

INVESTING FOR

life



Silver Thatch Pensions

BUILDING WEALTH ON YOUR TERMS

FOR MEMBERS OF THE SILVER THATCH PENSION PLAN



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For more information

If, after reviewing this booklet, you have questions, please contact Saxon Pension Services, the Plan's client services agent. You can reach Saxon by phone at +1 (345) 943-7770, or by email at support@silverthatch.org.ky.

About your pension plan

In 1998, the Cayman government enacted legislation that requires all employers to provide their workers with pension benefits. Under the National Pensions Law, a pension plan must be registered and meet certain provisions. Silver Thatch was established in 1997 to meet the requirements of that new legislation. Today, Silver Thatch Pensions is one of the largest pension plans in the Cayman Islands.

At the heart of Silver Thatch is a defined contribution pension plan. Under this program, both you and your employer make contributions based on how much you earn. These contributions are automatically invested in one or two of three investment portfolios (*conservative*, *balanced* and *growth*). The portfolio(s) in which your contributions are invested will depend on your personal profile (i.e. age, income range and marital status). The money in your pension account is used at retirement to provide you with an income.

Silver Thatch also offers a flexible and convenient arrangement for additional voluntary contributions (AVCs). You control how much you contribute (if anything) and you decide where to invest your AVCs. You can choose from five professionally managed investment portfolios.



Silver Thatch Pensions is governed by a Board of Trustees that is elected by the membership at an Annual General Meeting. The role of the Trustees is to ensure the Plan is administered in accordance with applicable legislation and in the best interests of members. In carrying out its duties, the Board can – and does – appoint agents to handle various administrative, management and investment functions.

About this booklet

This booklet provides a simplified explanation of the Silver Thatch Pension Plan. A more detailed explanation can be found in the official Plan documents. Where the information in this booklet differs from the official Plan documents, the official documents will rule. If you wish to view copies of the official documents, please contact the Plan's client services agent. Under the law, you can request access to a document once in a calendar year. A small administrative fee may be charged if you want copies of a document.

The plan at a glance

Contributions

- You and your employer must contribute an amount that, when combined, equals 10% of your earnings (up to a maximum earnings of CI\$60,000 a year). Your employer's share must equal at least 5% of your earnings. These contributions – referred to as basic contributions – are deposited in a member account set up in your name.
- In addition to basic contributions, you can *make additional voluntary contributions* (AVCs). AVCs are deposited in your member account.
- If you have made a withdrawal from your account to use as a deposit for a home or land or for the purpose of paying off an existing mortgage, you must contribute an additional 1% of your earnings from the month immediately following the date of the withdrawal. These additional contributions will continue for either 10 years from the date of the withdrawal, until the full amount is paid back, or until you reach normal retirement age – whichever comes first.

When you can retire

- The normal retirement date is the first of the month on or after your 60th birthday. However, you can retire earlier. You can retire on the first of any month on or after your 50th birthday. It is also possible to retire *after* your normal retirement date.

Your benefit

- When you retire, you will have three options for receiving your retirement benefits: an annuity, a Retirement Savings Arrangement or a retirement income fund.
 - If you elect the Retirement Savings Arrangement, you will receive installments for a number of years during your retirement as per the schedule provided by the National Pensions Office.
 - If you elect the Retirement Income Fund, a portion of your Silver Thatch investments will be cashed in and paid to you immediately. The remainder will be cashed in and paid to you in regular installments during your retirement.
 - If you elect the annuity option, all of your Silver Thatch investments will be cashed in and the money used to buy an annuity.



If you leave your employer

- If you stop working for your current employer and your new employer does not participate in Silver Thatch, you will have two options:
 - You can leave your investments in the Plan where they will continue to accumulate investment earnings. At retirement, the money will be used to provide an income.
 - You can transfer the cash value to the pension plan of your new employer (provided that plan complies with the National Pensions Law).

If you leave the Cayman Islands

- If you stop working in the Cayman Islands and leave the islands, you can, subject to certain restrictions:
 - receive the cash value of your investment, or
 - transfer the cash value to another pension plan.
 - purchase an approved annuity.

Investment of your accounts

- Your basic contributions (member and employer) are directed automatically to one or two of three Profile investment portfolios – *Growth, Balanced or Conservative* – based on your age, income range and marital status. In certain cases where the member can show significant knowledge or experience in investment management then they may apply to the trustees for an exemption from automatic portfolio allocation.
- You decide how to invest your AVCs. You can pick from five available investment portfolios. These include the three portfolios *available for basic contributions*, plus an ultra-conservative income portfolio and an *Aggressive* growth portfolio.
- If you have made a withdrawal from your account to use as a deposit for the purchase of a home or land or for the purpose of paying off an existing mortgage, then your 1% additional contributions will be directed in the same manner as your basic contributions.



Pension for Property

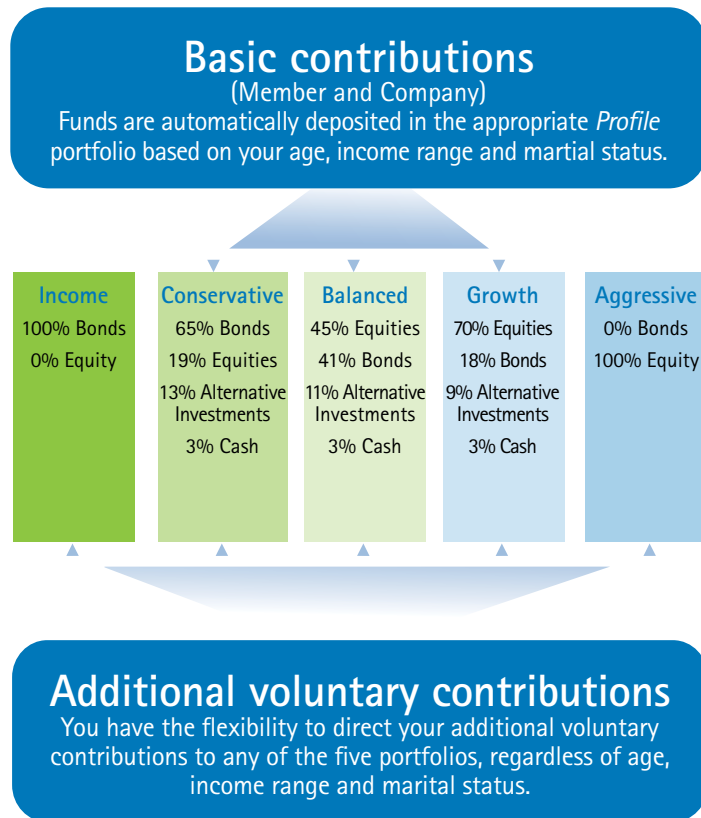
- You may withdraw up to CI\$35,000 from your account to use as a deposit for a House or Land or to Pay off an Existing Mortgage, subject to certain conditions, including;
 - You must be Caymanian, as per the meaning under the Immigration Law (2010 Revision).
 - If you are using the funds as a deposit to purchase or build a home you must not already own a dwelling unit in the Cayman Islands.
 - If purchasing land you must not own any other land in the Cayman Islands.
 - If you are using the funds to pay off an existing mortgage on a home the amount must be enough to completely pay off all loans secured against that property so that your home is "free from any encumbrance".

Death before retirement

- If you have a spouse and die before you start receiving retirement benefits, your Silver Thatch investments will be re-registered in the name of your spouse.
- If you do not have a spouse, your investments can be cashed in by your personal or estate representative.

Death after retirement

- The death benefits payable will depend on the pension option you select at retirement.



Joining

You must join the Silver Thatch Pension Plan if you are over 18 and under 60 years old and are employed by an employer that participates in the programme, with the one exception of non-Caymanians who have been working in the Cayman Islands for less than nine months. Your employer will give you a *Member Enrollment Form* to enroll in Silver Thatch Pensions. This form should be completed and returned along with a copy of your photo ID to Saxon Pension Services prior to your first contribution to the plan. Once you are enrolled your employer will receive an Employee Confirmation Statement to confirm your enrollment.

If you are self-employed

You can join the Silver Thatch Pension Plan or any other pension plan registered in the Cayman Islands... as long as you join a registered pension plan.

Contributions

You and your employer are required to contribute an amount that, when combined, equals 10% of your "earnings" (up to the annual maximum pensionable earnings of CI\$60,000 a year). Your employer's share must equal at least 5% of your earnings. If your employer contributes more than 5%, your share of the total 10% contribution will be reduced accordingly.

These contributions – referred to as your basic contributions – are deposited in a member account set up in your name. Your employer should make the contributions on your behalf once each month.

If you are self-employed

You must contribute an amount that equals 10% of your earnings, your contributions should be paid on a monthly basis and received by Silver Thatch no later than 15 days after the month end.

Contributions can be made in Cayman Islands or U.S. dollars. Contributions received in Cayman Islands dollars will be converted to U.S. dollars at the rate of \$0.835. There are no foreign exchange fees or commissions charged for this service. If more than CI\$6,000 is contributed to your account within one calendar year, the additional amounts will be treated as additional voluntary contributions.



Earnings

Earnings include any wages, salary, leave pay, fees, commissions, bonus (to the extent that it is more than 20% of your basic wage or salary), and gratuities received from an employer. Earnings do not include severance payments, retirement or long-service recognition payments, or health insurance premiums.



Additional Voluntary Contributions

In addition to basic contributions, you can make additional voluntary contributions (AVCs). These are contributions over and above the required basic contributions. AVCs are deposited in your member account.

If you wish to make AVCs, you should complete an *Additional Voluntary Contribution Form*. This form is used to:

- tell us how much you wish to contribute in AVCs,
- inform us and your employer whether you wish to have these AVCs deducted directly from your payroll or make a lump-sum contribution
- instruct us where to invest your AVCs, and
- move your existing AVC investments from one investment portfolio to another.

If your employer continues to pay pension in excess of the CI\$6,000 cap in any calendar year, the excess will automatically be considered as AVCs. If you do not complete the *Additional Voluntary Contribution Form*, these funds will be invested automatically on the same basis as your basic contributions.

You can pick up an *Additional Voluntary Contribution Form* from your employer or print a copy from the Silver Thatch website at www.silverthatch.org.ky.

Once you submit your form, if you have requested payroll deductions, contributions will be deducted from your pay cheque, usually starting with the next full pay period.

Keep in mind that you cannot withdraw AVCs until retirement, or as otherwise permitted under pension law.

If you are self-employed

You can obtain a copy of the *Additional Voluntary Contribution Form* from the website www.silverthatch.org.ky. When you submit your completed form, please enclose a check covering your initial contribution.

Why make AVCs?

Additional voluntary contributions (AVCs) are an important part of the Silver Thatch pension programme. These contributions:

- allow you to boost your account value to help ensure that you have enough saved for your retirement;
- allow you to save through the convenience of payroll deductions or lump sum deposits;
- give you the flexibility to start, stop or change the level of your contributions at any time;
- offer you control over your investments – you decide where to invest your AVCs, picking from a range of professionally managed investment portfolios;
- give you access to quality investments typically not available to investors with modest amounts of money; and
- allow you to alter the overall risk-reward position of your investments (see "Investing your AVCs" on page 10).



When you can begin to receive pension benefits

The normal retirement date is the first of the month on or after your 60th birthday. However, you can retire earlier. You can retire on the first of any month on or after your 50th birthday.

It is also possible to retire *after* your normal retirement date.

If you want to begin receiving benefits at or after your normal retirement date

You can begin to receive your retirement benefits at any time after your 60th birthday, whether you are still working or not. To do so you need to notify Saxon Pension Services, the Plan's client services agent, that you would like to begin receiving benefits. You will be sent a *Normal Retirement Election Form*. This form should be completed and returned to Saxon Pension Services. The form is used to select your benefit option. See "Your benefit options" on the next page for details. Once you are past the normal retirement age you may also access all or part of your AVC's by making a request in writing to Saxon Pension Services. But bear in mind that your application could take up to 90 days to process.

Keep in mind that if you keep working or return to work *after* your normal retirement date, you will not be required to make basic contributions, any contributions received from you or your employer will be treated as AVCs.



If you want to retire early

In order to receive early retirement benefits you must be over the age of 50 and no longer be working. You should notify Saxon Pension Services, the Plan's client services agent, and your employer as soon as you choose a retirement date. You will be sent an *Early Retirement Election Form*. This form should be completed and returned to Saxon Pension Services at least 30 days before your planned retirement date. This form will be used to select your benefit option. See "Your benefit options" on the next page for details.

Keep in mind that if you return to work after your early retirement date but before age 60, your retirement benefits will be cancelled and you must resume contributions to the Pension Plan.

Your benefit Options



When you retire, you will have three options for receiving your retirement benefits: an annuity, a retirement income fund or a retirement savings arrangement (RSA).

1. Annuity. If you elect this option, all of your Silver Thatch investments will be cashed in and the money used to buy an annuity. There are different types of annuities available, but in all cases an annuity guarantees you a fixed income for a period of time.

The amount of your annuity income will depend on a number of factors, such as the amount of money available to purchase the annuity, your age, the type of annuity you buy, and interest rates at the time of your annuity purchase.

If you have a spouse at the time of your retirement, your annuity must (by law) include a joint and survivor benefit. This will ensure that if you die before your spouse, the annuity will continue to pay your spouse a fixed, lifetime benefit.

2. Retirement income fund. If you choose this option, a portion of your Silver Thatch investments will be cashed in at retirement and paid to you. Amounts will also be cashed in and paid to you on a regular basis during your retirement. The retirement income fund option will not be available to you at retirement if the value of your Silver Thatch investments is less than US\$100,000.

Here's how the Retirement income fund works:

- **At retirement** – You can cash in up to 10% of the value of your Silver Thatch investments. Every six months thereafter, 2.5% of the value of the investments at the start of that year will be cashed in and the proceeds paid to you.
- **Starting in the year following your retirement** – If the value of your remaining investments is higher at the end of the year versus the beginning of the year (after your benefits have been paid), the difference will be cashed in and the proceeds paid to you. If the value of your remaining investments is lower, no additional payment will be made.

Trustees have the discretion to change the provisions of a retirement income fund to protect the interests of a retired member.

Examples:

- If the total value of your investments at retirement is US\$300,000, you can choose to receive a one-time cash payment of up to US\$30,000. The remaining investments will continue to be held in your name.
- If, after taking your one-time payment, you have US\$270,000 left, you will receive two semi-annual payments of US\$6,750 over the coming year (or US\$13,500 per year).
- If the total value of your investments is US\$270,000 at the start of the second year of retirement but is US\$280,000 at the end of the year (after your benefits have been paid), you will receive a one-time, lump-sum cash payment of US\$10,000 and your semi-annual payments for the coming year will remain at US\$6,750.
- If the total value of your investments is \$270,000 at the start of the second year of retirement but is US\$260,000 at the end of the year (after your benefits have been paid), you will not receive any lump-sum cash payment and your semi-annual payments for the coming year will be slightly reduced to US\$6,500.

3. Retirement Savings Arrangement (RSA) The National Pensions Law was implemented in 1997 and the RSA is a payment plan which is in use until the system reaches maturity. RSAs are used so that members who have retired (minimum age 50 years) and wish to access their retirement funds can do so, without having to purchase an annuity or have the uncertainty of income created by a RIF.

RSAs are payments which are made on a regular basis (either monthly or annually – it's up to you) in accordance with a payment schedule issued by the National Pensions Office. The payment schedule acts much like a pension envisaged by the law, in that it escalates by 2% annually until all funds are exhausted, and any balances remaining on death are to be paid to the spouse, children/or estate. Currently the first year RSA payment is capped at CI\$12,000, if you have less than that amount in your account your whole account will be paid out to you in the first year.

Additionally, members may collapse their RSA at any time and purchase an annuity.

It is mandatory that upon early retirement that all contribution sources (Mandatory, Additional and Voluntary) are included in the RSA Arrangement. On Normal and Late Retirement only Mandatory sources are required to be included and you can choose to elect to redeem the voluntary sources as you wish.

If your balance is under 5k

If at retirement the value of your Silver Thatch investments is less than CI\$5,000 then your account can be cashed out without having to select any of the retirement benefit options.

If you have AVCs

Once you are past the normal retirement age (currently set at 60) you may also access all or part of your AVCs by making a request in writing to Saxon Pension Services. But bear in mind that your application could take up to 45 days to process.

Portability

You may experience a number of changes in your working life. Silver Thatch Pensions is designed to give you maximum flexibility under a variety of situations.

If you change employers

If you stop working for your current employer and your new employer has not joined Silver Thatch, you will have two options:

1. You can leave your investments in Silver Thatch and use them (along with the investment income) to provide an income at retirement. This income will be provided based on the retirement provisions of the Plan. If you leave your investments in Silver Thatch, you can continue to make additional voluntary contributions (AVCs) until you retire.
2. You can arrange to have the cash value of your investments transferred to the pension plan of your new employer, provided that plan is registered under the National Pensions Law. The money will be invested in your new employer's plan based on the provisions of that plan.

If you leave the Cayman Islands

If you stop working in the Cayman Islands and leave the islands, you can:

- Transfer the cash value of your Silver Thatch investments to another approved pension plan; *or*
- Subject to the restrictions detailed below you can cash in your Silver Thatch investments and receive the proceeds as a one-time, lump-sum payment.

If the value of your account is less than CI\$5,000 you can cash in your investments 3 months after we have received your last contribution, provided you have already left the Islands.

If the value of your account is greater than CI\$5,000 then you can cash in your account when:

- Two years have passed since the last contribution was received into your account, and
- You have left the Island for a period of at least 6 months, and
- Your employment in the Cayman Islands is terminated.

The Trustees of Silver Thatch Pensions require proof of residence outside the Cayman Islands to support your application.



If your employer offers another pension plan

If your employer decides to offer a different pension arrangement, that employer can – subject to obtaining the consent of the majority of eligible employees – stop participating in Silver Thatch Pensions.

If your employer switches to another registered pension plan and no longer offers Silver Thatch, you can leave your existing investments in Silver Thatch and, if you wish, you can continue to make additional voluntary contributions (AVCs). The investments you leave in Silver Thatch will, along with any future investment income, be used to provide you with an income in retirement. This income will be provided based on the retirement provisions of the Plan.

An employer can offer multiple pension arrangements. If your employer decides to offer a choice of plans, you will have the choice of continuing to contribute to Silver Thatch or to begin contributing to another plan offered by your employer. If you decide to contribute to the other plan, you can either leave your investments in Silver Thatch or – if you wish – you can cash in your Silver Thatch investments and have the proceeds transferred to the other plan.



If you become ill

If you stop working before your 50th birthday due to ill health which causes physical or mental incapacity, you may apply to the trustees of Silver Thatch Pensions for early retirement on the basis of ill health. To apply for benefits on this basis you should notify Saxon Pension Services, the Plan's client services agent, who will assist you with your application.

If your request is approved, you will have the same benefit options that you would if you retired on your normal retirement date. Other benefit options may – at the discretion of the Trustees and with the prior approval of the Superintendent of Pensions – be offered to you depending on your personal circumstances.

If you have a marriage breakdown

If your marital status has changed due to marriage breakdown you should inform Saxon Pension Services of this change as soon as possible. Once the court proceedings have been finalised you should forward them a copy of the court order dissolving the marriage so that they can update their records. If you had previously nominated your former spouse as your beneficiary you will need to notify Saxon Pension Services in order to remove them from your account. In certain cases the court order may require part of your pension plan to be transferred to a pension account in the name of your former spouse.

It is also important for you to inform Saxon Pension Services if your marital status changes as this will alter your risk profile which could result in a change to the mix of portfolios of your Silver Thatch account.

When you die

Your pension isn't just about you. It's also about the financial security of those who depend on you. With that in mind, Silver Thatch includes some important provisions to protect your survivors.

Death before retirement

- *If you have a spouse and die* before you start receiving retirement benefits, your Silver Thatch investments will be re-registered in the name of your spouse. Your spouse will be entitled to the same benefits that would have been available to you. However, they will not be able to elect a benefit option or start drawing a retirement income until they are eligible to retire.
- *If you do not have a spouse and die* before you start receiving retirement benefits, your Silver Thatch investments can be cashed in by your personal or estate representative. The representative must complete a *Request for Payment by Personal Representative Form*, available from Saxon Pension Services, the Plan's client services agent.

Death after retirement

If you die after retirement and have a spouse, he or she will be entitled to certain benefits immediately. These benefits will depend on the benefit option you selected at retirement.

- If you chose an annuity, that annuity will provide a lifetime benefit to your spouse after your death.
- If you chose a retirement income fund or retirement savings arrangement (RSA), your Silver Thatch investments will be re-registered in your spouse's name and your spouse will continue to receive the benefits that would have been paid to you.

If you die after retirement and do not have a spouse, the benefits payable will depend on the option you selected at retirement.

- If you chose an annuity, chances are no further benefits will be payable. (There is one exception. If you elect an annuity that is payable for a minimum period and you die within that period, some benefits may still be payable.)
- If you chose a retirement income fund or retirement savings arrangement (RSA), your remaining Silver Thatch investments can be cashed in by your personal or estate representative. The representative must complete a *Request for Payment by Personal Representative Form*, available from Saxon Pension Services, the Plan's client services agent.

How your Pension is invested

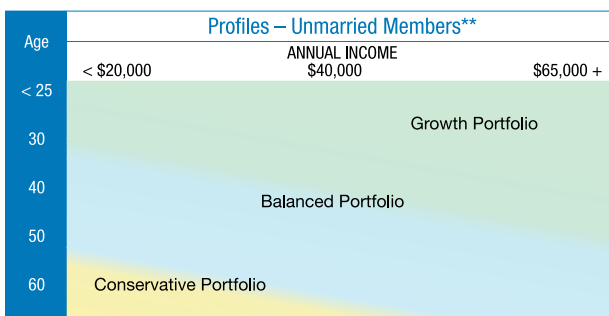
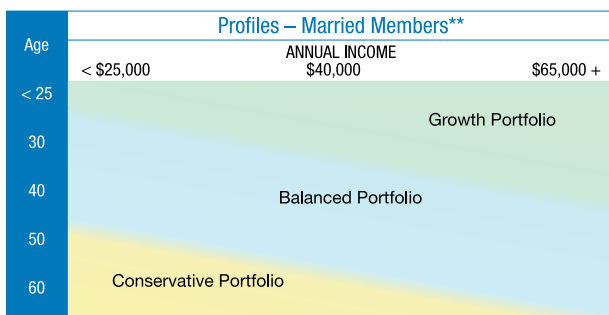
Your contributions and pension account are invested automatically in one (sometimes two) of three investment portfolios.

These include:

1. **A growth portfolio** – with strategic allocations of 70% equities, 18% bonds, 9% alternative investments, 3% cash.
2. **A balanced portfolio** – with strategic allocations of 45% bonds, 41% equities, 11% alternative investments and 3% cash
3. **A conservative portfolio** – with strategic allocations of 65% bonds, 19% equities, 13% alternative investments and 3% cash.

In which portfolio(s) your contributions and pension account are invested will depend on your *personal risk profile*. Specifically, it will depend on three key factors: your age, your income range and your marital status.

The charts below illustrate, in very general terms, how these three variables are used to determine where your required contributions are invested. The first chart is for married members; the second is for unmarried members.



** These charts are provided for illustrative purposes only. The actual investment of your pension contributions and account will be based on a formula that takes into account your age, income range and marital status.

These charts reflect the following assumptions:

- Younger members have a longer time horizon to invest and more time to make up any short-term drop in their investments – so they can take on more risk.
- Members nearing retirement have fewer years left to save for retirement and less time to recoup any losses – so a more conservative investment strategy makes sense.
- Members who earn more save more (because pension contributions are based on income). As a result, they are in a better position to withstand a short-term drop in investments.
- The pension assets of married members need to be invested on a slightly more conservative basis because two people may have to depend on that pension in retirement.

This approach to investing is designed to help ensure the balance between your investment returns and investment risks reflects your financial needs.



If your personal profile changes

If your personal profile changes, so might your Silver Thatch investment portfolio. Each time you pass a key "threshold" – whether it be age, income range or marital status – your basic pension account will be reallocated to the appropriate portfolio(s). Your future basic contributions will also be redirected.

A transfer from one portfolio to the next will typically take place over an 18 month period. This gradual transition can help to avoid any large and unexpected changes in the market value of your investments that could occur if all of your assets were to be transferred during a period of market volatility.

In certain circumstances where there are changes to your personal profile (for example if you no longer have an income or your income increases dramatically) the entire fund can be rebalanced in one transfer.

The transfer of assets between portfolios is designed to ensure that your investments continue to reflect your individual circumstances. Here are some examples:

- When a married member earning \$50,000 turns 60, investments will start shifting from the *balanced* portfolio to the *conservative* portfolio.
- When a 30-year-old, married member earning \$38,000 gets a raise that pushes his/her income above \$40,000, investments will start shifting from the *balanced* portfolio to the *growth* portfolio.
- When a 26-year-old, unmarried member earning \$27,000 gets married, investments will start shifting from the *growth* portfolio to the *balanced* portfolio.

NOTE: All information on the above page applies to Mandatory contributions only. You decide where your AVCs are invested.

Investing your AVCs

You decide where to invest your AVCs. You can pick from any of five professionally managed portfolios. These include the three "core" portfolios available for basic contributions (i.e., the *growth*, *balanced*, and *conservative* portfolios), as well as two others:

- an ultra-conservative *income* portfolio made up almost entirely of bonds, and
- an *aggressive* growth portfolio made up almost entirely of equities.

This range of investment options is designed to help you select an asset mix that suits your investment objectives and comfort level.

You can invest your AVCs in more than one portfolio. You can also reallocate your AVCs between portfolios. Among the factors to consider when investing your AVCs are:

- your investment objectives,
- your comfort with investment risk,
- how long you have until retirement, and
- your overall financial position.

Keep in mind that you can use your AVCs to alter the overall risk-reward position of your Silver Thatch investments. This can be done by investing your AVCs to increase or decrease the overall percentage of your equity holdings.

For example

- you can increase the overall percentage of your equity holdings by directing all of your AVCs to the *aggressive* portfolio; and
- you can decrease the overall percentage of your equity holdings by directing all of your AVCs to the *income* portfolio.

The more equity-based investments you hold, the greater your potential for investment gains in a strong market, but the greater your potential for investment losses in a weak market.

For details on investing your AVCs, refer to the Smart Investor Guide. A printable version of the guide is available on the Silver Thatch website, at www.silverthatch.org.ky. It is also available from your employer and Saxon Pension Services, the Plan's client services agent.

If you do not feel that you have the knowledge or expertise to choose a portfolio mix you may also elect to have your AVCs invested on the same basis as your mandatory contributions as described on page 9.



Pension for property

In certain circumstances you may withdraw up to CI\$35,000 from your account to use as a deposit to purchase or build a Home or Land or to Pay off an Existing Mortgage. Subject to certain conditions, including:

- You must be Caymanian, as per the meaning under the Immigration Law
- If you are using the funds as a deposit to purchase or build a home you must not already own a dwelling unit in the Cayman Islands.
- If purchasing land you must not own any other land in the Cayman Islands.
- If you are purchasing either land or a home the funds must be used as a deposit on a mortgage offered by an institution with a class A banking license.
- If you are using the funds to pay off an existing mortgage on a home the amount must be enough to completely pay off that mortgage.

To apply for funds on this basis please contact Saxon Pension Services for an application form and further information on the documentation you will need to provide.

Additional 1% Contributions

The money withdrawn to put towards a property is not free and clear. If your application is approved you may be required to pay back the full amount over a period of time. From the month following the withdrawal you must increase your contributions to the Silver Thatch Plan by 1% of your earnings.

It is your obligation to inform your employer in writing that you are now making the additional contributions to pay back the amount received for a deposit for your home, land or to pay off of your existing mortgage. The employer shall deduct these additional contributions from your earnings and pay these contributions into your account in Silver Thatch Pensions.

If you are self employed you must deduct these additional contributions from your earnings and pay them into your account in the Silver Thatch Plan.

These additional contributions should continue for:

- 10 years from the date the cheque is issued OR
- Until the total amount of the contributions equal the amount withdrawn OR
- Until retirement.

Selling Property before attaining Normal Retirement Age

If you sell the property that your pension funds were invested in before you reach the normal retirement age then you must, upon completion of the sale, return the original amount of the deposit or 10% of the fair market value of the property, whichever is greater, back to your Pension account.



Plan windup

The administrator can, subject to the approval of the Superintendent of Pensions, wind up the Pension Plan at any time. Notice of a windup must be provided to the Superintendent, all Plan members, and any person entitled to payments under the Plan. In the case of a partial windup, notice may – with the consent of the Superintendent – be given to affected members only.

The Superintendent can order the windup of the Plan in whole or in part. For example, a windup could be ordered if there was a significant reduction in the number of members or contributions.

Where a windup is initiated, the administrator must file a windup report. This report must, among other things, set out:

- the assets and liabilities of the Plan,
- the benefits that will be provided to members, and
- the method of distributing Plan assets.

The Plan administrator cannot make any payments out of the Plan until the Superintendent has approved a windup report. This requirement does not affect pensions in payment or amounts already approved by the Superintendent.

If the Plan is wound up, you will receive a statement that among other things, outlines:

- the benefits payable to you, and
- the options available for receiving those benefits.

About our portfolios

The five portfolios offered by Silver Thatch were designed in consultation with Deutsche Bank (Cayman) Ltd., our current investment manager, as well as experts from Eckler Partners Ltd., a Toronto-based pension consulting firm with Caribbean offices.

All five of the investment portfolios are managed by a team of world-class investment managers under the direction of Deutsche Bank.



Keeping you Informed



Your retirement savings are an important part of your future. So, it's important you know how your pension arrangement works, how your investments are doing and what's new at Silver Thatch. That's why Silver Thatch supports ongoing communications.

Annual General Meeting

Each year, you will be invited to attend an Annual General Meeting of Silver Thatch Pensions. Notice of the time, location and business to be considered will be provided at least 21 days before the meeting.

Every member is entitled to attend the meeting and vote on the business presented. Alternatively, you can grant a proxy to another person to attend on your behalf. Each member is entitled to one vote per business item.

Certain matters must be dealt with at the Annual General Meeting. These include:

- approval of financial statements for the preceding financial year,
- appointment of Trustees,
- approval for (or change of) Trustee remuneration (if any),
- a report on the terms and remuneration agreed to with agents who have been delegated administrative or investment duties,
- the appointment of auditors for the upcoming year, *and*
- presentation (every five years) of an actuarial report.

Other items of business will be added to the agenda, as required. You are encouraged to attend and vote on the business presented. Any

resolution passed at a meeting will affect all members, even you – regardless of whether you attend or vote.

It is also a requirement that the trustees must be invested in Silver Thatch Pensions. To date, the trustees have all worked on a voluntary basis and have not requested compensation for their work.

Other meetings

Other meetings can be called at the discretion of the Trustees or at the request of a minimum of 10% of members. A request by members must be presented to the Trustees who are then required to convene a meeting.

Member handbook

Within 30 days of starting work with your employer, they should provide you with a copy of this booklet or inform you on how to access it online. The booklet outlines the key provisions of the Plan, as well as your rights and obligations under the Plan.

Statements

Each year, you will receive an annual statement for the plan year ending June 30th. For each quarter ending September 30th, December 31st and March 31st you will also receive a quarterly statement of your account.

You can also access personalised statements on the Silver Thatch website, at www.silverthatch.org.ky. The statements posted on the website are updated monthly.

Website

Silver Thatch provides members with access to an informative and functional website. The site can be found at www.silverthatch.org.ky.

This easy-to-use website provides members with access to personal information on their Silver Thatch investments.

It also includes:

- an online retirement income calculator,
- details on investment performance,
- printable copies of member booklets and forms,
- answers to frequently asked questions,
- Silver Thatch news, and
- contact information.

The website is updated from time to time, so we encourage you to check the website on a regular basis.

After you enroll with Silver Thatch you will be sent your login username and password with your first statement. If you want to receive this information earlier then please request this from Saxon Pension Services.



Staying in touch

Communication is a two-way process. In order for us to administer the Silver Thatch program effectively, we rely on you to keep us up to date whenever there is a change in your personal situation.

Please inform Saxon Pension Services, the Plan's customer service agents if:

- there is a change in your name, address, income level or marital status;
- your spouse dies;
- you plan to retire before your normal retirement date;
- you intend to retire after your normal retirement date;
- you stop working after your normal retirement date; or
- you move from the Cayman Islands.

If you are notifying the Plan of a marriage, please provide your marriage certificate to the customer service agents. In the case of a divorce, please provide the court order of dissolution and the details of any maintenance or financial orders.

WHO TO CONTACT

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www.silverthatch.org.ky



Silver Thatch Pensions

BUILDING WEALTH ON YOUR TERMS

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