

Appendix 1: LIQUIDATION PROCESS

- i) Trustees resolve to place the Fund in voluntary liquidation and nominate a propose liquidator.
- ii) Request approval of the appointment of the liquidator from the Registrar of Pension Funds.
- iii) Administrator provides membership and financial data since the last annual revision was performed on the Fund.
- iv) On receipt of approval by the FSB of the liquidator of the Fund the assets should be moved to cash or equivalent portfolios.
- v) Based on the data provided, preliminary liquidation accounts are drafted.
- vi) Submission of the preliminary accounts to the Registrar.
- vii) The Registrar examines the accounts and might request an independent valuation.
- viii) After instruction by the Registrar, the liquidator places a notification of dissolution of the Fund in the Government Gazette in both English and Afrikaans.

In terms of the Pension Funds Act and applicable regulations, members need to be offered an opportunity to comment on or object to the accuracy of the proposed liquidation accounts. To this end the liquidation needs to be advertised in the Government Gazette and in local newspapers while the Preliminary Liquidation Accounts are lodged for inspection at the Fund's registered office and at the local Magistrate's Court for a period of 30 days.

- ix) For the next 30 days the preliminary accounts are available for inspection by former members at the following places:
 - The registered address of the Fund
 - The Registrar of Pension Funds and
 - The magistrate court
- x) Following the 30 days inspection period, members have a period of 14 days to object to the accounts.

The final liquidation accounts may be presented to the Registrar for approval if no valid objections are raised, or once all objections have been adequately addressed. If valid objections are lodged regarding the accuracy of the accounts, the accounts may have to be redrafted and the distribution schedules may need to be revisited.