IN THE ENFORCEMENT COMMITTEE ESTABLISHED IN TERMS OF SECTION 10(3), READ WITH SECTION 10A OF THE FINANCIAL SERVICES BOARD ACT, 97 OF 1990

CASE NO:**32/2012**

In the matter of:

THE REGISTRAR OF PENSION FUNDS Applicant

and

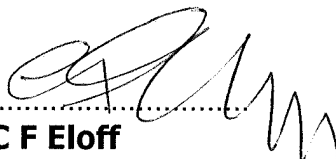**FEDGROUP EMPLOYEE BENEFITS (PTY) LTD** Respondent

ORDER

WITH DUE CONSIDERATION to the settlement agreement (attached marked annexure "A") in terms of section 6B(7)(a) of the Financial Institutions (Protection of Funds) Act, No. 28 of 2001, I hereby determine that the Respondent on 28 February 2011 contravened section 13B(1) of the Pension Funds Act, No. 24 of 1956 read with condition 7.3 as determined in Board Notice 24 of 2002 and impose a penalty of R10 000 to be paid on or before 16 November 2012. The remaining terms and conditions of the settlement agreement are incorporated and made an order of the Enforcement Committee.

I make no order regarding costs.

Signed at **PRETORIA** on the .... day of **NOVEMBER 2012**.

C F Eloff
Chairperson of the
Enforcement Committee

"Annexure A"

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SECTION 10(3), READ WITH SECTION 10A OF THE FINANCIAL
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CASE NO:32 /2012

In the matter of:

THE REGISTRAR OF PENSION FUNDS   Applicant

and

FEDGROUP EMPLOYEE BENEFITS (PTY) LTD   Respondent

**SETTLEMENT AGREEMENT IN TERMS OF SECTION 6B(7)(a) OF
THE FINANCIAL INSTITUTIONS (PROTECTION OF FUNDS) ACT,
28 OF 2001**

PARTIES TO THE AGREEMENT

1. The parties to this agreement are the Registrar of Pension Funds ("the
   Registrar") herein represented by Jurgen Arnold Boyd in his capacity as
   the Deputy Registrar of Pension Funds;

   and

   Fedgroup Employee Benefits (Pty) Ltd ("Respondent) a private
   company duly incorporated and registered in accordance with the laws
   of the Republic of South Africa, bearing the registration number
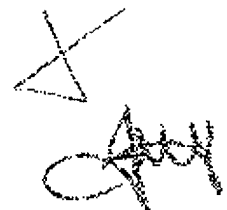
2008/013532/07. The Respondent is approved by the Registrar as an administrator in terms of section 13B(1) of the Pension Funds Act, No 24 of 1956 ("the Act") and bears the reference number 24/493. The Respondent is represented by John William Barden Field in his capacity as a director of the Respondent, and who warrants that he is authorized by the Respondent to conclude this agreement.

Introduction

2. The Registrar is of the opinion that the Respondent contravened section 13B(1) of the Act read with condition 7.3 as determined in Board Notice 24 of 2002.

3. The Respondent wishes to enter into a settlement agreement with the Registrar as contemplated in section 6B(7)(a) of the Financial Institutions (Protection of Funds) Act, No 28 of 2001 ("the FI Act").

NOW THEREFORE IT IS AGREED AS FOLLOWS

4. It is agreed between the parties that the Respondent contravened section 13B(1) of the Act read with condition 7.3 as determined in Board Notice 24 of 2002, in that on 28 February 2011 it failed to maintain liquid assets equal to or greater than 8/52 of its annual expenditure.

5. The Registrar took into account the following mitigating factors:

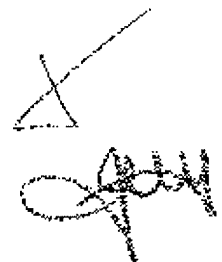   5.1. The Respondent accepted responsibility for the contravention;

    5.2. The Respondent co-operated with the Registrar's investigation and enforcement action;

6. In light of the above, the parties have agreed that the Respondent will pay a penalty of R10 000 on or before 16 November 2012, in settlement of the matter.

7. **Other conditions**

    7.1. This agreement is subject to approval by the Enforcement Committee and the parties specifically record that they are aware of the possibility that the Enforcement Committee may not accept the terms of this agreement. If the Enforcement Committee declines to make this agreement an order, then in such event this agreement will be null and void.

    7.2. If the Respondent does not comply with the terms of this agreement and it is necessary for the Registrar and/or the Financial Services Board (FSB) to proceed with legal proceedings, the

Respondent herewith consents to pay all legal costs to the Registrar and/or the FSB on the Attorney and Client scale in terms of the High Court Rules inclusive of collection commission and Value Added Tax.

7.3. No leniency or postponement given by the Registrar to the Respondent or any amendment to the terms and conditions of this agreement will be binding unless such postponement, leniency or amendment is reduced to writing and signed by the parties. Any leniency or postponement granted by the Registrar or any amendment to this Agreement shall not be a novation of the cause of action in terms whereof the Respondent was found to have contravened the Act.

7.4. Any receipt of a payment by the Registrar and/or the FSB after the due date shall be without prejudice to any of the rights of the Registrar and/or the FSB.

7.5. This Agreement constitutes the whole agreement between the parties in respect of the offer to pay a penalty.

7.6. This agreement is in full and final settlement of the Respondent's liability for an administrative sanction to the Registrar arising from this contravention.

7.7. The parties choose as their domicilium citandi et executandi their respective address set out below for all purposes arising out of or in connection with this agreement at which addresses all the processes and notices arising out of or in connection with this agreement, its breach or termination may validly be served upon or delivered to the parties. However the notice contemplated in terms of section 6E of the FI Act may be delivered by electronic email. For the purpose of this agreement the parties' respective addresses shall be:

7.7.1. Financial Services Board:

Block B, Riverwalk Office Park
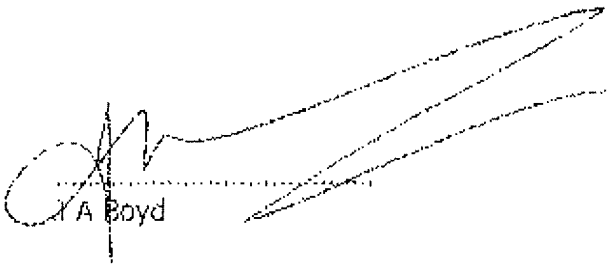
41 Matroosberg Road

Ashlea Gardens Ext 6

Pretoria

0081

7.7.2. Respondent:

89 Bute Lane

Sandton

2146

Email address: JohnFi@fedgroup.co.za

8. The parties humbly request that the Honorable Chairperson makes the settlement an order, as envisaged in section 68(7)(b) of "the FI Act".

Signed at PRETORIA on ...... 6 / 11 / 2012 ...... on behalf of the Registrar.

A Boyd

Signed at ...Sandton... on 5 November 2012 ... on behalf of the Respondent.

J W Byfield