatically invested according to how many years you have left until your normal retirement age. The younger you are, the longer you have to invest until retirement. As a result, your investment can be exposed to more risk and is placed in more aggressive investments in an effort to earn higher returns. The older and closer to retirement you are, the more protection your retirement savings need.

As such, your investment is shifted to less risky strategies, which may deliver lower growth, but will also keep your capital safe.

The life stage investment strategy automatically moves you through these portfolios – from a more aggressive investment approach (LA Wealth Creation Portfolio) with a focus on long term capital growth when you are younger than 59 to a more protection focused moderate investment strategy (LA Wealth Consolidation Portfolio) as you near retirement age.

Importantly, this strategy ensures your easy transition at retirement, enabling you to choose to have your retirement savings automatically invested in the Fund's In-Fund Living Annuity (IFLA) or Life Annuity (also known as Pooled Annuity Account or PAC) when you retire. The IFLA and the PAC will provide you with a cost-effective annuity income/pension during your retirement years.





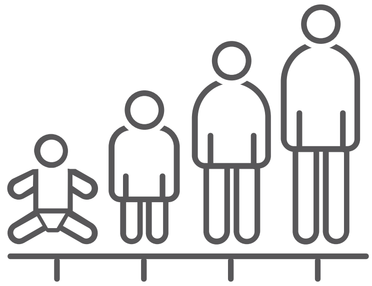
Below are some of the benefits that life stage investing gives you:

- Cost effectiveness and simplicity of design that requires minimal intervention from you.
- Protection of your retirement benefits against the effects of inflation.
- Enhanced or optimal returns during your pre-retirement cycle or protected returns during the transition process close to your retirement
- Acceptable risk levels given your time horizon to retirement.
- Access to portfolios managed by top investment managers.
- Easy and seamless transition of your member share into the IFLA and/or PAC when you retire.

To prevent you from being prejudiced by sudden or adverse market movements, your member share, when being switched from the LA Wealth Creation Portfolio to the LA Wealth Consolidation Portfolio, will be transferred in 50 tranches beginning from age 59 and ending at age 63 years and 1 month.

- All contributions made during the transitional period will be invested in the LA Wealth Consolidation Portfolio.
- The phasing process is automated and is handled by the Fund Administrator, so no actions are required from members.

ALTERNATIVES TO THE LIFE STAGE INVESTMENT STRATEGY



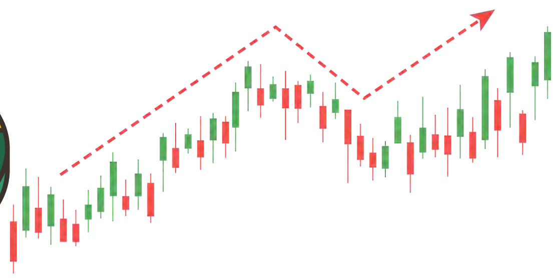
While the life stage strategy is the default investment approach for the LA Retirement Fund you are allowed to choose not to invest in it and you can instead invest in any of the two underlying portfolios, namely the LA Wealth Creation Portfolio (aggressive) or the LA Wealth Consolidation Portfolio (moderate). In addition to making use of one of these two life stage portfolios as a stand-alone investment option, you also have an option to invest in a conservative, low-risk option known as the LA Capital Protection Portfolio with a focus on capital preservation or the LA Shari'ah compliant investment portfolio.

The LA Shari'ah portfolio complies with Islamic investment principles and the investment managers satisfy the guidelines and standards as set from time to time by the Islamic Accounting and Auditing Organisation. The risk profile of this portfolio is moderate aggressive and can therefore be compared to the LA Wealth Creation and LA Wealth Consolidation portfolios. The LA Shari'ah compliant Balanced Fund is not utilised for the Fund's default Defined Contribution or Pensioner investment strategies and is a stand-alone portfolio for members wishing to invest in this portfolio.

The Fund also offers a cash option which addresses capital risk and may be considered by members who are very close to retirement and who do not wish to be exposed to negative returns in the short period leading up to their retirement.

ASSET ALLOCATION

Please visit the fund's website (www.laretirementfund.co.za) for the latest asset composition and investment returns earned within each portfolio and the applicable investment targets.



CHANGING YOUR INVESTMENT

You can change your investment selection while you are a Fund member. You are allowed a maximum of two switches per fund year (i.e. between 1 July and 30 June) and the first of these switches is free. A switching fee is charged for the second switch. This fee is taken from your member share being switched. It is recommended that you speak to a financial adviser before making the decision to switch your retirement investments. Contact the Fund to obtain the current switching fee.

WHAT HAPPENS WHEN YOU RETIRE OR LEAVE THE FUND?

If you leave your employer due to resignation, dismissal, retrenchment or retirement, your member share accrues to you as a benefit*. Your benefit on exit includes the full amount of your savings in your fund account, including the contributions you and your employer have made plus the investment returns you have earned, less any administration, investment and Fund management costs and risk benefit premiums.

*** Please see more information relating to the two-pot retirement system on the Fund's website under "Fund Guides / Two-Pot Retirement System Questions & Answers". This will give you information on the amount that can be taken in cash when you leave the Fund.**

The benefit you receive will also be taxed. The amount of tax depends on the value of your member share account and what you choose to do with it. For example, if you retire from employment and you elect to take the maximum permitted cash lump sum, your tax will be much higher than if you took a small amount in cash and invested the balance to provide a monthly annuity/pension.

The cash lump sum benefit is subject to tax as shown in the tax tables available on the Fund's website.

PLEASE NOTE!

You are strongly advised to get professional financial advice before making any decisions regarding your benefit on exit from the Fund. The tax you pay on retirement fund benefits is cumulative. This means that the tax you pay on one benefit will impact on other benefits you may receive from other funds. The tax scales are also progressive, which means that the bigger the lump sum benefit you receive, the higher the rate of tax.

BENEFITS WHEN YOU RETIRE

All members of the LA Retirement Fund have a normal retirement age of 65, however, you may be eligible for early retirement from age 50 (please note that taxation of any lumpsum prior to age 55 will be taxed by SARS in terms of the withdrawal taxation table and not the retirement taxation table). You may also choose to keep on working beyond age 65, but this will require the approval of your employer.

Alternatively, you may choose to retire from employment but elect to postpone receiving your retirement benefit from the Fund to a later date (i.e. phased retirement from the Fund). When you later choose to receive your retirement benefit from the Fund, your original benefit on retirement from service will be adjusted with the relevant investment returns to the date that you made your final election and your benefit will be calculated in terms of the Fund's rules. In terms of the rules applicable to phased retirement, your member share will be debited with such reasonable expenses as the Board of Trustees may determine from time to time in line with the Fund's agreed practice.

The payment of cash lump sums on retirement is subject to the annuitisation rules applicable from 1 March 2021 and the two-pot retirement system rules from 1 September 2024. Refer to the Fund's website for further details.

On retirement you have several options.

These are explained in the In-Fund Annuity Options Questions & Answers Guide which can be found on the Fund's website.

IN-FUND LIVING ANNUITY (IFLA)

As a member of the Fund, you have the option of moving a portion of or all your retirement savings into a living annuity provided by the Fund when you retire. Investing in the In-Fund Living Annuity is effectively the same as 'buying' a cost-effective annuity. Annuitants continue to benefit from not only the low investment fees they were used to as active members of the Fund but also from the sound governance practices overseen by the Board of Trustees.

At retirement when you invest in the IFLA, you select one of two options which will determine the investment of your retirement capital and the amount of your monthly annuity.

- **Trustee endorsed option**

  This means that your savings are invested in the Fund's LA Wealth Consolidation Portfolio. The amount of money you can take (draw-down) from your retirement capital as an annuity income is a fixed percentage of your retirement capital. This percentage then increases every five years.

- **Customised option**

  You can choose to invest in any one or more of the LA Retirement Fund's four investment options (i.e. the LA Wealth Creation, the LA Wealth Consolidation, the LA Capital Protection or the LA Shari'ah investment portfolios). This flexibility also allows you to choose the investment option from where your monthly income must be paid. In addition, you are required to select your draw-down rate from a range applicable to your age band. This effectively allows you to choose the percentage of your retirement savings that you can access as your annuity income. You can then adjust this draw-down rate every year by selecting the appropriate rate to meet your needs from the range provided.

  As an In-Fund Living Annuitant, you may elect to switch from the trustee endorsed option to the customised option and vice versa once a year on the anniversary of your retirement.

  Of course, you don't have to invest your retirement savings in the LA Retirement Fund In-Fund Living Annuity when you retire.

  You also have the option of investing your savings in the PAC or in any other annuity you choose, or taking some, or all, of your savings in cash.

  More information is available on the Fund's website in the Fund Guide – "In-Fund Annuity Options".

All insurance benefits (death, disability, funeral and the critical illness benefit) stop when you retire from the Fund. If you participate in the IFLA or the PAC, you have the once-off option of purchasing an affordable funeral cover benefit for yourself and your spouse. You may choose the cover amount applicable to your age group.

POOLED ANNUITY ACCOUNT (PAC)

The PAC is either a single life pension (i.e. a pension calculated for yourself) or a joint life pension (makes provision for a spouse) that is calculated by the actuary. You may choose to make provision for a life pension for yourself or you may elect to also provide for a spouse's pension if you pre-decease your spouse. You may choose to provide a spouse's pension amounting to 0% / 25% / 50% /75% / 100% of your pension.

More details of the PAC are available on the Fund's website in the Fund Guide – "In-Fund Annuity Options".

TWO-POT RETIREMENT SYSTEM

The two-pot retirement system came into effect on 1 September 2024.
The two-pot system consists of three components:

Vested pot – the member share at 31 August 2024

Savings pot – 10% of the member share on 31 August 2024, up to a maximum of R30 000 which was transferred from the vested pot. 1/3rd of the monthly contributions goes into the savings pot, and this will be adjusted with Fund returns. Members can withdraw from their savings pot once per tax year (1 March to 28 February each year). The minimum withdrawal amount is R2 000.

Please note: All withdrawals are taxed at the member's personal marginal tax rate.

Retirement pot – 2/3rd of the monthly contributions goes into the retirement pot, and this will be adjusted with Fund returns.

Please see more information relating to the two-pot retirement system on the Fund's website under "Fund Guides / Two-Pot Retirement System Questions & Answers".

BENEFITS WHEN YOU RESIGN OR ARE DISMISSED

If you end your service with your employer before you reach retirement age, you will not be charged any penalties on your retirement benefit payment. If you resign and leave the Fund before age 55, your member share will become payable which is subject to tax according to the tax tables which are available on the LA Retirement Fund website (www.laretirementfund.co.za).

Your benefit will remain in the Fund until you complete and submit a withdrawal claim form (i.e. you automatically become a paid-up member in the Fund until you submit your claim form and make an election on the way the benefit should be paid out).

You have one of the following 4 options on resignation:

1. Remain a paid-up member in the Fund thereby allowing your full member share to continue to be adjusted with investment returns. Remaining in the Fund as a paid-up member is cost-effective as you benefit from the low investment costs and small administration fee.

   No further contributions are made to the Fund. You may withdraw your benefit as a lump sum at any point before your retirement (subject to the two-pot rules). Your insured benefits i.e. death cover, disability cover, funeral cover and Voluntary Critical Illness benefit stop on your becoming a paid-up member.

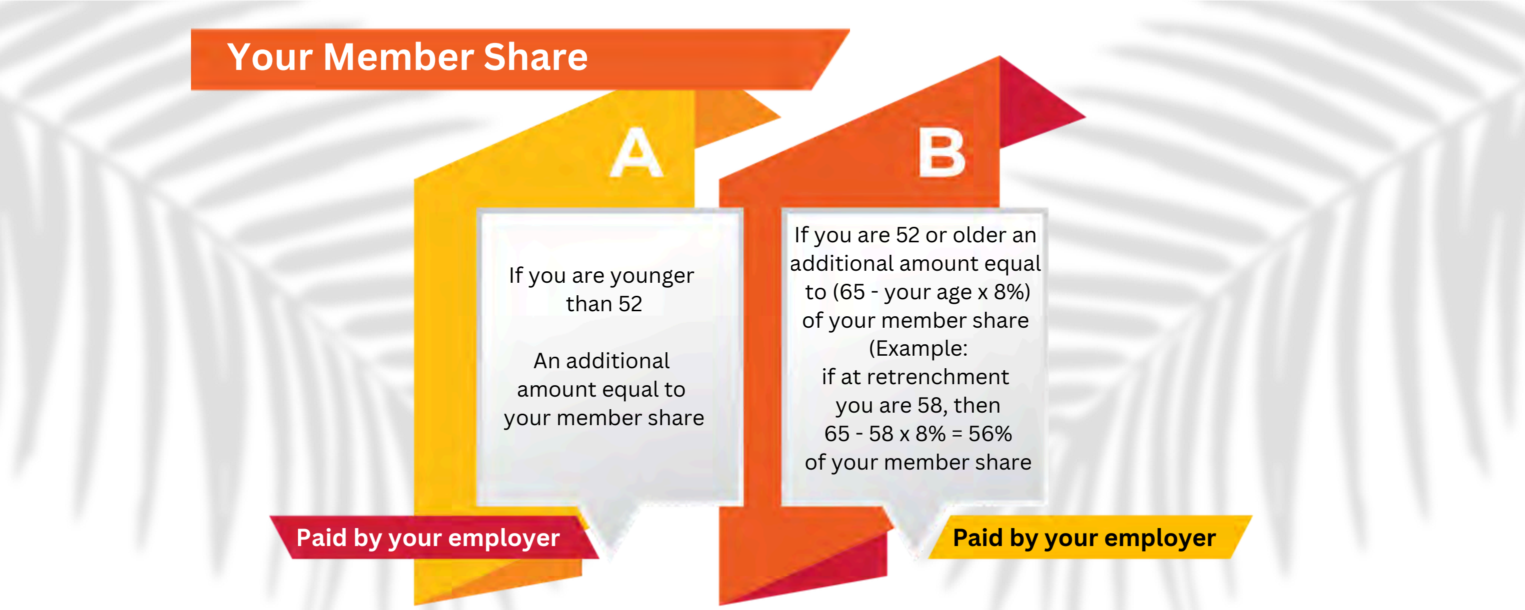
2. Transfer your full member share to another fund - this can be a retail preservation fund, a retirement annuity fund or you may transfer your benefit to your new employer's fund.

3. Transfer a portion of your member share to another approved fund with the balance paid to you in cash (subject to the two-pot rules). This is the same as option 2 except a taxable cash lump sum is also paid to you.

4. Elect a cash lump sum (subject to the two-pot rules) - any cash lump sum is subject to tax.

BENEFITS ON RETRENCHMENT

If you are retrenched, your member share will be paid out by the Fund. You may be entitled to receive an additional amount over and above your member share paid to you by your employer via the Fund. This extra payment, if applicable, will be the lesser of A or B as per the diagram below.



This additional amount is paid by your employer to the Fund. The Fund in turn pays your member share plus the additional amount paid by your employer as a lump sum amount to you (subject to the two-pot rules). The same rate of tax applies as on retirement, as shown in the tax tables which are available on the LA Retirement Fund website (www.laretirementfund.co.za). The same benefit options as set out above apply under resignation/dismissal. These options are subject to the two-pot rules.

DISABILITY BENEFIT

The disability benefit is paid in two different ways depending on whether or not you elected the Optional Insured Income Disability Benefit.

Benefit 1: If you selected not to have the Optional Insured Income Disability Benefit - Your member share is paid, and you will no longer be a member of the Fund

Benefit 2: If you selected to have the Optional Insured Income Disability Benefit - You will remain a member of the Fund and receive the benefit as described under Optional Insured Income Disability Benefit.

OPTIONAL INSURED INCOME DISABILITY BENEFIT

The Fund offers its members an innovative income disability benefit. Every member is automatically covered for this benefit on joining the Fund, however you are allowed to opt out of the benefit when completing your new member application form.

Once you have chosen the benefit, you CANNOT at any other stage opt out of the income disability benefit. We strongly encourage our members to consider the merits of this option as joining the disability insurance scheme at a later stage is restricted to life events only and on condition that it is requested within 3 months of the specific life event.

If the member is a higher earner (i.e. where the income disability benefit exceeds the maximum monthly amount in terms of the Policy, including the employer contribution waiver), the member may be asked for proof of good health before the insurer will cover the member for the full potential benefit. The member will be informed should this be necessary.

What is the advantage of electing this benefit?

The Income Disability Benefit pays a monthly benefit to the member who becomes totally and permanently or temporarily disabled, until the member recovers, dies or reaches normal retirement age of 65. As soon as a benefit in respect of a member becomes payable, payment of premiums in respect of the Income Disability Benefit insurance is discontinued and the member receives the following A & B benefits:

A - A monthly income

A tax-free monthly income is paid to you for as long as you are incapacitated up to a maximum of your normal retirement age (65). Not only are these monthly payments tax free, but they will increase by the lesser of inflation or 7% every year. The increase percentage can change from year to year.

The level of your benefit (i.e. the % of pensionable salary) will be determined by your age at disability subject to a maximum monthly payment in terms of the Policy. The table shows the benefit applicable to the various age bands.

Percentage of pensionable salary	
Age	**Percentage**
Under age 31	85%
Age 31 – 40	75%
Age 41 – 45	65%
Age 46 – 50	55%
Age 51 – 64	45%

Payment stops at age 65

Once a member's claim is admitted by the insurer, the member's benefit will not reduce as the member gets older.

EXAMPLE

A member aged 42 becomes disabled and the insurer grants the benefit. The benefit payable will amount to 65% of pensionable salary as at date of disability and this level will be maintained for as long as the claim is valid.

The disability benefit becomes payable 3 months after the member becomes disabled and is payable until the member's death, recovery or retirement (at age 65), whichever occurs first.

In order to receive a disability benefit the member must be medically assessed, and the member's medical condition must satisfy the requirements as set out in the insurance policy. A member will be regarded as disabled if in the opinion of the insurer, and after the expiry of the 3-month waiting period, the member is continuously and totally unable to perform his own occupation.

Once in receipt of a disability benefit, the insurer will monitor the member’s condition and will require regular medical reports from specialists for that purpose. After 2 years, the member’s disability will be measured against the member’s ability to perform a similar occupation taking into account the member’s education, training, experience and degree of disability.

B - You will remain a member of the LA Retirement Fund

The insurance policy will pay both your monthly member and employer contributions (contribution waiver) to the Fund over and above the benefits in A above. This means that you will remain a member of the LA Retirement Fund for as long as the disability benefit is paid and your member share will continue to grow by contributions and investment returns. You will also keep your funeral cover and your Optional Death Benefits for as long as you remain a member of the Fund.

The optional insured income disability benefit has the following additional benefits:

Survivor Benefit – The Survivor Benefit is paid on the death of the member and consists of the payment of an additional three months of the benefit, unless the benefit would have stopped earlier in terms of the policy had the member not died.

Rehabilitation Benefit - the insurer will pay certain rehabilitation costs directly to the party providing or facilitating the member’s rehabilitation.

Recovery Bonus – A recovery bonus is payable if a member successfully completes a rehabilitation programme and returns to work. The recovery bonus is an amount equal to three times the member's last disability benefit before the member returned to work.

Terms and conditions apply to the optional insured income disability benefit, please see the policy on the website for more information.

What happens when the Optional Insured Income Disability Benefit stops at age 65?

As the insurer paid both the member’s and employer’s monthly contributions to the Fund, the member’s member share has continued to grow throughout the disability period. At age 65, the member retires and receives their retirement benefit.

Can I convert my cover to a private policy of insurance if I resign from employment and exit the Fund?

You have up to 90 days after your termination of employment to elect to continue your cover through an individual insurance policy from the insurer. No medical underwriting is required. This option is available up to age 60. The insurer will calculate the premium that is payable based on your personal circumstances under an individual insurance policy.

DEATH BENEFIT

Should you die in service, your member share as at date of death is payable by the Fund. This is in addition to any benefit you may receive from the Optional Insured Death Benefit. The Board of Trustees has a duty to ensure that your Fund death benefit is distributed fairly and equitably between your financial dependants and /or nominees in terms of section 37C of the Pension Funds Act, no 24 of 1956. Your Fund beneficiary nomination form and last Will and Testament serves as an important guideline to the Trustees to identify your dependants and/or nominees. This enables them to make informed decisions ensuring your dependants are provided for. Please ensure that you update your Fund beneficiary nomination form on a regular basis.

OPTIONAL INSURED DEATH BENEFIT

You may choose to be covered for a lumpsum payment equal to a multiple of your annual pensionable salary or you may choose not to have any insured death cover.

We realise that our members face different social circumstances and therefore the Fund gives you the option to choose the amount of cover that best suits your needs and budget by allowing you to select the level of death cover (based on a multiple of your annual pensionable salary) according to your current age as per the table below.

Current age	Multiple of annual pensionable salary (APS) (the default option is shaded)						
Younger than 40	No Cover - 0	1	2	3	4	5	
Age 40 to 49	No Cover - 0	1	2	3	4	5	6
Age 50 to 54	No Cover - 0	1	2	3	4	5	
Age 55 and older	No Cover - 0	1	2				

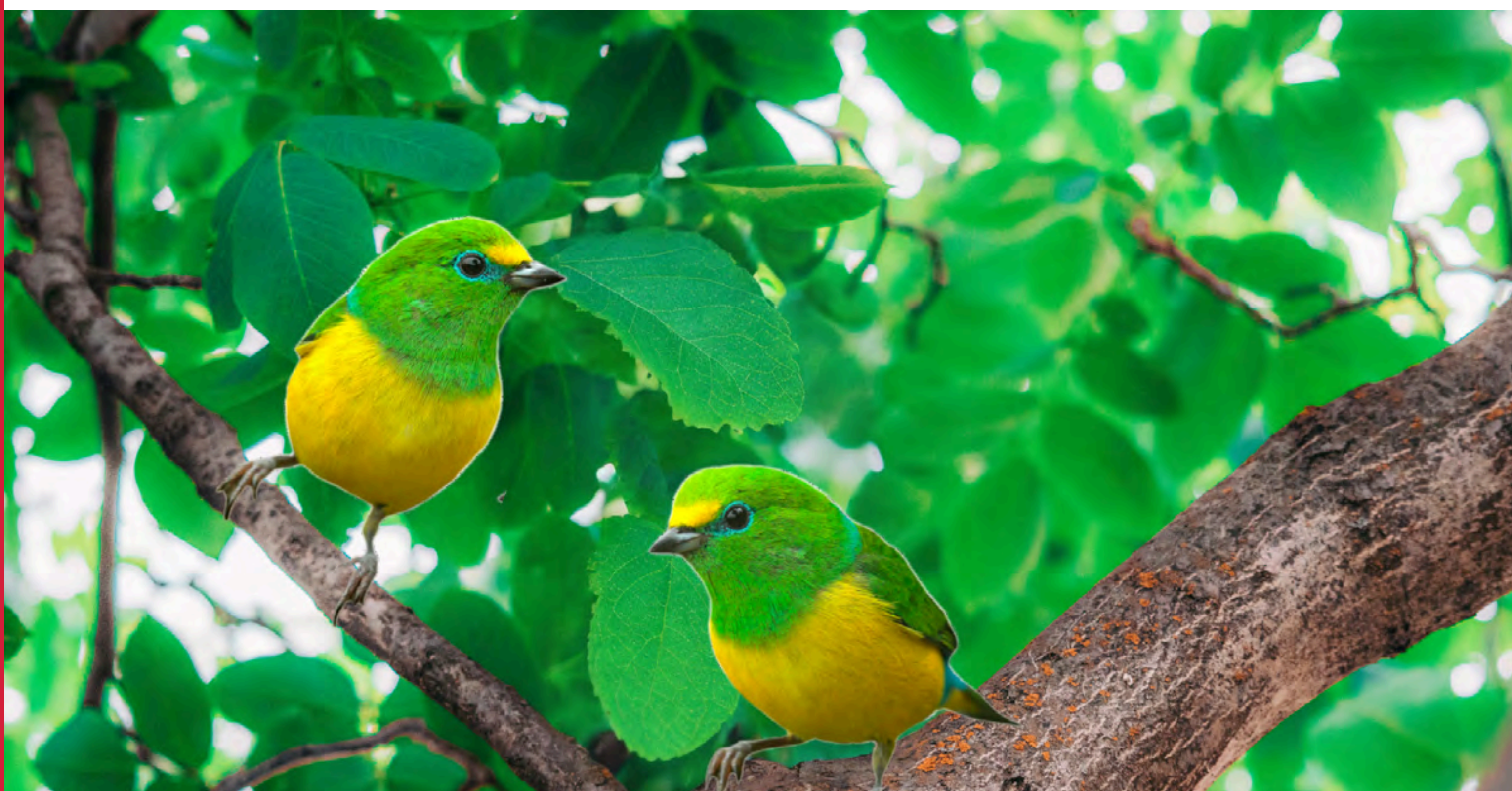
EXAMPLE

If your pensionable salary is R10 000pm and you elect 5 times annual pensionable salary (APS) you will be covered for an amount of (R10 000 x 12) x 5 = R600 000.

Please be aware that there may be a difference between your remuneration package and your annual pensionable salary (APS).

An automatic default is applied in the event that you do not select your choice on your new member application form. The default is as follows: 3 x APS for members younger than 50 and 2 x APS for members older than 50.

You will automatically be moved to the next age band on 1 July following your attainment of age 40, 50 and 55 (whichever is applicable).



IMPORTANT FACTS ABOUT THE INSURED DEATH BENEFIT

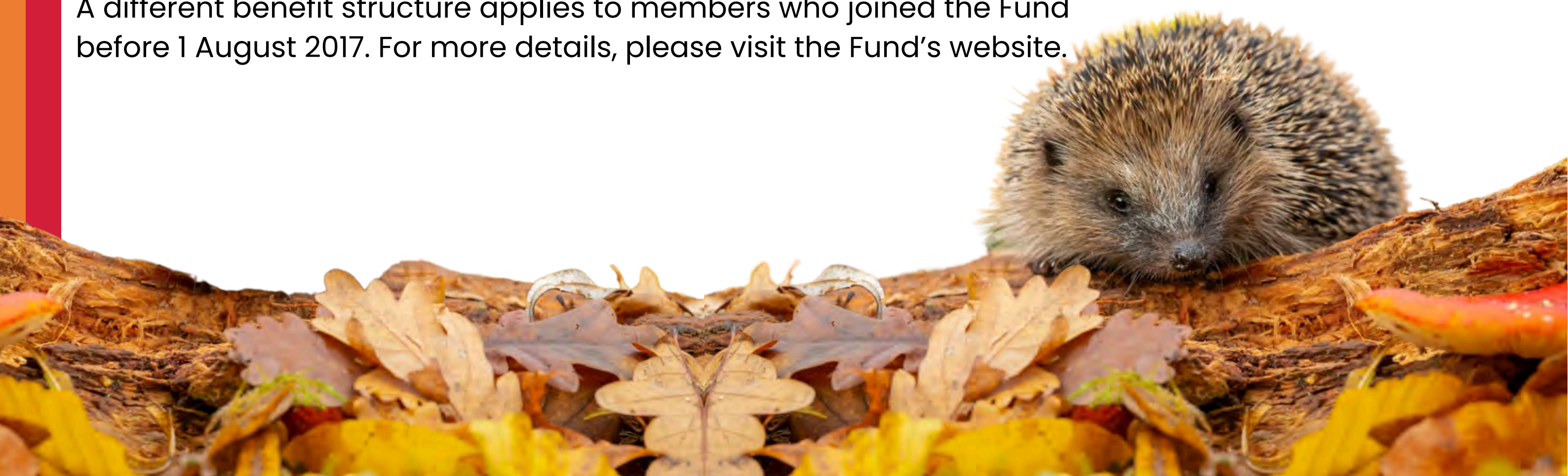
- On moving from the (30-39) age band to the (40- 49) age band, you will qualify for an increase in the maximum multiple from 5 to 6 times your annual pensionable earnings. You will be alerted to this, and you will be permitted to increase your multiple of cover.
- On moving from the (40-49) age band to the (50- 54) age band, your maximum cover reduces from 6 times to 5 times your annual pensionable earnings.
- On moving from the (50-54) age band to the (55- 75) age band, your maximum cover reduces to 2 times your annual pensionable earnings.

1. Death cover stops at age 75.
2. The death benefit insurance will continue for the first 31 days after your termination of Fund membership. This means that if you die during the 31 days immediately after the termination of membership, your family may submit a claim to the Fund.
3. You have up to 90 days after your termination of employment to elect to convert your cover to a private policy with the insurer in which case no medical underwriting will be required. The insurer will advise you of the premium that you will pay for the cover in your personal capacity.
4. You may change your cover at any time as a result of a life event.
5. Once a year you may increase your level of cover by increasing your chosen multiple or you may decrease your cover by decreasing your multiple. Your application to increase your cover must be received by the administrator by 31 March and, if approved by the insurer, the increase will take effect from the 1st of the month following the insurer's approval (earliest 1 July). An application to increase death cover is subject to you having to provide proof of good health to the insurer. The medical information required will be determined by the insurer and the costs associated with medical tests and/ or examinations will be paid for by the insurer. If you decide to decrease your cover, your application must be received by the administrator by 31 May. No medical information is required when requesting a decrease in death cover. The change in insured death benefit option form is available on the Fund's website.
6. We understand that personal circumstances change, which may have an impact on the death cover you need. That's why, in addition to the annual change, the LA Retirement Fund allows you to change your death cover option because of a life event.

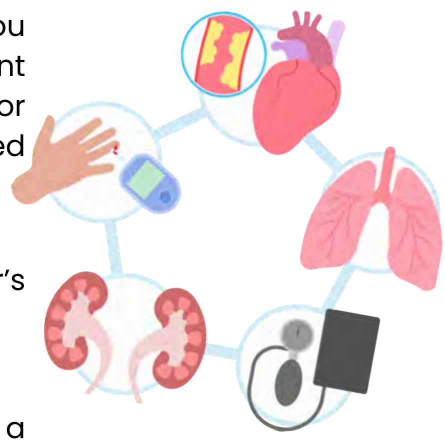
Submit the applicable supporting documents (e.g. marriage or birth certificate) together with the "Life events that require a change in insured death benefits option form". The increase (or decrease) in the level of your death benefit cover will take effect from the 1st of the month following confirmation of the life event. Confirmation of the life event must be presented within 3 months of the event.

All forms are available on the Fund's website.

A different benefit structure applies to members who joined the Fund before 1 August 2017. For more details, please visit the Fund's website.



VOLUNTARY CRITICAL ILLNESS BENEFIT



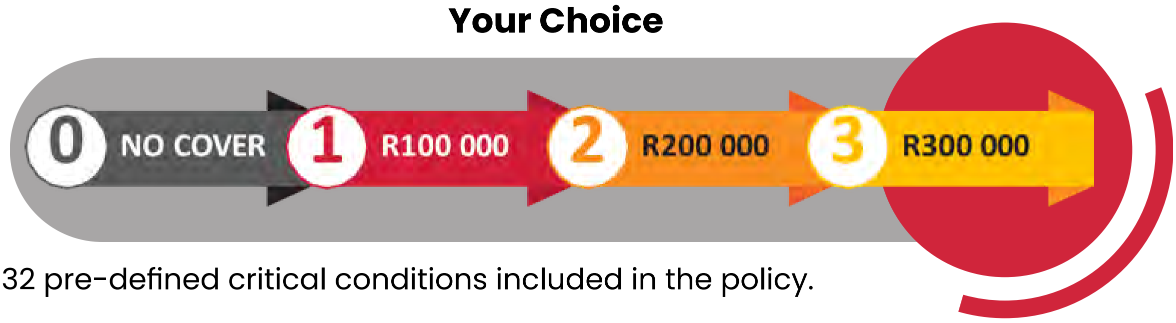
The Voluntary Critical Illness Benefit is completely optional, and you have three months from when you join the Fund to decide if you want this benefit. After that you have the option to select this benefit, or upgrade your cover within 3 months of one of the specified events listed below:

- Member's marriage
- Birth of a child / legal adoption of a child by the member / member's spouse
- Job promotion

You cannot cancel or reduce your cover; you may only upgrade to a higher level.

The benefit is paid as a lump sum and is based on the level of cover that you have chosen and the severity of your illness. You have the choice to be covered for one of the following amounts for critical illness:

Your Choice



There are 32 pre-defined critical conditions included in the policy.

For some of the covered conditions, advance partial payments of the total benefit may be paid where the condition is not yet severe enough to qualify for the full benefit payment. If the condition worsens, the remainder of the benefit may be paid. Please see the website for more detailed information on the conditions included in the policy and the terms and conditions.

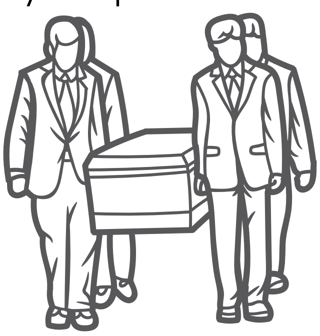
You may claim for multiple critical illnesses – i.e. if you have received a critical illness benefit for a particular condition, you may claim for another critical illness if it is unrelated to the previous claim. The only exception to this is in the case of angioplasty – members may claim twice for this.

The conversion option on exit from the Fund applies up to age 60 in respect of the Voluntary Critical Illness Benefit.

Please refer to the Members section on the website for more information.

FUNERAL BENEFIT

As a member of the LA Retirement Fund, you get to choose the amount of funeral cover you, your spouse and your qualifying children need. There are three options available to you, all at an extremely competitive monthly premium.



	Option 1	Option 2	Option 3
Member & spouse	R 30 000	R 40 000	R 55 000
Children older than 14	R 30 000	R 40 000	R 55 000
Children from 6 to 13	R 20 000	R 20 000	R 27 000
Children younger than 6	R 10 000	R 10 000	R 10 000
Stillborn children	R 5 000	R 5 000	R 10 000

It is important that you select the funeral benefit option most appropriate to your needs. If you do not select an option when becoming a member, the default option (Option 1) will apply.

Members will have an annual opportunity on 1 July each year to apply to increase their funeral benefit option, subject to the applicable 90-day application period and the rules of the Fund and insurer.

Four important definitions

	Option 1
Qualifying spouse	The person with whom you are joined together in marriage, provided that such person, at the time of qualifying for the insurance, has already reached the age of **15 years and is not yet 75 years of age.** If you are married to two or more people, qualifying spouse shall mean: a) Only the spouse you have confirmed in writing or b) In the case of no confirmations or multiple confirmations, only the spouse with whom you joined in marriage first.
Qualifying child	**Qualifying child means:** a) The child is unmarried; and b) The child is under the age of 21; c) if the child is 21 years or older, but under the age of 26 years, such child is a full-time student at an educational institution, meaning that he /she must be enrolled for at least 75% of the standard course load of a course that is normally done on a full-time basis, and that he / she must actively participate in such course; d) if the child is incapacitated by a physical or mental infirmity from maintaining himself /herself such incapacity commenced when the child was either under the age of 21 or under the age of 26 years while a full-time student at an educational institution.
Stillborn	A child is classified as stillborn if the child is at least 26 weeks from gestation.

When and to whom is the benefit paid?

In the event of the death of one of your insured immediate family members, the funeral benefit will be paid directly into your bank account. However, in the event of your death, the insured funeral benefit is paid directly to the person you have nominated to receive the benefit when you complete your funeral benefit beneficiary nomination form. Always ensure that the details on your funeral benefit beneficiary nomination form are updated as and when your personal circumstances change as this benefit is paid strictly in accordance with your wishes.

IMPORTANT - In terms of legislation, if you have not submitted a funeral benefit beneficiary nomination form, the benefit must be paid to your estate. This could result in financial hardship for your family as they may find themselves unable to finance the cost of the funeral as the payment of the funeral benefit will have to await the lengthy processes involved in winding up an estate. If there is no Will, the process could be delayed even further!

You can avoid this but simply taking a few minutes to update your funeral benefit beneficiary nomination form and forward to us.

PLEASE NOTE!

- Your nominated beneficiaries must be 18 years of age or older.
- If you are in a co-habiting relationship, your partner can only be listed as a beneficiary if neither you nor your partner are married to someone else.
- If the member dies the family remains covered to the end of the month in which the member died.

Should your nominated beneficiaries predecease you, the funeral benefit will be paid to your estate, therefore it is important that you keep your funeral benefit beneficiary nomination form up to date.

The funeral benefit is paid within 48 hours after the Fund receives a completed claim form and all other required documents.

VALUE-ADDED BENEFITS

PENSION-BACKED HOME LOANS

The LA Retirement Fund offers its members access to a valuable pension-backed home loan scheme. This means that qualifying fund members can get surety for a home loan from FNB of up to 65% of their member share (i.e. the total amount saved up in their fund account). The loan is subject to a minimum amount of R5 000.

The loan granted can only be used to buy a house or pay for alterations to a house you already own. Approval of the loan is still up to FNB and is subject to the requirements of the National Credit Act. If you qualify, the loan amount is paid directly into your bank account and then the monthly loan instalments will be deducted from your salary until the loan is fully paid.

If you leave the Fund or become a paid-up member / annuitant and you still owe money on the loan, the amount you owe will be taken off your member share before your benefit is paid out.

OPTIONAL INSURED EXTENDED FAMILY FUNERAL BENEFIT

If you will be responsible for the payment of funeral costs or a portion thereof in the future event of the death of an extended family member then you should consider taking advantage of this offer.

In addition to the funeral cover for yourself and your immediate family, the Fund offers you the option of taking out affordable funeral cover for your Extended Family Members through its cost effective optional extended family funeral scheme.

This policy allows you the flexibility to cover up to eight members of your extended family (including your spouse's extended family), namely brothers, sisters, aunts, uncles, nieces, nephews, grandchildren, grandparents, and cousins, including your own children who no longer qualify for benefits under your funeral benefit as explained under the Insured Funeral Benefit Options. In addition to the cover for the eight family members, you may add two parents and two parents-in-law. You may add or remove extended family members and parents at any time.

This is a product underwritten by Sanlam and the monthly premium will be deducted via debit order directly from your bank account and not from the employer contribution to the Fund.

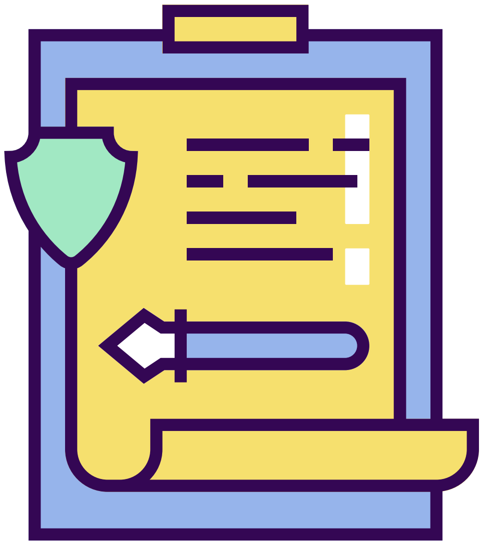
Your policy simply continues to apply after you have exited the Fund.

Please refer to the Members section on the website for more information and the necessary forms.

ADDITIONAL FREE ASSISTANCE SERVICES/PROGRAMMES

Details regarding additional free assistance services/programmes are available on the Fund's website.

SUBMITTING A CLAIM



Your Human Resources department will help you with the claim process and will guide you on what documents need to be submitted.

All completed forms should be sent to the LA Retirement Fund.

Email: support@laretirementfund.co.za

The claim process to follow, depending on the type of claim, is as follows:

WITHDRAWAL

(Resignation, Retrenchment, Dismissal)

- Complete the withdrawal claim form in full (to be filled in and signed by the member and employer).
- Submit the claim form along with the additional required documentation. The claim form specifies the additional documents that must accompany the withdrawal claim form.

RETIREMENT

- Complete the relevant retirement claim form (to be filled in and signed by you, the member and the employer).
- Complete the "re-organisation and compulsory retirement claim form" if you are 55 and older, have been retrenched from service and wish to retire from the Fund (to be filled in and signed by you, the member and the employer).

How long will a claim payment take?

The processing and payment of a withdrawal and retirement claim can take up to eight weeks from your last working day. The actual amount of time it takes for you to receive your payment will depend on when you submitted all your claim documentation and whether your claim form was completed correctly. The payment can also only take place once the LA Retirement Fund receives a tax directive from SARS. Any delays in getting this directive from SARS could also delay your payment. One of the biggest causes of delayed claims, however, is the submission of incorrect or incomplete claim documentation. Remember that both you and your employer must sign the claim form, and you must include any additional documents relating to your claim as required by the LA Retirement Fund.

FUNERAL BENEFIT CLAIM

- Complete the "Funeral claim form" in the event of the death of your spouse and/or children. The claim form specifies the additional documents that must accompany the funeral claim form. The employer will complete this form in the event of your death in service.

DEATH CLAIM

- In the event of your death in service, the employer will complete both the "Death claim form" and the "Disposal of death benefits form". The employer will also request each of your dependants to complete the "Affidavit" (in a question and answer format) and the "Death claim financial needs analysis form". The claim forms specify the additional documents that must be submitted.

DISABILITY CLAIM

Submit the following documentation:

- Employee declaration
- Employer declaration
- Confidential medical report
- Copy of employer issued job description
- Copy of payslip as at the date of disability
- Leave records for the 2-year period preceding the date of disability

For disability income benefits, your claim must be received by the LA Retirement Fund no later than three months from the date of your impairment. It is important that the disability claim forms and supporting documents are submitted timeously, or the claim may be declined by the insurer.

TWO-POT SAVINGS WITHDRAWALS

The two-pot retirement system was introduced to allow access to the savings pot within a retirement fund in times of emergency. You have access to the member share in your savings pot once during a tax year. To see all information relating to two-pot, please go to the website and click "News" and "Two-Pot".

- Complete the two-pot application on the Verso app or the Fund's member portal. If you do not have the app, please download it from the App Store. Applications may only be performed via these electronic channels.
- Legislation permits a member to take up to the full amount in the savings pot once every tax year. This is if you have more than R 2 000 in your savings pot. The minimum withdrawal value is R 2 000. Once your savings pot withdrawal directive application has been sent to SARS, your decision to withdraw from the savings pot becomes final and therefore cannot be cancelled.

- If you have any questions or need assistance, please do not hesitate to contact us at twopotverso.co.za or on the dedicated Two-Pot Call Centre number is 021 943 5315.

PROCESSING OF PERSONAL INFORMATION

The Fund is committed to the adherence and compliance of the Protection of Personal Information Act (POPIA) and is committed to ensuring the protection of the personal information of members. This commitment is encompassed in the Fund's Data Protection and Privacy Policy which ensures that the Fund and its service providers process personal information responsibly and in a manner that demonstrates their commitment to upholding the right to privacy of members subject to justifiable limitations.

It further establishes a common standard on the appropriate protection of Personal Information of members and provides general principles regarding the right of individuals to privacy and to reasonable safeguarding and protection of their personal information. The Board of Trustees, in its commitment to comply with POPIA, requires that the Fund's service providers adhere to the lawful processing of personal information in line with POPIA. The Data Protection and Privacy Policy also specifies minimum requirements and standards that are to be adhered to with regards to the processing of personal information by the Fund's service providers.

The Fund has concluded written agreements with its service providers and will ensure that your personal information is protected through adequate provisions in these agreements. If any of the Fund's service providers are abroad, the Fund will not share your personal information with them, unless the Fund is satisfied that they have adequate security measures in place to protect your personal information.

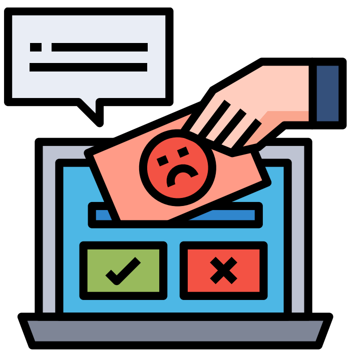
The Fund may use your information or obtain information about you for the following purposes:

- Underwriting in respect of Fund risk benefits
- Assessment and processing of Fund benefit claims
- Member communication
- Verification of personal information
- Claims checks (industry Life & Claims Register)
- Tracing beneficiaries
- Fraud prevention and detection
- Market research and statistical analysis
- Audit & record keeping purposes
- Compliance with legal & regulatory requirements
- Verifying your identity
- Updating your personal information as required by legislation
- Sharing information with service providers we engage to process such information on our behalf or who render services to the Fund.

You may access your personal information that we hold, and you may also request us to correct any errors or to delete this information. In certain cases, you have the right to object to the processing of your personal information.

COMPLAINTS

General complaints and complaints related to processing of personal information - you are requested to follow the enquiries/complaints process provided under the Fund Guides section of the Fund's website.



IMPORTANT CONTACT INFORMATION

The LA Retirement Fund has a dedicated service centre to help you with any Fund related queries.

You can use this service, Monday to Friday, from 08h00 - 16h00.

Our consultants can be reached via any of the following channels:

In person: Belmont Office Park, Twist Street, Bellville 7530
Postal: PO Box 4300, Tyger Valley 7536
Tel: 021 943 5305
WhatsApp: 076 073 0997
E-mail: support@laretirementfund.co.za

The Fund's information details are as follows:

Website: www.laretirementfund.co.za
Facebook: www.facebook.com/LARetirementFund
Fund Registration No: 12/8/1278