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(SCHEDULE L)

SECTION 15B**FORM A****SURPLUS APPORTIONMENT SCHEME OF THE MITCHELL COTTS PENSION FUND
(12/8/9603) IN TERMS OF SECTION 15B(1)**

1. ~~At the meeting of the board of the Fund held at on
....., the board voted in favour of the following scheme for the
apportionment of actuarial surplus to be submitted to the Registrar for approval; OR~~

The liquidator of the Fund / ~~specialist tribunal~~, has determined the following scheme for the apportionment of actuarial surplus to be submitted to the Registrar for consideration.

(Delete whichever is not applicable)

2. The actuarial surplus apportionment is only (**partially**) sufficient to provide minimum benefits to former member and pensioners. ("**First tier**" distribution only); **OR**

~~The actuarial surplus apportionment is sufficient that a balance will remain to be equitably split between active members, pensioners, former members and the employer. ("**Residual**" distribution)~~

(Delete whichever is not applicable)

3. The surplus apportionment date (SAD) is **28 February 2002** (*insert date*) and was determined as follows:

(Tick appropriate box and insert the requested date as appropriate)

	Tick	Insert date
Statutory actuarial valuation date after 7 Dec 2001	X	
Effective date of liquidation		
Conversion Date		
Effective date of cancellation		
Advanced		

4. If the date was advanced, kindly furnish reasons for such advancement:

Not applicable

5. The Fund ~~is~~ is not a Bargaining Council Fund.
6. The membership of the Fund, including the number of eligible former members, as at the SAD is as follows:

	Number
Active members	Nil
Pensioners	69
Deferred pensioners	Nil
Former members	5386

7. The Fund is a defined benefit / ~~defined contribution~~ / hybrid fund. An actuarial valuation as at SAD reflects the financial position of the Fund as the following:

		R'000	R'000
ASSETS			
7.1	Fair value of assets	78 648	
7.2	Actuarial value of assets* (justify if this is different from fair value)	78 648	
7.3	Investment reserve account*	Nil	
TOTAL ASSETS			78 648
LIABILITIES			
7.4	Active members	Nil	
7.5	Pensioners	41 632	
7.6	Deferred pensioners	Nil	
TOTAL LIABILITIES			41 632
CONTINGENCY RESERVES			
7.7	Surplus apportionment cost reserve	1 121	
7.8	Solvency reserve*	1 746	
7.9	Purpose B (specify)* etc.		
...	...		
TOTAL CONTINGENCY RESERVES			2 867
SURPLUS¹			34 149

* These items need to be justified in the statutory actuarial valuation report, attached to this application.

¹ Surplus equals Total Assets – Total Liabilities – Total Contingency Reserves

8. The liquidator has investigated the financial history of the Fund and determined the utilisation of actuarial surplus which falls within the uses defined in terms of section 15B(6).

The investigation was conducted for the time period commencing on 1 January 1980 (insert date) until the surplus apportionment date of the Fund.

Acting on the liquidator's instructions, the actuary has determined the amount of surplus utilised at the effective date of each such instance, and accumulated such amount to the surplus apportionment date:

Description	Effective Date	Paragraph in section 15B(6) under which the instance falls	Amount of surplus utilised at the effective date accumulated to the surplus apportionment date. (note 1)	Whether the liquidator is applying for this to be excluded from the apportionment (Yes / No) (note 2)
Contribution holiday			R629 000	No
(instance to be described)				
.....				
Total excluding items for which the liquidator will be applying for exemption				

Notes:

- (1) This is the amount of surplus utilised at the effective date of use increased or decreased by fund return from the effective date of the use until the surplus apportionment date. **This was the amount actually recovered – refer to valuation report.**
- (2) Where the liquidator is of the opinion that this utilisation of surplus may be excluded on the basis that it was approved by the members, or by trade unions representing the members, after a clear and comprehensive communication exercise as part of a negotiated utilisation of surplus by stakeholders, the liquidator may apply in terms of section 15B(6)(c) to have this use excluded. If "yes", the liquidator must apply to the Registrar for each instance separately, using the forms in Appendix II.

9. The actuarial surplus available for apportionment is therefore as follows:

	R'000
SURPLUS AS REVEALED IN THE VALUATION²	34 149
SURPLUS UTILISED IMPROPERLY³	629
ACTUARIAL SURPLUS⁴	34 778

2 Refer to § 7

3 Refer to § 8

4 Actuarial surplus equals surplus as revealed in the valuation plus surplus utilised improperly

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Note: The liquidator has recently entered into a settlement regarding the recovery of assets which were previously removed from the Fund. In terms of the communication to stakeholders any amounts recovered, subsequent to submission of the surplus valuation, will be added to the surplus available to be apportioned after allowance for expenses incurred. It is confirmed that the actual net recovery of assets, discounted to the surplus apportionment date, will result in an increase in the percentage of minimum benefits that will be able to be paid, but will not result in excess assets being available for discretionary surplus apportionment.

The pension increase to pensioners will be awarded immediately on approval of this scheme. The payments to former members may be effected in a number of instalments as the financial position of the Fund allows.

A number of claims of former members are still being ratified at this stage and these will be included in the apportionment if possible.

10. The cost to top up former members and pensioners to minimum benefit levels as a prior charge against actuarial surplus is:

	R'000
Pensioners	6 412
Former Members	79 494
TOTAL TOP-UP COST	85 906

Where the total top-up cost equals or exceeds the actuarial surplus that is available to be apportioned, and the Act gives pensioners and former members priority in enjoying this top up, there will be no apportionment to the employer or active members.

As the full top-up cannot be afforded, the top-up to the pensioners and former members has been reduced by a factor of 59.5% to give a result equal to the adjusted actuarial surplus available, and it will be allocated between pensioners and former members as follows:

	R'000
Pensioners	2 596
Former Members	32 182
TOTAL TOP-UP COST	34 778

(Delete if not required)



11. The actuarial surplus will be apportioned between the stakeholder classes as follows, giving the estimated Rand shares and the proportion of the total:

	R'000	%
FIRST TIER DISTRIBUTION		
Pensioners	2 596	7.5%
Former members	32 182	92.5%
RESIDUAL DISTRIBUTION		
Former members ⁵	Nil	
Active members	Nil	
Pensioners	Nil	
Deferred pensioners	Nil	
Employer	Nil	
TOTAL⁶	34 778	100%

12. The amounts apportioned will be applied as follows:

Class of stakeholder	Manner in which the actuarial surplus will be applied for their benefit
Former members	Cash – see note below
Active members	Nil
Pensioners	Pension increase
Deferred pensioners	Nil
Employer	Nil

13. Any stakeholder included in the apportionment of actuarial surplus who is an active member as at SAD and no longer an active member as at the date of approval of this scheme, will have the actuarial surplus be applied for their benefit in the same manner as that of former members as at SAD. If not, kindly explain how these members' surplus will be applied for their benefit:
14. The surplus due to any stakeholder as a result of a surplus apportionment scheme approved by the Registrar shall be increased or decreased with fund return from the surplus apportionment date until the surplus is awarded, paid or allocated.

⁵ It may be necessary to split the residual surplus apportioned to former members between different tranches of former members

⁶ The total must equal the actuarial surplus as determined in § 9

15. The Liquidator voted as follows and the schedule of votes is included as Form A1:

	Liquidator	
In favour:	1	
Against:	0	
Abstained / absent:	0	

16. The person appointed by the liquidator to represent the interests of former members:

Full Name:	Raymond Scott Hislop
Address:	PO Box 84041 Greenside 2034
Telephone number:	011 477 9084
Mobile number:	082 570 6124
E-mail address:	None
Occupation:	Retired CA
Relation to Fund:	None

17. The steps taken to identify and contact former members and obtain sufficient information to enable the calculations of any top up benefit were as follows:

Data was requested from the administrator of the Fund

Advertisements were placed in various newspapers

A call centre was set up at Old Mutual to receive details directly from former members

A copy of any advertisements placed by the liquidator should be enclosed. Where radio advertisements were used, a typescript should be included. Where advertisements were placed in a number of different languages, copies of each such advertisement should be included.

18. Former members were taken into account as follows:

	Number	%
Former members for whom the calculations could be performed and who could be traced to make payment:	1,347	25%
Former members for whom the calculations could be performed but who cannot be traced:	3,690	69%
Former members, who have been traced but in respect of whom insufficient information could be obtained to enable the calculations to be performed (note 3):	13	0%
Former members, who have neither been traced, nor in respect of whom the liquidator has obtained sufficient information to enable the calculations to be performed (note 3):	336	6%
Total	5,386	100%

Notes:

- (1) The liquidator is required to provide his best estimate of the total number of former members who left the fund between 1 January 1980 and the surplus apportionment date.
- (2) The liquidator may have been able to obtain sufficient data from the administrators of the fund or the employer to enable the calculations to be performed, but cannot trace the former members. The top up benefits due to these former members should be reflected in the accounts of the fund as outstanding benefits. The liquidator of the Fund is required to explain the further steps envisaged in tracing these former members:

Tracing agents have been employed

- (3) Where the fund has not been able to trace the members at all, and the fund has insufficient information to enable the calculations to be performed, or the fund has traced the members but has not been successful in obtaining sufficient information to enable the benefit to be calculated, the liquidator may set aside a contingency reserve or may offer these members an amount in settlement of any claim they might have.

A reserve has not been established but provision will be made any claims received out of recent recoveries

19. The report by the person who represented the interests of former members on the steps taken to identify former members and obtain sufficient information to enable the calculations of any top up benefit, and on the equity of the apportionment to them, is enclosed with this application.

20. Is the apportionment directly or indirectly based on any written agreement between the employer, the fund, the members and / or any third party?

~~Yes~~/ No

(delete whichever is not applicable)

Note: If the answer is yes, certified copies of the relevant agreement should be included.

21. The employers, former members, pensioners and the active members have been informed of the scheme in a manner consistent with the criteria set out in the Section 15 Directive, and have been given at least 12 (twelve) weeks in which to object to the scheme.

Start date of 12-week period: 17 December 2009
End date of 12-week period: 21 March 2010

22. A copy of the information pack given to members, including any written statements and a copy of any presentation made to them is included with this scheme documentation.
23. The objections have been considered by the liquidator of the fund. The complaints are summarised in Appendix I which also contains the response by the liquidator.
24. The apportionment described above is, in the opinion of the liquidator, reasonable and equitable in respect of all classes of stakeholders.
25. The following claims⁷ against the fund were not taken into account when determining the distribution of actuarial surplus:

Nil

(noting that such claims should exclude any claims which have been recognised as liabilities by the liquidator and the valuator)

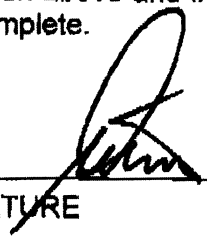
26. Surplus apportioned to former members who cannot be traced shall constitute unclaimed benefits.
27. Any over budgeted amounts shall be included in distributable surplus within the bounds of practicality, prior to the final payments being made.

⁷ These do not refer to outstanding benefits or creditors, both of which should be taken into account as liabilities if transferred; these refer to pending litigation or complaints in which members or former members are demanding adjustment to amounts previously paid or to accrued liabilities which are being transferred.

28. The surplus due to any stakeholder as a result of a surplus apportionment scheme approved by the Registrar shall be increased or decreased with fund return from the surplus apportionment date until the surplus is awarded, paid or allocated.

DECLARATION

I, in my capacity as ~~chairperson of the board~~, liquidator, ~~specialist tribunal or duly authorised member of the board~~, of the Mitchell Cotts Pension Fund (12/8/9603) declare that the information given above and in the Forms hereto is, to the best of my knowledge and belief, correct and complete.



SIGNATURE

LIQUIDATOR
CAPACITY

ANTONY LOUIS MOSTERT

17 NOVEMBER 2010

SUPPLEMENTARY INFORMATION TO THE SURPLUS APPORTIONMENT SCHEME

1. The Registrar requires the Fund to keep on file, as part of its fund records, a schedule containing a detailed breakdown of the surplus apportionment benefit awarded to each stakeholder, including the employer. Such a schedule should include the name (initials and surname) of every individual stakeholder as well as the amount of benefit apportioned to such stakeholder. This schedule must be presented to the Registrar upon request or inspection.
2. The Fund may submit such schedule to the Registrar as part of its surplus application and for a very large fund, the Registrar will accept electronic schedules, subject to prior agreement.
3. The schedule must be prepared so as to reconcile with the total amount of surplus available for distribution for which the fund requires the Registrar's approval.

