

SUMMARIZED PROCEDURE - ELECTION OF MEMBER NOMINATED TRUSTEES

PROCEDURE FOR ELECTION OF MEMBER NOMINATED TRUSTEES

1. Rule 11(a) of TelPosta Pension Scheme Trust Deed & Rules provides that the number of trustees shall always be not less than four (4) or more than Nine (9) and at least a third (1/3) of whom shall be nominees of the members.
2. Rule 11(e) of TelPosta Provident Fund Trust Deed & Rules provides that the number of trustees shall always be not less than four (4) or more than Six (6) and at least one half (1/2) of whom shall be nominees of the members.
3. Rule 12 provides that the founder will lay down the procedures & regulations for nomination and election of member nominated trustees.

MAIN DUTIES AND RESPONSIBILITIES OF TRUSTEES

- a) To ensure that the Scheme is at all times managed in accordance with the Retirement Benefits Act
- b) To take reasonable care to ensure that the management of the Scheme is carried out in the best interests of the members and sponsor of the Scheme; and
- c) To report any unusual occurrence that could jeopardize the rights of the members or sponsors of the scheme.

SELECTION OF MEMBER NOMINATED TRUSTEES

Eligibility to Participate

All members of the Scheme are eligible to participate in the selection of member nominated trustees. For greater clarity, this includes members with deferred benefits. Beneficiaries who have not been members but are receiving benefits e.g. Widows and widowers of a scheme member or other beneficiaries are **NOT ELIGIBLE**.

Eligibility for Nomination

1. Any member of the scheme who was a senior manager in Kenya Posts & Telecommunication Corporation (KP&TC), Telkom Kenya Limited (TKL), Postal Corporation of Kenya (PCK), Kenya College of Communication & Technology (KCCT) or Communication Commission of Kenya (CCK).
2. Any member not having been in a senior managerial position in the above named organizations but has subsequent to his retirement held senior managerial positions in any other organizations and/or has acquired higher education qualifications.

Further requirements as stipulated in the Retirement Benefits Act

Section 26 (2) of the Act specifies the category of persons that are excluded from being Trustees as follows:

- a) No person shall be a trustee of any scheme if such person
 - i) has been sentenced to imprisonment by a court of competent jurisdiction for a period of six months or more;
 - ii) is adjudged bankrupt;
 - iii) was previously involved in the management or administration of a scheme which was deregistered for any failure on the part of the management or the administration thereof;
 - iv) is disqualified under any other written law, or his holding office as such is deemed by the Authority as being, in any way, detrimental to the scheme

- (b) A person is disqualified from being elected a Member Nominated Trustee if the person:-
- i) Having been an employee of the Sponsor was dismissed from service due to improper conduct, fraud or such other gross misconduct;
 - ii) Is indebted to the Scheme/Fund and is not repaying his/her debt;
 - iii) Is a state officer or other public officer;
 - iv) Is of unsound mind;
 - v) Is unable to produce the documents required (c) below.
 - vi) Has already served as a Trustee for two (2) terms, as per Legal Notice No. 111 effective 11th June 2015.
(For clarity, Trustees who were in office at the date of the change in the Regulation have a right to serve for the remainder of their term. In addition, these Trustees are eligible to serve for a second term of three years, if elected by the members)

(c) Any person nominated to be a Member Nominated Trustee shall be required to produce the following documents (and any other documents that may be specified) to prove that there are citizens of good standing:-

- (i) Certificate of Good Conduct*
- (ii) Tax Clearance Certificate*
- (iii) Letter from the Credit Referencing Bureau*
- (iv) A duly completed Fit & Proper Test Form that shall be provided by the Scheme Secretariat.*

PROCEDURE OF NOMINATION

1. While notifying the qualified Members about the date of the next AGM, the Secretariat will also notify them that the term of the outgoing trustee(s) will expire after the AGM and invite them to propose candidates for election as member nominated trustees. The notice to the Members will be sent out at least two (2) months prior to the AGM.
2. Any person interested in being elected as a Trustee by the Members will obtain a Nomination Form and a Fit and Proper Test Form from the Secretariat. The Nomination Form and the Fit and Proper Test Form should be returned to the Secretariat duly completed at least one month prior to the AGM. A duly completed Nomination Form shall be one that is signed by at least 100 qualified members in support of the interested candidate. No qualified member may support more than one candidate during the nomination phase.
3. All other documents that the interested candidate will be required to produce together with those listed in (c) above will be provided at the same time that the duly completed Nomination and Fit and Proper Test Forms are returned to the Secretariat.
4. As soon as all the Nomination Forms have been received by the Secretariat, the Trust Secretary will cause to be held a meeting of the Election Board for verification of the successful nominees. The Election Board shall be comprised of the Trust Secretary, one senior manager of the Secretariat, the Legal Advisor and Two senior managers of the Sponsor.
5. After the Election Board vets the nominees. The Secretariat will notify the members of the successful nominees to be elected during the Election Phase. If the number of successful nominees is less than the number of member nominated trustees required, the Secretariat will notify the members of this and ask the members to nominate fresh candidates.
6. Any dissatisfied candidate may seek audience with the Election Board for an explanation as to his/her failure to make the shortlist.

ELECTION PROCEDURE

- A. The elections shall take place immediately after the Annual General Meeting falling prior to the expiry of the outgoing-trustees term. Provided always that if the total number of the nominated candidates is equal to the number of trustees required, there shall be no need of an election.
- B. The elections shall take place in all the stations in which the AGM shall be held.
- C. All elections shall be by secret ballot.
- D. No campaigning will be conducted or allowed during the AGM. In particular, no outgoing trustee may drum up support for himself during the AGM.
- E. All nominees shall be required to send the names and Personnel File (PF) numbers of the agents to represent them in all the voting centers to the Elections Board, through the Secretariat, at least one week before the AGM.
- F. Any ballot paper electing more nominees than the number of trustees required shall be considered as a spoilt vote. In other words, if the number of trustees required is One (1) and a ballot paper contains more than two (2) choices, the vote shall be spoilt. However if the ballot paper contains only one (1) choice, that ballot paper shall be valid.
- G. All voting stations/desks shall be closed at 4:00p.m and votes tallied by the voting clerks in the presence of the Returning Officer, the nominees, and/or their agents and the Secretariat only. The Returning Officer shall be a senior manager of the Sponsor in the region of the voting center.
- H. No results of the tally, in any of the stations, will be made public to the members. However, the Returning Officer will share the results with nominees and their agents. The Nominees or their agents present during the tallying of votes will countersign the Returning Officer's tally.
- I. After the conclusion of voting in the last voting centre (and the tallying of the results from that center in accordance with clause F and H above), the Election Board shall meet on the subsequent Monday to consolidate all the results from all the voting centers and to announce the names of the successful candidates. The nominees and their agents will be allowed to attend the meeting.

NOTIFICATION OF WINNER

- The Secretariat will communicate the results of the Election to the Sponsor and the Sponsor shall officially write to the New Trustees informing them of their election.
- The Secretariat shall communicate the names of the new Trustees to the Members. The Trust Secretary shall also ensure that the Trust Deed and Rules are amended, at the earliest, to add the incoming Trustees and remove the outgoing Trustees (if necessary).

TERM OF OFFICE

A member nominated trustee shall hold office for a period of three (3) years from the date of appointment. For better clarity, it is to be understood that the three years referred to here refer to the AGMs and not to calendar years. This means, therefore, that the Sponsor shall cause there to be held elections during the AGM falling on the third year of a Trustee's Term.

A Trustee shall serve for a maximum of two (2) Terms, as per Legal Notice No. 111 effective 11th June 2015. **(For clarity, Trustees who were in office at the date of the change in the Regulation have a right to serve for the remainder of their term. In addition, these Trustees are eligible to serve for a second term of three years, if elected by the members)**

CASUAL VACANCIES

If a Member Nominated Trustee resigns or dies or is removed in accordance with trust deed and rules before his or her term of office expires, a replacement shall be chosen to serve as a Trustee until the subsequent AGM provided always that if the vacancy results in the number of trustees being less than those stipulated under the Trust Deed and Rules, a new trustee will be appointed within fourteen (14) days.

The replacement shall be chosen in the following order:

- (a) The person eliminated in the preceding election with the highest number of votes, provided he or she is willing to accept the appointment;
- (b) If none of persons is willing to accept the appointment, then the remaining Member Nominated Trustees will choose a replacement;
- (c) In the event that the Remaining Member Trustees fail to choose a replacement or if the replacement in (b) above does not accept the offer to act as d replacement, then the Sponsor shall choose a replacement.

N/B-The replacement Member Nominated Trustee will serve as trustee until the next AGM where an election will be held to fill the position of trustee.

TIMELINES

The Secretariat will adhere to the following timelines:

Sending out Notices	- 2 Months Prior to the AGM
Return of Nomination Forms	- 1 Month to the AGM
Confirmation of Successful Nominees	- 2 weeks prior to the AGM
Elections & Tallying of Votes	- On AGM days
Announcement of Vote Tally	- 1 st Monday after final AGM station

REMOVAL OF MEMBER NOMINATED TRUSTEES

1. A person shall cease to be a Trustee and shall vacate office as such, if:

- a) he has been or is sentenced to imprisonment by a court of competent jurisdiction for a period of six (6) months or more; or*
- b) he becomes bankrupt or makes an arrangement or composition with his creditors generally;*
- c) he becomes of unsound mind; or*
- d) he fails, without reasonable cause and without the consent of the other Trustees, to attend four consecutive meetings of the Trustees and the other Trustees resolve that, by reason of such failure he shall cease to be a Trustee; or*
- e) he resigns by notice in writing of one (1) month to the Trust Secretary; or*
- f) he is disqualified or forbidden to act as a trustee pursuant to the Act or any other written law or if his holding such a position is deemed by the Retirement Benefits Authority as being, in any way, detrimental to the Scheme; or*
- g) He was previously involved. in the management or administration of a scheme which was deregistered for any failure on the part of management or the administration thereof; or*

- h)He becomes a director or other officer of a corporation appointed as a sole trustee.*
- i)He dies.*

In the case of the occurrence of any of the above events (save for (c) (e) and (i)), the Trustee will be expected to write officially to the Trust Secretary relinquishing his post as a Trustee within seven (7) days of the occurrence of the event failure to which the Trustee may be removed by the Sponsor in writing.

2.A formal communication by the Sponsor to the effect that a member nominated trustee be removed from the Board of Trustees of the Scheme shall be required to effect such removal.

3.The Sponsor shall communicate its decision to the removed Trustee and the Secretariat giving its reasons for such removal.

4. The Trust Secretary shall then immediately notify the other Trustees of the removal of the removed Trustee and the same shall form part of the Agenda of the next Board of Trustees meeting.

5. The removal of the Member Nominated Trustee shall be communicated to the Members by the Trust Secretary. In the same communication, the Trust Secretary shall inform the members on the replacement of the removed Trustee as provided under Section II, clause 3 - Casual Vacancies.

COSTS OF THE NOMINATION & ELECTION

Administrative Costs of the Nomination & Elections of Member Nominated Trustees shall be met by the Scheme. Candidates presenting themselves for Election are expected to meet their nomination & election costs.