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SERVICE FEE PAID

(SCHEDULE L)

SECTION 15B

FORM A

SURPLUS APPORTIONMENT SCHEME OF THE SABLE INDUSTRIES PENSION FUND (12/8/20317) ("the Fund" IN TERMS OF SECTION 15B(1))

1. The Curator of the Fund, has determined the following scheme for the apportionment of actuarial surplus to be submitted to the Registrar for consideration.
2. The actuarial surplus apportionment is only sufficient to provide minimum benefits to former member and pensioners. ("**First tier**" distribution only);
3. The surplus apportionment date (SAD) is 30 June 2003 and was determined as follows:

	Tick	Insert date
Statutory actuarial valuation date after 7 Dec 2001	√	

4. If the date was advanced, kindly furnish reasons for such advancement:
Not applicable.
5. The Fund 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	0
Pensioners	111
Deferred pensioners	0
Former members	1479

7. The Fund is a defined benefit 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	0	
7.2	Actuarial value of assets* ¹	63,416	
7.3	Investment reserve account*	0	
TOTAL ASSETS			63,416
LIABILITIES			
7.4	Active members	0	
7.5	Pensioners	31,759	
7.6	Deferred pensioners	0	
7.7	Provision for closure and liquidation ²	2,066	33,825
TOTAL LIABILITIES			
CONTINGENCY RESERVES			
7.8	Surplus apportionment cost reserve	964	
TOTAL CONTINGENCY RESERVES			964
SURPLUS³			28,627

8. The Curator 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 1986 (the Fund's date of commencement) until the surplus apportionment date of the Fund.

No instances of improper use of surplus were found.

¹ The actuarial value of assets includes the discounted value of the estimated net future recoveries of assets as agreed with the Financial Services Board on 26 March 2010.

² The provision for future closure and liquidation expenses has been included for consistency with the inclusion of the future recoveries as agreed with the Financial Services Board on 26 March 2010.

³ Surplus equals Total Assets – Total Liabilities – Total Contingency Reserves

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

	R'000
SURPLUS AS REVEALED IN THE VALUATION ⁴	28,627
SURPLUS UTILISED IMPROPERLY ⁵	0
ACTUARIAL SURPLUS ⁶	28,627

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	0
Former Members	65,592
TOTAL TOP-UP COST	65,592

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	0	0%
Former members	28,627	100%
RESIDUAL DISTRIBUTION		
Former members ⁷	0	0
Active members	0	0
Pensioners	0	0
Deferred pensioners	0	0
Employer	0	0
TOTAL⁸	28,627	100%

⁴ Refer to § 7

⁵ Refer to § 8

⁶ Actuarial surplus equals surplus as revealed in the valuation plus surplus utilised improperly

⁷ It may be necessary to split the residual surplus apportioned to former members between different tranches of former members

⁸ The total must equal the actuarial surplus as determined in § 9

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 payment to provide a proportionate top-up to the minimum benefit.
Active members	Not applicable
Pensioners	Not applicable
Deferred pensioners	Not applicable
Employer	Not applicable

13. Note that there were no active members or deferred pensioners at the surplus apportionment date and that the minimum pension increases for pensioners were not affordable.
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.
15. The Curator approved the surplus apportionment scheme.
16. The person appointed by the Curator to represent the interests of former members:

Full Name:	Raymond Scott Hislop
Address:	PO Box 84041 Greenside Johannesburg 2034
Telephone number:	011 4779084
Mobile number:	082 5706124
E-mail address:	None
Occupation:	Retired Chartered Accountant
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:

The former member records were extracted from the Administrator's systems (01/01/1986 – 01/12/1994 ABSA and 01/12/1994 onward no data received from Wynne Jones, data captured manual by OMAC from files copied at Curators office) and advertisements were placed for members to register their details.

A copy of the advertisements placed by the Curator are enclosed.

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:	551	37%
Former members for whom the calculations could be performed but who cannot be traced:	925	63%
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):	0	0%
Former members, who have neither been traced, nor in respect of whom the Curator has obtained sufficient information to enable the calculations to be performed (note 3):	3	0%
Total	1479	100%

Notes:

- (1) The Curator is required to provide its best estimate of the total number of former members who left the fund between 1 January 1980 and the surplus apportionment date.
- (2) The Curator 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 Curator of the Fund is required to explain the further steps envisaged in tracing these former members:

A tracing agent will be employed to obtain former member details for those who have not responded. There is an allowance in the expense budget for this tracing exercise.

- (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 Curator may set aside a contingency reserve or may offer these members an amount in settlement of any claim they might have.
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?

No

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: 28 March 2011

End date of 12-week period: 20 June 2011

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 Curator of the fund. The complaints are summarised in Appendix I which also contains the response by the Curator.

24. The apportionment described above is, in the opinion of the Curator, reasonable and equitable in respect of all classes of stakeholders.

25. The following claims⁹ against the fund were not taken into account when determining the distribution of actuarial surplus:

Not applicable.

(noting that such claims should exclude any claims which have been recognised as liabilities by the Curator 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.

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.

29. In terms of the communication to stakeholders, the Curator has decided that any future recoveries, after deducting associated expenses in excess of the provision made, will be apportioned to stakeholders as follows:

- * The minimum benefits of former members will be increased up to 100% of their full upgrade, to the extent possible
- * Thereafter, the minimum benefit upgrade for the 3 former members who were excluded since their benefit could not be calculated, will be approximated and settled with them, to the extent possible

⁹ 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.

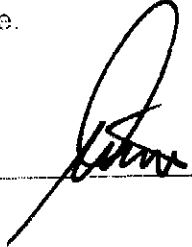
- Any remaining surplus will be split proportionately between the minimum benefits of former members who transferred into the Fund (including those who did not qualify for a minimum benefit upgrade) and the reserves of pensioners at the surplus apportionment date
- There will be no allocation of surplus to the employer

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.

DECLARATION

I, in my capacity as Curator of the Sable Industries Pension Fund (12/8/20317) declare that the information given above and in the Forms hereto is, to the best of my knowledge and belief, correct and complete.

SIGNATURE



CAPACITY CURATOR

9/10/11

FULL NAME IN PRINT ANTONY
LOUIS MOSTERT

DATE

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.