DEED OF AMENDMENT AND CLOSURE

DATED 15TH APRIL **202**0

POSTAL CORPORATION OF KENYA
("the Founder")

AND
JOHN GIKANDI THONGORI
PETER KIBET KORIR
MUKTAR ABDULLAHI
ERIC BETT
AND
ZULEIKHA MOHAMMED

("the Trustees")

DEED OF AMENDMENT AND CLOSURE OF
POSTAL CORPORATION OF KENYA
STAFF PENSION SCHEME
Amended June 2020

Drawn By

SIMBA & SIMBA ADVOCATES
6TH FLOOR
FINANCE HOUSE
LOITA STREET
P.O. BOX 10312 – 00100
NAIROBI

TRUST DEED (Contained in the First Schedule)

LANDS DEPARTMENT
12 JAN 2022
RECEIVED

THIS DEED OF AMENDMENT AND CLOSURE is made on 15th April 2020 between:

1. **POSTAL CORPORATION OF KENYA** (hereinafter referred to as "the Founder"), a body corporate established in the Republic of Kenya under the Postal Corporation of Kenya Act, 1998 and having its registered office in Nairobi and of P.O. Box 34567-00100, Nairobi; and

2. **JOHN GIKANDI THONGORI, PETER KIBET KORIR, MUKTAR ABDULLAHI, ERIC BETT, ZULEIKHA MOHAMMED** (hereinafter referred to as the **"Trustees")** which expression shall where the context so admit include their successors, assigns and personal representatives all care of P.O. Box 46621-00100, Nairobi, Kenya

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WHEREAS:

(A) By a Trust Deed and Rules dated 20th February 2003 (hereinafter referred to as the **"Trust Deed and Rules")**, the Founder established the **Postal Corporation of Kenya Staff Pension Scheme** ("the Scheme") to provide pension, retirement benefits and other benefits for those of its Employees who are eligible for membership of the Scheme (thereinafter referred to as "the Members") and for their Dependants (hereinafter defined) under the provisions of the Rules (hereinafter defined)

(B) The Trustees are the present trustees of the Scheme.

(C) By its letter dated 24th December, 2007, the Founder has given to the Trustees notice of its intention to discontinue payment of contributions to the Scheme in accordance with Clause 8 of the Trust Deed and Rules (hereinafter referred to as "**the Notice of Discontinuance**").

(D) Pursuant to Clause 33(c) of the Trust Deed and Rules, the Trustees instructed an Actuary to propose a scheme (hereinafter referred to as the Amended Scheme) for such amended benefits and contributions as may be necessary, which scheme was adopted by the Founder by a resolution of its Board dated and by the Trustees by a resolution of the Trustees

(E) The Founder notified the Trustees that pursuant to the Notice of Discontinuance and the adoption of the Amended Scheme, the Founder had discontinued contributions to the Scheme with effect from **31 December 2009** (hereinafter referred to as ***"the Closing Date"***) upon which date the Members of the Scheme shall cease to contribute to the scheme or to accrue any further pension or other benefits under the Scheme in respect of their service with the Founder after the Closing Date.

(F) Amendments to the Trust Deed & Rules are required in order to make the Scheme fully compliant with the provisions of the Retirement Benefits Act and the Regulations thereunder.

(G) Pursuant to the provisions of the Retirement Benefits Act (No.3 of 1997) and the Regulations made thereunder (hereinafter referred to as the "Act") it has become necessary for the Founder and the Trustees to amend the Trust Deed, as hereinafter appearing in order to comply with the recent changes in the law relating to retirement benefit schemes and to facilitate better administration and management of the Scheme.

(H) By Clause 25 of the Trust Deed, the Trustees are empowered subject to the consent of the Founder, the Commissioner and the Authority to amend the provisions of the Trust Deed and Rules.

FIRST SCHEDULE

TRUST DEED

1. DEFINITIONS

(a) In this Deed and the Rules, unless the context otherwise requires, the following words and expressions shall have the following meanings:

"Act"	means the Retirement Benefits Act (Act No. 3 of 1997) and/or any statutory restatement or re-enactment or amendment thereof and includes any regulations made thereunder.
"Actuary"	means a Fellow of the Institute of Actuaries of England, the Faculty of Actuaries in Scotland, the Canadian Institute of Actuaries, the Society of Actuaries of the United States of America, the Institute of Actuaries of Japan, the Institute of Actuaries of Australia or a person holding such equivalent qualification as the Authority may by notice in the Gazette prescribe and appointed by the Trustees to act in that capacity for the Scheme with the approval of the Authority to hold office as such under the Rules and in compliance with the RBA
"Administrator"	means a person appointed by trustees under a written instrument to manage the administrative affairs of the scheme.
"Approved Issuer"	means an insurer registered under the Insurance Act or any other Issuer approved under the Capital Markets Act or under any other written law.
"Auditor"	means the Auditor to the Scheme appointed under Clause 16 by the Trustees with the approval of the Authority, being a person who is, or a firm, a director or a partner of which is a member of the Institute of Certified Public Accountants of Kenya pursuant to the provisions of the RBA.
"Authority"	means the Retirement Benefits Authority established under Section 3 of the RBA.
"Basic Salary"	means a Member's basic rate of pay as determined by the Founder and communicated to the Member at the time of joining the scheme or subsequently if there is any change in the basic rate of pay, including overseas addition and inducement allowance, but excluding housing allowance, extra duty allowance, entertainment allowance, cost of living allowance, special remuneration for performing special duties or acting in a vacant office, locomotion or subsistence allowance, gratuity fee, honorarium or bonus of any kind, overtime payment or any other fluctuating emolument whatsoever

"Beneficiary"	Means the Member and includes a dependent of the member.
"Board"	means the Board of Trustees of the scheme.
"Capital Markets Act"	means Chapter 485 of the Laws of Kenya and any subsidiary legislation made thereunder
"Capital Markets Authority"	means a state corporation established under the Capital Markets Act
"Chartered Financial Analyst"	means a person recognised and registered as a member of the Chartered Financial Analyst Institute and approved to hold office as such by the Authority.
"Closed Scheme"	means a pension scheme that is closed to new employees and into which no further contributions are made by existing Members but which otherwise functions as a normal scheme for its continuing members.
"Closing Date"	means 31st December 2009 when the Founder shall discontinue payment of contributions to the Scheme pursuant to the Notice of Discontinuance and adoption of Amended Scheme.
"Commencement Date"	means 1st January 2002.
"Commissioner"	means the Commissioner of Income Tax or such other officer as may be appointed to administer the provisions of the Income Tax Act.
"Continuous Service"	means the period during which an Employee has been continuously in the service of the Founder for the relevant period but without taking into account temporary interruptions for period nine (9) months or less.
"Contribution Holiday"	means a period during which an Employee and/or the Founder are not required to make contributions into the Scheme.
"Contribution Year"	means any period of one year commencing on the Commencement Date or the Member's Entry Date or any anniversary of the Commencement Date or such Entry Date.
"Custodian"	means the person registered by the Authority as a custodian and shall be in charge of the Scheme Fund, Title Deeds and other securities belonging to the Scheme.
"Deferred Pensioner"	means a former Member qualifying for a pension which pension is not yet in payment.

"Dependants"	in relation to a particular Member, means or includes the Member's Spouse, adopted children, sons, daughters, grandsons, granddaughters, step-children, parents, grand-parents, nephews, nieces, uncles, aunts, brothers and sisters in each case whether related in the whole or in the half blood, living at the time of the Member's death substantially dependent upon the Member (whether alone or with others) for the provision of necessaries of life **PROVIDED THAT** the class shall be closed at the death of the Member except that it shall include person *en ventre sa mere* who if already born would have been dependants.
"Dependant Child"	shall mean the child of a Member, a Pensioner or former Member who is entitled to receive a pension under the Rules to this Deed and shall include a posthumous child, a step child, an illegitimate child and an adopted child: **PROVIDED THAT** a child shall only be a Dependant Child if and for so long as he is not married and is under the age of 18 years (or at the Trustee's discretion at the age of 21years if he is a full time student at an approved educational establishment) **PROVIDED THAT** a child who is over 18years shall be deemed to be a "Dependant Child" where the Trustees are satisfied that by reason of disability the child was dependent on a Member or Pensioner
"Employee"	means any full time permanent employee of the Founder.
"Entry Date"	means the date when a Member was admitted to membership of the Scheme.
"Facility"	means a retirement benefits mortgage facility or house ownership loan agreement
"Final Pensionable Salary"	means the Member's Pensionable Salary in the last year preceding the date of leaving service, retirement or death in service.
"Former KPTC Employees"	means an Employee of the Founder who was previously employed by KPTC and subsequently transferred to the service of the Founder.
"Founder"	means The **POSTAL CORPORATION OF KENYA.** and reference to the 'Founder' shall also include the 'Sponsor' of the Scheme.
"Fund Manager"	means the person appointed as such by the Trustees pursuant to the provisions for appointment of a "**manager**" under the RBA.
"Fund Year"	means a period of Twelve (12) months ending 30th June each year.

"Income Tax Act"	means Chapter 470 of the Laws of Kenya or any statutory modification or re-enactment thereof or any rules made thereunder.
"Institution"	means a bank, mortgage or financial institution licensed under the Banking Act, a building society licensed under the Building Societies Act, a Microfinance institution registered under the Microfinance Act, 2006, The National Housing Corporation or any other institution including an issuer of a tenant agreement that is specifically approved by the Scheme and RBA for the purpose of providing a facility
"Interest"	means interest at a rate determined by the Trustees on the advice of the Actuary.
"Investment Advisor"	means a person who offers investment advisory services and is registered as such under the Capital Markets Act Chapter 485A Laws of Kenya.
"KPTC"	means the former Kenya Posts and Telecommunications Corporation.
"Manager"	means a person registered by RBA and appointed by the Trustees to render fund management services to the scheme. Such a person or institution gives an undertaking, pursuant to a contract or other arrangement, for management of the funds and other assets of the scheme, provision of consultancy services on the investment of scheme funds and reporting and disseminating information concerning the assets available for investment of scheme funds.
"Married"	means married by any ceremony (whether monogamous or not) that would be recognised by the Laws of Kenya.
"Member"	means an Employee who has been duly admitted to membership of the Scheme and who has not ceased to be a Member in terms of the Rules.
"Mortgage"	means the retirement benefits mortgage Institution or house ownership loan arrangement in accordance with the Retirement Benefits (Mortgage Loans) Regulations, 2009(As amended from time to time)
"Normal Pension Date"	Subject to the Disabilities Act or any other written law, means the sixtieth birthday of a Member where the exact date of birth is known and where it is not known the first day of January in the year in which his sixtieth birthday is deemed by the Founder to occur.
"Notice of Discontinuance"	means the letter dated 24th December, 2007 by the Founder to the Trustees giving notice of the Founder's intention to discontinue payment of contributions to the Scheme.

"Other Public Service" means service other than service with the Founder and which the Board may declare in writing to be Pensionable Service for the purposes of the Rules.

"Pension" means a fixed sum paid regularly to a person or to the person's beneficiaries by an employer as a retirement benefit.

"Pensionable Salary" means a Member's annual Basic Salary **PROVIDED ALWAYS THAT** with effect from the Closing Date Pensionable Salary will be the Member's annual Basic Salary as at the Closing Date increased annually on each anniversary of the Closing Date up to the Member's retirement, earlier death or leaving service at the lower of the actual percentage annual increase in Basic Salary at each anniversary of the Closing Date or three per centum (3%).

"Pensionable Service" means the period of Continuous Service with the Founder between the Member's Entry Date (on which the Member joined the Scheme) and the Closing Date, including where applicable any period ranking as membership by virtue of application of clause 28 of this Trust Deed or of Rule 19 of the Rules hereof and where applicable (i) pensionable service with KPTC in respect of Former KPTC Employees in accordance with the Rules of the Telposta Pension Scheme or (ii) service with the Founder from the date of employment by the Founder in respect of Employees in the service of the Founder at the Commencement Date or (iii) Other Public Service.

"Pensionable Status" means a status to which an Employee has been appointed (on probation or otherwise) by the Founder on terms which include eligibility for membership of the Scheme under the Rules and which he has not ceased to hold under such terms.

"Pensioner" means a retired Member or Dependant of a retired or deceased Member who is in receipt of a pension from the Scheme.

"Person" includes a body corporate or other body having a legal personality.

"Personal Representatives" means the administrators or executors of a deceased Member's estate or the holder of a Public Trustee's Certificate of Summary Administration thereof.

"RBA or the Act" means the Retirement Benefits Act (Act No. 3 of 1997) or any statutory modification or re-enactment thereof or any rules made thereunder.

"Registered Insurer" means an insurer registered under the provisions of the Insurance Act (Chapter 487).

"Registered Scheme"	means a pension scheme or provident fund that has been registered by the Commissioner under the provisions of the Income Tax Act relating to such registration.
"Rules"	means the Rules set out in the Schedules hereto including any amendments thereto from time to time.
"Shillings"	means the lawful currency of the Republic of Kenya
"Spouse"	includes a wife or husband to whom a Member is married or was so married immediately before his death by any ceremony that would be recognised by the Laws of Kenya.
"Telposta Pension Scheme"	means the Telposta Pension Scheme established by the Trust Deed and Rules dated 1st January 1998
"Trivial Amount"	means an amount which shall be from time to time determined by the Authority to constitute a trivial pension which shall not be less than fifty per cent (50%) of the average of the minimum wage prescribed by the Cabinet Secretary for the time being responsible for matters relating to labour in the year which the benefit becomes due.
"Trust Corporation"	means a Company incorporated under the Companies Act having a prescribed share capital of not less than ten million shillings and which is for the time being empowered (by or underwritten law, its charter, memorandum of association, deed of settlement or other instrument constituting it or defining its powers)to undertake trusts **PROVIDED THAT** such Company does not , by any prospectus, circular, advertisements, or other documents issued by it or on its behalf, state or hold out that any liability attaches to the Public Trustee or to the Consolidated Fund in respect of any act or omission of the Company when acting as an executor or administrator.
"Trust Deed"	means this Trust Deed and to which the Rules shall be deemed to form an integral part thereof including any amendments thereto from time to time constituting the trusts of the Scheme and any deeds expressed to be supplemental thereto.
"Trustees"	means survivor or survivor of Trustees or the Trustee or Trustees of the Trust Deed and shall include a Trust Corporation
"Unclaimed assets"	means assets that have been presumed abandoned and have become unclaimed assets, or have been transferred to the Unclaimed Financial Assets Authority or have been deemed under any other law to be unclaimed assets.

"Years of Pensionable Service" means the total number of continuous years and months during which an eligible employee has been in service from first date of joining the scheme

(b) The singular includes the plural and *vice versa* and the masculine includes the feminine and *vice versa.*

(c) The list of contents in the Trust Deed and the Rules and the short titles to Clauses and Rules are not to be taken into account in interpretation.

(d) Punctuation is not to be taken into account in interpretation.

(e) References to statutes and acts include amendments to them.

2. NAME OF THE SCHEME

The name of the Scheme shall be the "**Postal Corporation of Kenya Staff Pension Scheme**".

3. COMMENCEMENT OF THE SCHEME

The Scheme shall be deemed to have commenced on the Commencement Date.

4. DECLARATION OF TRUST

The Scheme shall be deemed to have been established under irrevocable trusts declared with effect from the Commencement Date and shall be called the "**Postal Corporation of Kenya Staff Pension Scheme**". The Trustees shall stand possessed of the moneys, assets and investments from time to time forming part of the Scheme and the income thereof respectively as and when received by them upon irrevocable trust and out of the capital or the income thereof or both as they may think proper pay to the Members or their dependants such benefits payable under and in accordance with the Rules"

5. MAIN PURPOSE OF THE SCHEME

The main purpose of the Scheme is the provision of pension, lump sum and other retirement benefits for Members upon their retirement from the Founder's service and relief for the Dependants of Members and, for that purpose, the Trustees shall hold the contributions paid to them by the Founder and the Members and any other sums, investments and income and all lump sums representing the same upon trust for the respective persons for whose benefit such sums and other benefits are expressed to be payable in accordance with the provisions of this Deed and the Rules. Notwithstanding anything contained in this clause, it is hereby understood and agreed that this Scheme shall henceforth continue to operate as a Closed Scheme with effect from the Closing Date but without prejudice to any accrued benefits.

6. COMPOSITION OF THE SCHEME

The Scheme shall consist of all sums paid or contributed to the Scheme by the Founder and the Members, any transfer payments from other Registered Schemes and the investments for the time being representing the same and the interest, dividends and income derived from such sums and investments and any other sum or sums which may, under this Deed or the Rules, be paid to the Trustees for payment into the Scheme, including such assets as may be transferred to the

Scheme from the Telposta Pension Scheme in respect of Former KPTC Employees and Employees of the Founder in respect of service with the Founder to the Commencement Date.

7. FOUNDER'S COVENANTS

The Founder covenants with the Trustees as follows:

(a) to observe the provisions of and perform its obligations under this Trust Deed and the Rules;

(b) to observe the provisions of and perform its obligations under the Income Tax Act and the RBA;

(c) to collect all sums contributed by it and the Members in accordance with the Rules and such other payments as and on its behalf are to be made under the Rules and to pay such sums to the Trustees or as they shall direct and also to discharge its obligations as set out under Clause 8 below; and

(d) Subject to Clause 10 hereof, to pay all necessary charges and expenses incurred by the Trustees in the administration and management of the Scheme.

8. FOUNDER'S RIGHT TO DISCONTINUE CONTRIBUTIONS

The Founder shall have the right to discontinue payment of its contributions to the Scheme upon giving six (6) calendar months written notice to the Trustees and, in such event the Scheme shall be dealt with in accordance with Clause 31 of this Deed **PROVIDED THAT** the Founder has fully discharged its liability of meeting any actuarial deficit it owes the Scheme as determined by the Trustees on the advice of the Actuary.

9. TRUSTEES' COVENANTS

The Trustees covenant with the Founder as follows:

(a) to manage, generally supervise and administer the Scheme for the benefit of the Members and Dependants;

(b) to pay or provide for the payment of the benefits prescribed by the Rules to the persons entitled to them;

(c) to comply with the provisions of this Deed and Rules; and

(d) to comply with the provisions of the RBA, the Income Tax Act and any other legislation for the time being in force relating to the administration and management of the Scheme.

10. EXPENSES OF ADMINISTRATION AND MANAGEMENT

Except as otherwise agreed with the Founder, the Trustees shall pay from the Scheme all remuneration, fees, commission, costs and other expenses of administering and managing the Scheme, including investment expenses, fees for professional services or any levy payable pursuant to any regulations for the time being in force provided that the value of the scheme fund to be adopted in determining the levy payable to the Authority shall be the total fund value indicated in the latest audited accounts of the scheme less the amount of the medical fund .

11. APPOINTMENT OF SCHEME TRUSTEES

(a) The Fund shall be managed by the Board of Trustees who are responsible for performing or causing to be performed the obligations and duties as set out in the Act and in this Trust Deed.

(b) Subject to the Founder deciding to appoint a Corporation as a sole trustee under the provisions of Clause 13 of this Trust Deed, the number of Trustees shall always be not less than Four (4) and not more than nine (9), at least one-third of whom shall be nominees of the Members **PROVIDED ALWAYS THAT** the appointment of any person as a Trustee shall be subject to the approval of the Authority and **PROVIDED FURTHER** that at least one such approved Trustee must have been vetted by the Authority to undertake trust service. Except in the case of death or removal of a Trustee under Clause 14 each Trustee shall hold office for a period of three (3) years but shall be eligible for re-appointment based on the most recent evaluation of their performance for a second and final term of three (3) years. In the event of death or removal of a Trustee resulting in the number of Trustees being less than four (4) the Founder shall ensure that a new Trustee is appointed within fourteen (14) days.

(c) Each Trustee shall be appointed and may be removed by the Founder pursuant only to a resolution of the Board except a Trustee appointed pursuant to a nomination of the Members who may be removed in accordance with Clause 12 hereof. A copy of such resolution certified by any person authorized by the Board shall be sufficient evidence thereof.

(d) There shall be a letter of appointment for all Trustees which shall state the terms of appointment, the expectations of the sponsors and members, and also include the tenure of the trustee; the role and responsibilities of the trustee; the requirement that the trustee shall adhere to the code of conduct of trustees of the scheme; and the trustee's expected remuneration in accordance with the scheme's Trustees remuneration policy.

(e) A duly appointed board of trustees shall have a broad mix of skills and competencies and shall include at least one trustee who shall be professional qualified in any matter related with finance as may be recognized by a relevant industry body and the appointment of the board of trustees shall further take into account gender balance, the age and experience of trustees

(f) A Trustee shall submit a Certificate of Good Conduct to the Founder.

(g) The Founder in addition to appointing Trustees who are affiliated with the Scheme, may also appoint independent Trustees

(h) The tenures of trustees shall be staggered so that not more than one-third of the trustees shall simultaneously retire

(c) Upon such appointment or removal of a Trustee, any assurance or thing requisite for vesting the trust property or any part thereof jointly in the persons who are continuing Trustees shall be executed or done.

12. NOMINATION OF TRUSTEES BY MEMBERS

a) Trustees in consultation with the Sponsor shall develop an election policy manual which shall prescribe the rules and procedures for electing or nominating a trustee and agreed upon by the Members from time to time and notified to the Founder.

b) The nomination of the requisite number of Trustees by the Members pursuant to clause 11 and the removal of such Trustees shall be conducted in such manner and in accordance with the Election Manual prescribed Clause 12 (a) above.

c) Subject to the provisions of any written law the terms and conditions for Member nominated Trustees are: -

(i) A Member nominated Trustee has the same powers and duties as all the other Trustees;

(ii) If a Member nominated Trustee was a Member when he was appointed as such he shall cease to be a Trustee when he ceases to be a Member;

(iii) The appointment, resignation or cessation of a Member nominated Trustee shall be evidenced by deed;

(iv) A Member nominated Trustee may be removed from office by a resolution passed by three quarters of the Members, at a meeting of which one-month notice has been given by the Trustees of the proposal to remove the Member nominated Trustee. In the event of the failure of a motion under this clause, no further notice to remove the Member nominated Trustee may be given before six months have elapsed.

13. POWER TO APPOINT CORPORATE TRUSTEE

The Founder may pursuant to a resolution of the Board appoint by deed a Corporation to be a trustee or sole trustee hereof upon such terms as to remuneration as at or prior to its appointment may be agreed in writing between such Corporation and the Founder or in default of such agreement in accordance with the Corporation's published terms and conditions as to acceptance of trusts current at the date of such appointment and may also remove such Corporation in a similar manner **PROVIDED THAT** a scheme shall not appoint a Trust Corporation whose ownership or directorship is related to that of the Founder to be the Trustee of the scheme.

14. REMOVAL OF TRUSTEES FROM OFFICE

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; or

(c) he fails to undergo statutory training within the period stipulated under the Act or regulations thereunder; or

(d) he becomes of unsound mind; or

(e) he fails, without reasonable cause, and without the consent of the other Trustees to attend two (2) consecutive meetings of the Trustees; or

(f) he resigns by notice in writing to the Trust Secretary; or

(g) he is forbidden to act as a trustee pursuant to the RBA or any other written law or if his holding such a position is deemed by the Authority as being, in any way, detrimental to the Scheme; or

(h) 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

(i) he is removed by the Founder pursuant to clause 11; or

(j) he is removed (in case of a Trustee appointed pursuant to a nomination of the Members) under clause 12; or

(k) he becomes a director or other officer of a Corporation appointed as a trustee under clause 13; or

(l) he ceases to be resident in Kenya; or

(m) he dies.

15. REMUNERATION OF TRUSTEES

A Trustee may be remunerated as follows:

(a) A Corporation in accordance with clause 13 hereof;

(b) A Trustee rendering professional services to the Scheme in accordance with clause 23 hereof

(c) Any other trustee in such manner as may be agreed in writing from time to time between such trustee and the Founder following a Members resolution at an Annual General meeting.

(d) The Board of Trustees shall ensure that there is an approved trustees remuneration policy in place that sets out the approved sitting allowances and rates of reimbursement for expenses.

(e) The sponsor shall be consulted during the development of the trustee's remuneration policy;

(f) The Trustees remuneration policy shall require that any remuneration paid to the trustees by the sponsor is disclosed and that trustees do not draw separate remunerations for the same meeting;

(i) The trustee's remuneration policy shall be approved by members at an annual general meeting of the scheme at least once in every three years and where approval shall not have been granted, the policy prevailing at the time shall continue to apply until the Authority makes a determination regarding the proposed new policy;

(j) The details of the remuneration and benefits of trustees shall be included in the scheme's annual audited financial statements; provided that where the board of trustees has resolved not to pay any remuneration or allowances to the Trustees, a statement to this effect shall also be included in the scheme's annual audited financial statements.

16. APPOINTMENT OF ADVISERS

(a) The Trustees:

(i) shall appoint in writing a Fund Manager in accordance with the provisions of the Act and shall ensure that at all times the Fund Manager is carrying out his work competently;

(ii) shall appoint in writing a Custodian who shall, *inter alia,* have custody of the assets of the Scheme, title deeds and other securities belonging to the Scheme;

(iii) shall appoint in writing an Actuary to be the Scheme Actuary;

(iv) shall appoint in writing the Auditor to the Scheme. No person shall be eligible for appointment as the Auditor unless he is a member of the Institute of Certified Public Accountants of Kenya whose appointment has been approved by the Authority **PROVIDED THAT** the Auditor shall not be a Member, a Trustee or a member of the Founder. The Trustees shall notify the appointment of the Auditor to the Authority within thirty (30) days thereof;

(v) shall appoint a liquidator in the event of the Trustees resolving to voluntarily dissolve or wind-up the Scheme provided that the liquidator has not

(a) Provided professional services to the scheme for a period of 5 years before the resolution to wind up the scheme

(b) Been sentenced to imprisonment for a period of 6 months or more by a court of competent jurisdiction

(c) Been adjudged bankrupt

(d) Been previously involved in the management or administration of a scheme which was deregistered for failure on the part of the management or administration

(e) Been disqualified under any other written law

(vi) shall appoint in writing an Administrator (whether in-house or external) to manage the administrative affairs of the Scheme on behalf of the Trustees; PROVIDED THAT no person shall be eligible to be appointed as an Administrator of the Fund if that person is related to the Manager of the Fund and PROVIDED FURTHER THAT where the appointment is made by a Corporate Trustee, the appointed Administrator shall not be related to the Corporate Trustee through ownership, directorship or by employment

(vii) may appoint as necessary legal and other appropriate advisers.

(b) The terms and conditions for each appointment shall be set out in the relevant written instrument and duly executed by the parties.

(c) The Trustees may remove any person appointed pursuant to this clause, and on the removal of a Fund Manager, the Actuary, the Custodian, the Administrator or the Auditor, the Trustees shall appoint a replacement.

17. TRUSTEES TO KEEP RECORDS

(a) The Trustees shall have the responsibility for the general management and administration of the Scheme and they shall keep all proper books and records of account showing the position in respect to contributions, other income, expenditure, liabilities and assets of the Scheme and all other matters relevant to its management and shall prepare or cause to be prepared and furnish to the Founder with an audited account of all such transactions in accordance with the Rules or as the Founder may from time to time determine;

(b) The Trustees shall keep at the registered office of the Scheme records of the Members of the Scheme showing particulars of all such Members, including the bank account details of all Members.

18. TRUSTEES' ADMINISTRATIVE ARRANGEMENTS

In the event of there being Trustees who are natural persons, the following provisions shall apply:

(i) The Trustees shall elect one of their number to be the Chairperson of the Board of Trustees who shall preside over the meetings of Trustees and in his absence the Trustees may appoint a Chairperson for the meeting;

(ii) The Trustees shall also appoint a Secretary (the "**Trust Secretary**") who may be from the staff of the Administrator of the Scheme

(iii) The role of the trust secretary shall be to; -

a) provide guidance to the board of trustees on the trustees' duties and responsibilities and on matters of governance;
b) ensure the timely preparation and circulation of papers and minutes of the board of trustees and committees of the board;
c) maintain and update the register of conflicts of interest;
d) ensure that the trustees are aware of the relevant laws relating to the scheme;
e) facilitate effective communication between the board of trustees and other stakeholders;
f) co-ordinate the evaluations of the performance of the board of trustees including the evaluations of the performance of the chairperson, individual trustees and committees of the board;
g) participate in the meetings of the board of trustees as an ex officio member without the right to vote on any of the decision of the board;
h) identify any links or duplication in the roles of the committees of the board of trustees; and
i) provide feedback on the overall scheme governance and management

(iv) The Trustees shall meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they shall decide (provided always that the Administrator of the Scheme and the chief executive officer of the Founder shall not be eligible for appointment as chairman).

(v) Quorum at a meeting of a Board of Trustees shall be half the number of Trustees which shall include the Trustee nominated by the sponsor and at least one elected Trustee **PROVIDED THAT** the Trustees shall meet at least two (2) times during the Financial

Year of the Scheme PROVIDED THAT the interval between one Trustee meeting and the next shall not be more than **six (6) months.**

(vi) Matters arising at any meeting of the Trustees shall be decided by a majority of votes on a show of hands of those present and in case of any equality of votes, the Chairperson shall have a casting vote.

(vii) The Trustees shall prepare a board charter, annual work plan and calendar of meetings to guide the business of the board.

(viii) The Trust Secretary on being requested by the Scheme Chairperson or Scheme Trustee/or a Member/s of the Scheme at any time shall convene a meeting of the Trustees upon seven (7) days written notice to the Trustees.

(ix) The Trustees shall hold an annual general meeting of Members every year. Notwithstanding anything herein contained, the Trustees may hold any other meetings of the Members except that any such meeting shall be called Extraordinary General Meeting. The following matters shall, inter alia, constitute the agenda for every annual general meeting of Members

- (a) Reports on changes to structure of contributions and benefits
- (b) Audited accounts
- (c) Investments
- (d) Remuneration of Trustees
- (e) Questions from Members

(x) Trustees Remuneration shall be included in the agenda of the annual general meeting once every three (3) years and is to be approved by the members before submission to the Authority for their approval.

(xi) The Board of Trustees may appoint Board committees to facilitate the work of the board by conducting detailed analysis of, and holding discussions on, specific areas of scheme operations and shall not exceed four committees which may include an Investment Committee, an Audit and Risk Committee and an administration and communications Committee.

(xii) The Board of Trustees may engage the services of experts to provide consultancy services or to co-opt experts to sit in committees of the board to provide guidance.

(xiii) The Trustees shall every three years submit to the Authority a document outlining the investment policies which the Trustees have approved and intend to pursue.

(xiv) The Trustees shall once every three (3) years have an investment policy prepared from the written advice from either, a Registered Chartered Finance Analyst, an Actuary, an Investment advisor or Fund Manager registered under the Capital Markets Act and Retirement Benefits Act, **PROVIDED THAT** the advisor shall not be the scheme fund manager, a related company or employee of the scheme. The Trustees and Advisor shall sign the statement jointly.

(xv) The Trustees shall on a quarterly basis submit to the Authority investment reports based on contributions received from the sponsor/founder.

(xvi) The Trustees shall maintain up-to date records of the bank accounts of their members for the purpose of payment of benefits.

(xvii) A resolution in writing signed by all the Trustees shall be as valid and effectual as a resolution properly passed at a duly convened meeting of the Trustees.

(xviii) The Trust Secretary shall keep minutes of all meetings of the Trustees and the exercise by the Trustees of all powers and discretions vested in them and the passing of resolutions shall be recorded in such minutes A document certified by the Chairman or the Trust Secretary to be a true copy of a resolution of the Trustees shall be sufficient evidence of the resolution.

(xix) The Trustees shall have power to act notwithstanding any vacancy in their number.

(xx) The Trustees shall make such banking arrangements as they shall think fit **PROVIDED ALWAYS THAT** no cheques drawn on the moneys of the Scheme or other documents relating thereto may be signed by less than two Trustees or by a Corporation if it shall be a sole trustee.

(xxi) Contracts and other documents shall be signed by all the Trustees (unless resolved otherwise by a resolution of the Trustees) or by a Corporation if it shall be a sole trustee.

(xxii) All Scheme documents shall be retained for a period of at least seven (7) years after the financial year to which they relate.

19. POWERS OF SCHEME TRUSTEES

Subject to the RBA, the Trustees shall in addition and without prejudice to all powers conferred upon trustees by law, have the following powers:

To manage and administer the Scheme in accordance with the terms hereof and the Rules;

(a) To pay out from or provide for under the Scheme the pensions and other benefits prescribed by the Rules and to observe and observe the terms and conditions thereof;

(b) From time to time to delegate any of their functions or any business relating to the Scheme (including the receipt or payment of money) to any one or more of their number and may delegate any matters relating to the collection of contributions and the administration and investment of the assets from time to time comprising the Scheme and of the income generated by such assets to such agents, administrators, advisers, custodians and managers or other professional advisers (whether remunerated or not) as they may determine and the Trustees may register or vest any of the assets from time to time comprised in the Scheme in the names of any other person as nominee of the Trustees;

(c) To determine whether or not any person is entitled from time to time to any benefit under the Scheme;

(d) Subject to the approval of the Founder and with the consent of the Commissioner and the Authority to waive the strict enforcement of the provisions of this Deed and the Rules;

(e) To lease, mortgage, exchange, sell or otherwise deal with any interest in land forming part of the assets of the Scheme;

(f) To commence, carry on or defend proceedings relating to the Scheme or the determination of any rights of the Members and others therein;

(g) to raise or borrow any sum or sums of money and to secure the repayment thereof in such manner and upon such terms as the Trustees may deem advisable and to charge the sums so raised or borrowed or any part thereof on all or any part of the Scheme;

(h) Subject to the investment guidelines and regulations of the RBA, to invest any moneys forming part of the Scheme in the purchase of or at interest upon the security of such stocks, shares, securities, private equity, venture capital funds, properties or other investments of whatever nature and howsoever as the Trustees shall in their absolute discretion think fit to the intent that the Trustees shall have the same full and unrestricted powers of investing and transposing investments in all respects as if they were absolutely entitled thereto beneficially;

(i) The Scheme Trustees shall prepare and submit to the Authority and after every three years revise and submit to the Authority a written statement of investment principles agreeing decisions about investments for the purposes of the Scheme. The statement shall be prepared or revised under the considered written advice of a Chartered Financial Analyst, Actuary, Investment Advisor or Manager **PROVIDED THAT** the Manager is not the Fund Manager, related company or employee of the Fund Manager. The statement shall be signed by the Trustees and the adviser and shall cover, inter alia, the policy of the Scheme in relation to the following matters (i) the kinds of investments to be held (ii) risk (iii) the realisation of investments (iv) asset liability matching and (v) any other matter as may be prescribed by the Authority from time to time;

(j) To underwrite or sub-underwrite and to enter into any agreement or agreements for underwriting or sub-underwriting any investments or securities whether on issue or sale and whether jointly with other persons or not and to do all things incidental thereto;

(k) To apply any moneys forming part of the Scheme in effecting or maintaining any insurance which in the opinion of the Trustees is suited for the purposes of the Scheme and to vary the terms of surrender, sell or otherwise dispose of any such insurance or exchange the same for a substituted insurance; and

(l) Generally to execute and do all such acts and things as the Trustees may consider necessary or expedient for the maintenance and preservation of the Scheme and of the rights of the Members and others therein.

20 DUTY TO KEEP RECORDS

a) The Trustees shall have the responsibility for general management and administration of the Scheme and they shall keep all proper books and records of account showing the position in respect to contributions, other income, expenditure, liabilities and assets of the Scheme and all other matters relevant to its management and shall prepare or cause to be prepared and furnish to the Sponsor an audited account of all such transactions and matters at such intervals as the Sponsor may from time to time determine.

b) The Trustees shall keep at the registered office of the Scheme a register of the Members of the Scheme showing the particulars of all such Members and of the contributions made from time to time in respect of each Member and of the investment and disposition thereof and of the date on which each Member shall cease to be a Member and the method of disposal of the amount payable out of the Scheme to or in respect of each such Member. The account of each member shall be kept separate and distinct from the account of every other Member. Every Member of the Scheme shall have a right to inspect his own account in the register during usual business hours on giving reasonable notice.

21. PROTECTION OF TRUSTEES

(a) None of the Trustees shall be liable for the act, neglect, default, fraud or misconduct of any agent, officer, servant or other person employed by them or otherwise engaged or occupied in connection with the Scheme notwithstanding that it may not have been strictly necessary or expedient for any person to be so employed, engaged or occupied or by reason of any mistake or omission made in good faith or by reason of any other matter or thing except wilful fraud or wrong-doing on the part of any of the Trustees.

(b) In the event that any Trustee has or may have a direct or indirect interest as may be determined by the Scheme Trustees, the Trustee shall declare the interest which shall be recorded in the Minute Book and such Trustee may participate in the deliberations affecting the matter but he shall not vote on such matter and shall leave the meeting for any such vote, unless stated otherwise in this Deed.

(c) No decision of or exercise of power by the Trustees shall be invalidated or questioned on the ground that the Trustees or any of them or any director or officer of anybody corporate, which is a Trustee, had a direct or indirect interest in such decision or in the exercise of such power.

(d) A Trustee (or any director or officer of a body corporate which is a Trustee) who is or has been a Member shall be entitled to retain for himself any benefit to which he is entitled by virtue of such membership.

(e) The Sponsor shall ensure that as long as Trustees have performed their functions in accordance with the Trust Deed and Rules of this Scheme or any applicable law, no action shall be taken against them for having rightfully performed their duties as Trustees

22. INDEMNIFICATION & PROTECTION AGAINST FINANCIAL LOSS

a) The Trustees may take such steps as they deem appropriate to protect the Scheme and the individual assets comprising the same against any manner of insurable risk or financial loss which might arise out of the negligence or default (wilful or otherwise) of the Scheme's trustees, officers, administrators, managers or custodians or other professional advisers by way of insurance and in such amount as the Trustees shall determine.

b) The Trustees shall be indemnified out of the scheme fund against all proceedings, costs and expenses incurred by reason of any claim in connection with the scheme not arising from their gross negligence, breach of Trust, **PROVIDED THAT** the costs of any indemnity in respect of the Sponsor or a particular employer shall be met by the Sponsor or that Employer.

23. POWERS CONFERRED BY LAW

It is declared that, in addition to any powers or provisions for the indemnity or otherwise for the protection of the Trustees conferred by or contained in this Deed, the Trustees shall be entitled to exercise any powers conferred by law on trustees if and in so far as a contrary intention is not expressed in this Deed and to have the benefit of any indemnity or other protection given by law to trustees.

24. PROFESSIONAL CHARGING CLAUSE

None of the Trustees being an actuary, advocate, accountant or other person engaged in any profession or business shall be entitled to charge and be paid all usual professional or other charges for business done by him or his firm in relation to the Scheme.

25. AMENDMENT OF DEED AND RULES

The Trustees may at any time and from time to time with the consent of the Founder amend by deed any of the provisions of this Deed or the Rules **PROVIDED THAT** no such amendment shall be made which:

(a) Varies the main purpose of the Scheme;

(b) Authorises the payment of any part of the moneys of the Scheme to the Founder (otherwise than upon the dissolution of the Scheme or with the consent of the Commissioner and the Authority) or to any Member while still in the employment of the Founder on Pensionable Status;

(c) Diminishes or invalidates any pension already being paid in accordance with the Rules or any rights or interests which shall have accrued to a Member or Pensioner in respect of pension benefits secured under the Scheme up to the date on which such alteration takes effect unless such alteration (whether retrospective or otherwise) is necessary in order to secure approval or continued registration of the Scheme under the RBA and the Income Tax Act or is with the consent of such Member or Pensioner;

(d) Extends the operation of the Scheme beyond the Trust Period (as defined in clause 26);

(e) Prejudices or causes withdrawal of approval or registration of the Scheme under the Income Tax Act or the RBA;

(f) Purports to affect any right of a creditor of the Scheme, other than a Member thereof.

PROVIDED FURTHER THAT

(g) no such amendment shall become effective until it shall have been approved by the Commissioner (if the Scheme shall then be a Registered Scheme) and the Authority and

(h) any amendment affecting the financial position of the Scheme shall be referred to the Actuary before being adopted and a certificate from the Actuary submitted to the Authority certifying that the financial soundness of the Scheme shall not be affected thereby.

26. PERPETUITY PERIOD

In the event that a perpetuity period is applicable to any disposition of any assets of the Scheme made under the provisions of this Trust Deed or the Rules the perpetuity period shall be the life of the "Relevant Member" and eighteen years (the "**Perpetuity Period**"). For the purposes of this clause, **"the Relevant Member"** shall mean the Member making the relevant disposition or the Member in respect of which the Founder has made the relevant disposition.

27. TRUST PERIOD

Unless otherwise terminated under the provisions hereof or the Rules, the Trusts hereof shall continue until the death of the last Member who having been born on or before the Commencement Date and dies whilst still a Member or such longer period as the law may allow (herewith referred to as the **"Trust Period"**).

28. TRANSFERS TO THE SCHEME

Without prejudice to the status of the Scheme as a Closed Scheme, the Trustees may accept from any other Scheme which has been registered under the Income Tax Act or the RBA of which any Member was previously a member, any moneys, annuity contracts or policies or other assets which the Trustees of such other Registered Scheme or other persons having the requisite power are empowered to assign or transfer to the Trustees and in such event the Member may be entitled to such additional benefits under the Scheme as the Trustees, after consultation with the Actuary (or such other qualified person as the Trustees may determine) may consider appropriate **PROVIDED THAT** no such transfer shall become effective until it shall have been notified to the Commissioner (if the Scheme shall then be a Registered Scheme).

29. TRANSFERS FROM THE SCHEME

In the event of a Member ceasing to be an Employee and becoming a Member of any other fund or arrangement which has been registered under the Income Tax Act or the RBA, the Member may request and the Trustees shall after taking all reasonable steps to ensure that such other scheme is an approved scheme transfer to such other schemes an amount to be determined by the Trustees on the advice of the Actuary (or such other qualified person as the Trustees may determine) in lieu of the benefits, and the Trustees may require *inter alia* as a condition of any such transfer, a discharge of all liabilities on terms satisfactory to them **PROVIDED THAT** no such transfer shall become effective until it shall have been notified to the Commissioner (if the Scheme shall then be a Registered Scheme).

30. BULK TRANSFERS TO AND FROM THE SCHEME

The Trustees shall have the power to transfer the assets and liabilities of the Scheme or portion thereof to another registered pension scheme approved as such by the Authority and the Commissioner or to take transfer of the assets and liabilities or portion thereof of another registered fund approved as such by the Authority and the Commissioner **PROVIDED THAT** any such transfer or amalgamation shall be carried out in accordance with the RBA **PROVIDED FURTHER THAT** no such transfer shall become effective until it shall have been notified to the Commissioner (if the Scheme shall then be a Registered Scheme) and approved by the Authority.

31. REORGANISATION OR RECONSTRUCTION OF SPONSOR

If, upon any reorganisation or reconstruction or transfer of the undertaking of the Founder(or its successor in title), the Founder shall enter into an arrangement for the purchasing or continuing company to undertake the Founder's rights and obligations under this Trust Deed and the new employer shall bind itself by deed to assume those rights and obligations then, subject to such changes as may be necessary and to the consent of the Authority (and of the Commissioner if the Scheme is then a Registered Scheme), the trusts of this Trust Deed shall continue to have effect as though the new employer had been a party to this Trust Deed and the Founder shall be released from all obligations under this Trust Deed and the Rules **PROVIDED THAT** if the Founder shall exercise its rights of cessation under Clause 8 or enter into liquidation for purposes of re-organisation or reconstruction and shall prior to or simultaneously with the exercise of such right or commencement of such liquidation complete an arrangement for some other employer or organisation to become an Founder in terms of this Trust Deed to undertake such first named employer's right and obligation under the Scheme then the Trustees of the Scheme shall continue to have effect as though such new employer has been a party thereto *ab initio*.

32. DETERMINATION OF TRUSTS

(a) **Subject always** to the RBA and to any discretion given to the Trustees by the Trust Deed and Rules to continue the Scheme the trusts of the Scheme shall determine upon the occurrence of any of the following events:

(i) if the Founder ceases to participate in the Scheme in accordance with Clause 8; or
if the Founder ceases to exist or for any other reason cease to operate and some other statutory body or organisation shall not be empowered to undertake the duties of the Founder under the RBA; or

(ii) if the Founder failing to remedy any breach of its obligations under this Trust Deed or the Rules within ninety (90) days (or such longer period as the Trustees may permit) from the receipt of a written notice from the Trustees requiring the breach to be remedied;

(iii) at the expiry of the Trust Period;

(iv) the court (whether upon application by the Authority pursuant to the RBA or otherwise) orders that the Scheme be wound up.

PROVIDED ALWAYS that the Scheme shall only be wound up subsequent to a final actuarial valuation done on a winding up basis.

(b) Notwithstanding paragraph (a) of this Rule, if the Trustees with the agreement of the Authority shall think fit, the Scheme shall not be wound up and shall be continued as a closed Scheme subject to the Rules but the liability of the Founder to contribute to the Scheme shall cease upon the occurrence of the event causing the determination of the trusts of the Scheme.

33. CONSEQUENCES OF DETERMINATION

(a) Upon any determination of the trusts of the Scheme pursuant under Clause 32, the Trustees shall as soon as practicable:

(i) notify each Member, Pensioner, Deferred Pensioner and Dependant affected by such determination; and

(ii) appoint a liquidator in terms of Clause 16(a)(v) of this Deed for the purpose of winding-up the Scheme subject to and in accordance with the RBA.

(b) Subject to the retention of such sums as may be necessary to meet the costs and expenses of administration or otherwise, the Trustees (or the liquidator) shall, after obtaining the advice of the Actuary and the approval of the Authority, apply the moneys held under the Scheme in the following manner:

(i) In the first place, in securing the payment of unsecured pensions to those Members or Pensioners or Dependants who have been granted pensions including those who by reason of late retirement are not yet in receipt of them and contingent pensions in respect of any Dependants of such Members and Pensioners and for whom a survivorship pension shall have been provided in terms of the Rules;

(ii) In the second place, in securing, so far as the moneys in the Scheme permit, the pension or contingent Dependant's pension of each Member who has not attained Normal Pension Date, payable at the discretion of the Trustees at Normal Pension Date or in the case of the contingent Dependant's pension at the date of death. Such pensions are to be commutable only to the extent permitted by the RBA and the Income Tax Act;

(iii) In respect of the balances, if any, of the moneys held in the Scheme, in the argumentation of the benefits listed in paragraph (b)(i) and (ii) above or to make such additional payments to the Members and in such amount as the Trustees (or the liquidator) may, on the advice of the Actuary, determine;

(iv) In respect of any moneys held in the Scheme then remaining unexpended, the same may, with the consent of the Authority and the Commissioner, be refunded to the Founder.

(c) Notwithstanding the provisions of paragraph (b) of this clause:

(i) in the event of any pension payable under this clause being, in the opinion of the Trustees (or the liquidator), a Trivial Amount or the person entitled thereto being in serious ill health, the Trustees (or the liquidator) may elect with the consent of the Authority and the Commissioner to pay a lump sum in lieu of any pension entitlement; and

(ii) the Trustees (or the liquidator) may in consultation with the Actuary make such variations to the terms hereto (save as respects the law against perpetuities) as may appear to the Trustees (or the liquidator) to be just and equitable as applied to the generality of all entitled to benefit hereunder.

(d) When all payments have been made by the Scheme in terms of Clause 33 (b) and (c), the Scheme shall have no further liability to any person and its registration in terms of the RBA and the Income Tax Act shall be cancelled.

34. WINDING UP OF THE SCHEME

a) In the event that the Sponsor shall be dissolved or wound-up or its undertaking (whether for the purposes of amalgamation or reconstruction or otherwise) shall be acquired or become vested in any other body corporate and such body corporate shall not enter into a deed in accordance with the provisions of Clause 32 on reorganisation or reconstruction to undertake the rights and obligations of the Sponsor or if the Sponsor shall cease to contribute to the Scheme for any reason then the Trustees shall, after taking into account all relevant circumstances, resolve to wind-up the Scheme thereafter the Trustees shall cause the Scheme to be wound-up in the manner required by the Act in so far as it relates to the Members who are or were employees of the Sponsor and shall make provision for such Members in the manner described in Clause 32 on "Determination of trusts".

b) The sponsor shall enjoy the contribution holiday in cases of ongoing schemes, however in the event that the Sponsor shall be dissolved or wound-up as stated in (a) above, or converted to a defined contribution scheme, surpluses will be enjoyed by both the members and the sponsor and in accordance with the Act.

c) If within a period of two years from the completion of winding up proceedings in respect of the scheme and the liquidator is unable to trace any member of the scheme, the accrued benefits due to such a member shall become unclaimed assets within the meaning of section 13 (1) of the Unclaimed Financial Assets Act, 2011, at the end of that period. PROVIDED THAT at the end of the two-year period specified herein, a trustee of the scheme may treat accrued benefits as unclaimed benefits if—
   i. a member entitled to such accrued benefits has not lodged any claim and the trustee is unable to locate that member after taking the specified step to locate.
   ii. a member has lodged a claim with the trustee but the trustee is subsequently unable to locate that member after taking the specified steps; and
   iii. the member or beneficiary has not increased or decreased the principal, accepted any payment in respect of the accrued benefits, communicated with the scheme concerning the accrued benefits or indicated any other interest in the accrued benefits as evidenced by a record prepared by the trustees.

35. LAW AND CURRENCY

This Deed shall be interpreted in accordance with and governed by the laws of Kenya and all contributions and benefits payable shall be made in Kenya in Kenya currency.

36. CLAIMS ONLY IN ACCORDANCE WITH THIS DEED

No person whether a Member or otherwise shall have any claim, right or interest upon or in respect of any lump sum payment or other benefit or any contribution made to the Scheme or any interest therein or any claim upon or against the Trustees or the Founder except under and in accordance with the provisions of this Trust Deed and Rules.

37. INTERPRETATION OF TRUST DEED

Subject to the Act and the Authority, the decision of the Trustees as to the meaning of or interpretation of the Rules and the decision of the Trustees as to the meaning of or interpretation of the applicable Rules or part of the Rules shall be final and binding on the Sponsor, Employers, Members and every person claiming to be entitled to a benefit under this Deed.

Any question which may arise with regard to a claim by any person under this Deed shall be decided by the Trustees

38. DISPUTE RESOLUTION

Save where the decision of the Trustees is made final under the provisions of this Deed, if at any time hereafter any dispute, difference or question shall arise between the Founder, the Trustees, the Members, the Members' Dependants or other persons or their personal representatives or any of them respectively touching the construction, meaning or effect of this Deed or any cause or thing therein contained or the rights or liabilities of any of them under this Deed or otherwise howsoever in relation to the Scheme then every such dispute or question shall in the first instance to discuss and consider referring the dispute to mediation by a single mediator appointed by agreement between the parties, failing which the dispute shall be referred to arbitration by a single arbitrator appointed by agreement between the parties and in default of such agreement within fourteen (14) days by the Chairman for the time being of the Chartered Institute of Arbitrators of the United Kingdom (Kenya Branch) and the result of which arbitration shall be final and binding upon all parties and the proceedings shall be regulated by the provisions of the Arbitration Act 1995 or any law or instrument amending, extending or replacing that Act. **PROVIDED THAT** a Member who is dissatisfied with a decision of the Scheme Trustees may request that such decision be reviewed by the Chief Executive Officer of the Authority and **PROVIDED FURTHER THAT** a Member aggrieved by a decision of the said Chief Executive Officer of the Authority or of the Authority may appeal to the Appeals Tribunal established under the RBA.

39. REGISTERED OFFICE

The registered office of the Scheme shall be located on 9th Floor NHIF Building 1st Ngong Avenue Nairobi or such other place as the Trustees may from time to time determine and notify the Authority.

40. NOTICES

Any notice which under the provisions of this Deed is required to be given to or served upon the Trustees shall be served in writing and delivered or addressed to the Trustees care of the principal office for the time being of the Service or such other place as the Trustees may from time to time determine or, if a Corporation shall be a sole trustee, at the place of business of such Corporation.

41. HEADINGS

The headings in this Deed are for convenience of reference only and are not to be construed as part of this Deed.

IN WITNESS WHEREOF the Common Seal of the Founder has been hereunto affixed and the Trustees have hereunto set their hands the date and year first above written.

SEALED with the Common Seal of)
POSTAL CORPORATION OF KENYA)
and delivered in the presence of:)

5015

POSTMASTER GENERAL)

2021

CORPORATION SECRETARY)

SIGNED and **DELIVERED** by)
the said **JOHN GIKANDI THONGORI,**) --
in the presence of:-)

MASITTA CHRIS N.
ADVOCATE
SIMBA AND SIMBA
P. O. Box 10312 - 00100, NAIROBI

SIGNED and **DELIVERED** by
the said **PETER KIBET KORIR**)
in the presence of:-

MASITTA CHRIS N.
ADVOCATE
SIMBA AND SIMBA
P. O. Box 10312 - 00100, NAIROBI

SIGNED and **DELIVERED** by
the said **MUKTAR ABDULLAHI**)
in the presence of:-

MASITTA CHRIS N.
ADVOCATE
SIMBA AND SIMBA
P. O. Box 10312 - 00100, NAIROBI

SIGNED and **DELIVERED** by
the said **ERIC BETT**)
in the presence of:-

MASITTA CHRIS N.
ADVOCATE
SIMBA AND SIMBA
P. O. Box 10312 - 00100, NAIROBI

SIGNED and **DELIVERED** by
the said **ZULEIKHA MOHAMMED**)
in the presence of:-

MASITTA CHRIS N.
ADVOCATE
SIMBA AND SIMBA
P. O. Box 10312 - 00100, NAIROBI

THE SECOND SCHEDULE
THE RULES

RULE 1 - ELIGIBILITY FOR MEMBERSHIP

Every Employee shall be eligible to be a Member of the Scheme **PROVIDED THAT**:

(a) He has satisfactorily completed any probationary period of service as stipulated in the terms of appointment to the Founder's Service, subject to a maximum probationary period of one year's service; and

(i) He has been appointed to Pensionable Status; and

(ii) He has attained the age of eighteen (18) years but not fifty (50) years; and

(iii) He is not engaged on contract terms of service or is on secondment from another employer unless his contract of employment provides specifically that he shall be eligible to become a member of the Scheme.

(iv) His employment was transferred to the Founder from service with a Ministry or department of the Government of Kenya and he was serving under permanent and pensionable terms at the time of such transfer.

(b)Notwithstanding the provisions of paragraph (a) of this Rule, all Eligible Employees at the Commencement Date shall be deemed to have been appointed to Pensionable Status as of that date.

RULE 2 - MEMBERSHIP

No Employee who was not a Member at the Closing Date shall become a Member of the Scheme after the Closing Date.

RULE 3 - EVIDENCE OF AGE

Every Member shall produce to the Trustees evidence of age satisfactory to the Trustees for himself and such of his Dependants as the Trustees may require and shall give the Trustees such other information as they may require for the purpose of the Scheme **PROVIDED THAT** if satisfactory evidence of age of such Member or Dependant is not produced the Trustees may at their absolute discretion determine the date of birth for the purpose of the Scheme and the date of birth so determined shall be binding upon the Member.

RULE 4 - RULES TO BE ACKNOWLEDGED AS BINDING

Every person admitted to Membership and every person whose claim upon the Scheme is derived from such Member shall be bound by the Rules and the Trust Deed.

RULE 5 - SUSPENSION OF BENEFITS

If any Member fails to comply with the provisions of these Rules and Trust Deed, the Trustees may suspend or withhold payment of any benefit from the Scheme due to or in respect of him until the said provisions are complied with.

RULE 6 - RIGHT TO DOCUMENTS

Any Member shall be entitled at any reasonable time to inspect a copy of the Rules and the Trust Deed of the Scheme and any amendments made thereto.

RULE 7 - CONTRIBUTIONS

No contributions shall be made to the Scheme by the Founder or the Members after the Closing Date with the exception of contributions by the Founder for the purpose of funding the cost of pension or other accrued benefits under the Scheme up to the Closing Date.

RULE 8 - RETIREMENT BENEFITS

(a) **Benefits Vesting in Members**

All the benefits derived from contributions made by the Founder shall vest immediately in the Member and the retirement benefits accrued from membership shall also be fully vested in a Member upon joining membership

(b) **Circumstances in which retirement benefits may be granted**

Save as otherwise specifically provided under the Rules, no pension or other benefit shall be payable to a Member except on retirement from service of the Founder and in the following circumstances:

(i) on or after attaining the age of fifty (50) years; or

(ii) on medical evidence of the Government Medical Board satisfactory to the Trustees and the Founder that he is incapable by reason of any infirmity of mind or body of discharging the duties of his office and that the infirmity is likely to be permanent whereupon he shall be entitled to a Lump Sum Payment equal to his Scheme Credit Upon attaining Normal Pension Date, every Member shall unless otherwise agreed with the Founder, retire from the service of the Founder.

(iii) if the member has emigrated from Kenya to another country without the intention of returning to reside in Kenya and the trustees have approved the payment of the retirement benefits and submitted, fourteen (14) days prior to payment of benefits, the approval to the Authority

(c) **Pension on Retirement at Normal Pension Date**

A Member who retires on his Normal Pension Date after having completed a minimum of one (1) year of Pensionable Service shall receive a pension equal to 1/480ths of his Final Pensionable Salary for each complete month of Pensionable Service.

(d) **Pension on Retirement before Normal Pension Date**

A Member who retires with the agreement of the Founder before Normal Pension Date after having completed a minimum of one (1) year of Pensionable Service and after having attained the age of fifty (50) years shall receive a pension calculated at the rate of 1/480ths of his Final Pensionable Salary for each complete month of Pensionable Service, but such pension shall be reduced to take account of early payment on a basis determined by the Trustees on the advice of the Actuary. Any pension payable in accordance with this Rule will cease if the Member is subsequently re-engaged by the Founder on Pensionable Status.

(e) **Pension on Ill-health Retirement**

(i) A Member who retires in circumstances described in paragraph (b) (ii) of this Rule shall receive a pension equal to 1/480ths of his Final Pensionable Salary for each complete month of Pensionable Service.

(ii) In the event of a Member who is permanently injured in the actual discharge of his duty being retired under this Rule, and such injury occurred without his default and in circumstances specifically attributable to the nature of his duty, he shall be granted an additional pension based on the extent to which the capacity to contribute to his own support or livelihood is impaired or destroyed in accordance with the scale in the Work Injuries Benefits Act Cap.236

(iii) The Trustees shall have the power to determine the extent to which the Members capacity to contribute to his own support or livelihood is impaired for the purposes of the preceding paragraph of this Rule and their decision shall be final. In making any determination hereunder the Trustees may rely on the opinion of a qualified medical practitioner appointed by the Trustees.

(f) **Pension on Retirement after Normal Pension Date**

A Member who is retained in the service of the Founder on pensionable terms after he attained Normal Pension Date shall when he eventually retires be entitled to an enhanced pension. The amount of this enhanced pension shall be calculated by the Trustees in consultation with the Actuary and will be based on the amount of pension which the Member would have received had he retired at his Normal Pension Date and the enhancement shall have regard to the period of time between attainment of Normal Pension Date and the date of retirement.

(g) **Deferred Pension payable from Normal Pension Date**

A Member who either:

(i) leaves from service of the Founder before the Normal Pension Date but after having completed at least one (1) year of Pensionable Service; or

(ii) having been demoted loses Pensionable Status and such status is not subsequently restored; or

(iii) leaves the service of the Founder before attaining the age fifty of (50) shall be entitled to a deferred pension commencing on the Normal Pension Date equal to 1/480ths of his Final Pensionable Salary for each complete month of Pensionable Service **PROVIDED THAT** a Member entitled to a deferred pension in terms of this Rule or a reduced deferred pension in terms of Rule 10 (b) may request the Trustees to provide a reduced pension before Normal Pension Date and such reduced pension shall be determined by the Trustees on the advice of Actuary **PROVIDED THAT** such request may only be made by a Member who has attained fifty (50) years of age or more.

When a deferred pension becomes payable, the Member shall be entitled to exercise any right of commutation under the terms of the provisions of paragraph (h) of this Rule.

(h) **Commutation of Pension at Retirement**

A Member who is entitled to receive a pension from the Scheme may elect to take a lump sum payment and in consideration of that payment, the pension payable shall be reduced accordingly.

PROVIDED THAT:

i) The exercise of this option shall not extend to more than one-third of the pension otherwise payable or such other limit as stipulated by RBA;

ii) if a Member is entitled to a pension which is of a Trivial Amount after commutation of the Pension, then a Member may elect to commute for a lump sum the total Scheme Credit due to the Member.

The value of each unit of pension commuted will be determined by the Trustees on the advice of the Actuary.

(i) **Maximum Pension**

Notwithstanding anything to the contrary herein contained, a pension granted to a Member under these Rules (before any part has been commuted) shall not exceed four-fifths ($^4/_5{}^{ths}$) of the Member's Final Pensionable Salary.

RULE 9 - LUMP SUM DEATH BENEFITS

(a) **Death in Service**

(i) Subject to having provided satisfactory medical evidence to the Trustees or if the benefit in this sub-Rule is insured with a Registered Insurer, subject to such conditions laid down by the Registered insurer, if a Member dies in the service of the Founder before attainment of Normal Pension Date there shall become payable a lump sum equal to four (4) times the Member's Pensionable Salary (two (2) times if less than five years Pensionable Service has been completed) at the date of death.

(ii) The benefit payable on the death of a Member shall be paid in such shares and manner held by the Trustees **Upon Trust** with power to be exercised (if at all) before the expiration of the Trust Period and within one year after the date of death of the Member for the beneficiary or beneficiaries nominated by the Member and in such proportions as may have been stipulated by the Member for the absolute use and benefit of such beneficiary or beneficiaries, to pay the benefits due to such beneficiary or beneficiaries with all reasonable expedition once the fund representing the benefits are to hand and subject to the beneficiary or beneficiaries providing such evidence of identity as may reasonably be required by the Trustees in support of such person's claim

(iii) Notwithstanding the provisions of subparagraph (i) above, the Trustees may in their discretion refuse to pay a nominated beneficiary or beneficiaries **PROVIDED THAT** the reasons for such refusal shall be recorded in writing by the Trustees.

(iv) Notwithstanding any other provision in this Rule 9(a), if any part of the death benefit in Rule 9 (a) is insured with a Registered Insurer, it shall not become due and payable unless the claim for the benefit has been admitted by the Registered Insurer. If the claim is admitted by the Registered Insurer, the benefit payable shall be limited to the amount paid by the Registered Insurer in consequence of such claim. Where so required by the Registered Insurer who is underwriting the benefit, a Member may need to be examined at the Registered Insurer's expense by a medical practitioner in terms of the Registered Insurer's underwriting requirements. Depending on the results of this examination, the benefit or part of the benefit payable in terms of this Rule 9(a) may be restricted in such manner as determined by the Registered Insurer. If the cover provided in terms of the policy issued by the Registered Insurer is suspended or cancelled for reasons beyond the control of the Trustees then that part of the death benefit in Rule 9 (a) which was so insured shall not be payable by the Trustees from the assets of the Scheme.

(b) **Death in Service after Normal Pension Date**

On the death of a Member who remains an Employee after Normal Pension Date and who is not receiving a pension, there shall be paid to one or more of his Dependents and in such shares or proportions as the Trustees may in their discretion determine or to his personal representatives (as the Trustees shall decide) an amount equal to the lump sum determined as though he had retired on the day before his death and had elected to commute the maximum amount of pension as permitted under Rule 8(h)

(c) **Death in Deferment**

On the death of an unmarried Deferred Pensioner who retains a deferred pension in the Scheme under Rule 8(g) or a reduced deferred pension in the Scheme in terms of Rule 10 (b) which pension was not yet in payment, there shall be paid to such one or more of his Dependants as the Trustees shall in their absolute discretion determine or in the absence thereof to his Personal Representative a lump sum equal to the actuarial cash equivalent value of the deferred pension or reduced deferred pension on the date of death as determined by the Trustees on the advice of the Actuary.

(d) Notwithstanding anything to the contrary contained in any contract or document, any benefit payable by the Scheme upon the death of a Member shall not form part of the assets in the estate of such Member, but shall be dealt with in terms of the Rules.

RULE 10 - LUMP SUM BENEFITS ON LEAVING THE FOUNDER'S SERVICE

(a) If a Member leaves the service of the Founder without being entitled to any other benefit under these Rules and has less than one (1) year of Pensionable Service, he shall receive a cash amount equal to his own accumulated contributions together with Interest.

(b) If a Member leaves service having one or more years of Pensionable Service, he may elect to receive in lieu of his benefits under Rule 8 (g), a cash lump sum equal to one-third of the actuarial cash equivalent of his deferred pension and a reduced deferred pension payable from Normal Pension Date, with the cash lump sum and the reduced deferred pension being determined by the Trustees on the advice of the Actuary **PROVIDED THAT** the actuarial cash equivalent of the deferred pension shall be subject to a minimum of the Member's own accumulated contributions with Interest.

(c) A Member who leaves service before his Normal Pension Date, but retains a deferred pension in the Scheme under Rule 8(g) or a reduced deferred pension in the Scheme in terms of Rule 10 (b) may :

i) Transfer the retained benefit to another Registered Scheme or an Individual Retirement Scheme in accordance with Clause 28 of the Trust Deed.

ii) Or if the Member is emigrating from Kenya without any present intention of returning to reside in Kenya and the Trustees have approved the payment with a copy to the Authority or the Member on the basis of the opinion of a qualified medical practitioner appointed by the Trustees or Founder is permanently incapacitated by reason of infirmity of mind or body, be paid a lump sum benefit.

The Member may exercise these rights by applying in writing to the Trustees at any time before Normal Pension Date **PROVIDED THAT** the Member must exercise this right in respect of the whole of the deferred pension or the reduced deferred pension as applicable. In each case the amount of the transfer payment or lump sum payment as applicable will be the actuarial cash equivalent value of the deferred pension or the reduced deferred pension as determined by the Trustees on the advice of the Actuary.

(d) Where a benefit has been paid to a Member as a lump sum in terms of Rule 10 (a) or transferred in terms of Rule 10 (c ii)), the Member shall have no further claim on the Scheme.

RULE 11 - PENSIONS INCREASE

a) The pension for each pensioner and the deferred pension for each deferred pensioner shall be increased at a rate of 3% compound once in every three years in arrears commencing 1 January 2010.
b) The Trustees shall have the right to review the level of pensions and deferred pensions, and subject to the consent of the Founder, may direct that each pension and deferred pension be further increased. The amount of the further increase shall be determined by the Founder and Trustees in consultation with the Actuary.

RULE 12 - PAYMENT OF PENSIONS TO A SPOUSE OR DEPENDANT CHILDREN

(a) A pension shall become payable under this Rule on the death of a Member or former Member who is survived by a Spouse or Dependent Children **PROVIDED THAT** at the time of death, the Member:

(i) was in Pensionable Service of the Founder whether or not he had attained his Normal Pension Date; or

(ii) was in receipt of a pension from the Scheme.

(b) Such pension shall be payable and, subject to any sharing requirement under Rule 14 shall be of an amount determined as follows:

(i) On the death of a Pensioner, there shall continue to be paid a pension to the Spouse or Dependant child or children of the deceased Pensioner for a period of five (5) years next following the date of the Pensioner's death; the pension to be at the rate of the deceased Pensioner's pension at the date of his death.

(ii) On the death of a Member while in the service of the Founder after having completed a minimum of one (1) year of Pensionable Service but before having attained Normal Pension Date, there shall be payable a pension to the Spouse or Dependant child, for a period of five (5) years next following the date of the Member's death, at a rate not exceeding the amount of any pension that could have been granted to the Member if he had retired on medical grounds on the date of his death.

(iii) On the death of the Member after Normal Pension Date while still in service of the Founder, there shall be paid a pension to the Spouse or Dependant child or children of the deceased Member for a period of five (5) years next following the date of the Member's death; the pension to be at the rate of the deceased Member's pension at the date of his death which would have been payable to him under the Rules if he had retired one day prior to the date of his death and had elected to commute the maximum amount of pension as permitted under Rule 8(h).

(c) **Notwithstanding paragraphs (a) and (b) of this Rule:**

(i) If a Spouse to whom a pension has been granted under this Rule dies or otherwise ceases to be entitled to the pension, the Dependant child or children who are entitled, in accordance with the provisions of sub-paragraph (ii) of this paragraph (c), to a pension, shall be entitled in accordance with those terms and conditions to receive the pension for the remainder of the period of five (5) years from the date of the Member's or Pensioner's death, which is still outstanding at the date on which the Spouse dies or otherwise ceases to be entitled to the pension.

(ii) A pension under this Rule shall be paid in accordance with and subject to the following terms and conditions: -

a) Where the deceased Member or Pensioner leaves a Spouse or Spouses, whether or not he also leaves any Dependant child or children, the Spouse or Spouses shall, for as long as she or they (as the case may be) is or are alive and remains or remain unmarried, be entitled to receive, in equal shares, the whole of the pension at the appropriate rate provided for under this Rule;

b) Where the deceased Member or Pensioner leaves more than one Spouse, and if any one of them dies or otherwise ceases to be entitled to a share of the dependant's pension

(i) then her share of the pension shall be shared in equal shares among her surviving Dependant children fathered by the deceased Member or Pensioner; or

(ii) if there is no such Dependant child, then her share of the pension shall be shared among the remaining Spouses entitled thereto.

c) Where the deceased Member or Pensioner does not leave a Spouse, or if within the period of five (5) years during which the pension is payable under this Rule the deceased Member's or Pensioner's Spouse dies or otherwise ceases to be entitled to a share of the pension, any Dependant child of the deceased Member or Pensioner shall be entitled to receive (and if more than one Dependant child, in equal shares), the pension at the appropriate rate provided for under this Rule;

d) A pension or a share thereof shall not be payable to a Dependant Child who has attained the age of twenty-one (21) years unless, and only during the time, that child is receiving full-time education at a university, college, school or other educational establishment approved by the Trustees for the purposes of this Rule;

e) In the event of any Dependant child ceasing to be eligible to a share of a pension, his or her share shall, from the date of cessation, and subject to paragraph (c)(ii)(2) of this Rule be divided equally between all the other Dependant children then still entitled to receive the share of pension, as the case may be, and if there is only one Dependant child then so remaining, the whole of the pension shall be paid to him.

(d) No pension or share thereof under this Rule shall be payable in respect of any period after the fifth anniversary of a Member's or Pensioner's date of death.

RULE 13 - ADDITIONAL PENSION TO DEPENDANTS ON DEATH IN SERVICE WHILST ON DUTY

In the event of a Member who dies in the service of the Founder as a result of injuries received in the actual discharge of his duty, and such injury occurred without his own default and in circumstances especially attributable to the nature of his duty, there shall be payable, in addition to the benefits payable under Rule 9 and 12 above, a pension to the Spouse and/or Dependant child (ren) such additional pension to be payable and to be determined as follows:

(a) Where the deceased Member leaves a Spouse, a pension payable while still unmarried at a rate not exceeding ten-fiftieths of his Pensionable Salary as at the date of the injury or two thousand four hundred shillings (Shs 2,400) a year, whichever is the greater.

(b) Where the deceased Member leaves a Spouse to whom an additional pension is granted under paragraph (a) of this Rule and a Dependant child or children, a pension in respect of each Dependant child, until the Dependant child ceases to be a Dependant child, of an amount not exceeding one-eighth of the pension specified in paragraph (a) of this Rule;

(c) Where the deceased Member leaves a Dependant child or children, but does not leave a Spouse or no pension is payable to the Spouse, a pension in respect of each Dependant child, until the Dependant child ceases to be a Dependant child, of double the amount specified in paragraph (b) of this Rule;

(d) Where the deceased Member leaves a Dependant child or children, and a Spouse to whom a pension is payable under paragraph (a) of this Rule and the Spouse subsequently dies, a pension in respect of each Dependant child, payable as from the date of the death of the Spouse until the Dependant child ceases to be a Dependant child, of double the amount specified in paragraph (b) of this Rule;

(e) Where the deceased Member does not leave a Spouse, or if no pension is payable to the Spouse and where either or both his mother and father was or were wholly or mainly dependent on him for support, a pension to either or both the mother or father, as the case may be, while either or both remain without adequate means of support, of an aggregate amount not exceeding the pension which might have been granted to his Spouse.

PROVIDED THAT:

(i) A pension shall not be payable under this Rule at any time in respect of more than six (6) Dependant children, and where there are more than six (6) Dependant children in respect of whom, but for this proviso (i) a pension would be payable, then the amount in respect of the six (6) Dependant children shall be divided equally among all the Dependant children during the period in which there are more than six (6) Dependant children.

(ii) In the case of a pension payable under paragraph (e) of this Rule: -

(a) If the mother is a widow or the father is a widower at the time of the grant of the pension and subsequently remarries, the pension shall cease as from the date of remarriage; and

(b) If it appears to the Founder at any time that either or both the mother or father is or are adequately provided with other means of support, the pension or pensions shall cease as from such date as the Founder may determine

(iii) In the case of the death of a Member whose Dependants are entitled to Compensation under the Work Injury Benefits Act, 2007 or any other law relating to compensation for work related injuries, the Trustees may take such compensation into account to such extent as they think fit in fixing the amount of pension to be paid under this Rule.

RULE 14 - MULTIPLE SPOUSES

If a male Member shall have more than one Spouse, the pension payable to all the Spouses shall not exceed the pension which would have been payable had there been only one Spouse and shall be apportioned between the several Spouses in such proportions as the Trustee may from time to time direct. In making such direction, the Trustees may be guided (but shall not be bound) by such nomination if any made by the Member under Rule 15. .

RULE 15 - ELECTION IN CASE OF MULTIPLE SPOUSES

A male Member who has more than one Spouse shall be entitled to nominate the proportions in which any Spouse's pension payable on his death should be paid but such nomination shall not be binding on the Trustees or the Founder.

RULE 16 - CHANGES OF MARITAL STATUS AND DEPENDANTS

Each Member shall notify the Trustees of every change in his marital status and increase or demise of Dependants within three (3) months after the occurrence of such change **PROVIDED THAT** if the Member fails to so notify the Trustees the benefits under the Scheme shall be paid as if no such change had occurred unless otherwise agreed by the Trustees.

RULE 17 – PAYMENT OF PENSIONS

(i) Every person entitles to a pension shall give notice in writing to the Trustees of his postal address and every change in such address.

(ii) Each instalment of pension shall be determined to the nearest shilling.

(iii) Payment of pension shall be conditional upon such evidence of survival and continued eligibility of the recipient as the Trustees shall require. If such evidence is not produced, the Trustees in their absolute discretion may defer such payment of pension until such evidence is produced.

(iv) Pension will be paid by equal monthly instalments during the Pensioner's lifetime commencing from the date of retirement.

RULE 18 - DISCRETIONARY BENEFITS

If the Founder requests and pays any additional contributions that the Trustees consider prudent (for which purpose the Trustees will seek and consider actuarial advice), the Trustees may provide (a) increased or additional benefits in respect of any Member or Pensioner or any other person entitled to a benefit under the Rules (b) subject to the approval of the Founder, benefits in respect of any Member or Pensioner or any other person entitled to a benefit under these Rules different from those set out elsewhere in these Rules and may be of such amount as the Trustees may, on the advice of the Actuary, determine.

PROVIDED ALWAYS THAT

(i) any additional contributions by the Founder pursuant hereto shall be subject to the limits referred to in Rule 7 and

(ii) no such discretionary payment or benefit shall be made which would be likely to prejudice the registration of the Scheme under the RBA or the Income Tax Act.

RULE 19 - ACCOUNTS, ANNUAL REPORTS AND ACTUARIAL VALUATIONS

(a) The Trustees will prepare annual accounts of the Scheme and have them audited by the Auditor. The audited accounts will comply with the RBA.

(b) The Trustees will prepare annual reports in respect of the Scheme which will take the format provided for in the RBA and contain:-
  (i) A copy of the audited accounts;
  (ii) Trustees' and investment reports;
  (iii) Such other information as required by the RBA.

(c) The annual audited accounts and reports described in (a) and (b) above will be submitted by the Trustees to the Chief Executive Officer within three (3) months after the end of the Financial Year to which they relate or such other period as is prescribed under the RBA. The same shall also be submitted to the Commissioner within thirty (30) days of the completion of the audit.

(d) The Trustees shall within **six (6)** months from the end of the financial year send to the Members a summary of the audited accounts together with the Members' benefit statements.

(e) (i) The Trustees will obtain actuarial valuations of the Scheme from the Actuary at intervals of not more than three (3) years on dates arranged in consultation with the Actuary. The actuarial valuations will comply with the RBA.

(ii) A copy of the Actuary's report shall be sent to the Founder and the Authority within five (5) months from the end of the Financial Year and to the Commissioner within thirty (30) days of the date of completion of the report. The Trustees shall within thirty (30) days of receipt of the Actuary's report notify the Members that the report or an abstract thereof is available for their inspection at the registered office of the Scheme or such other place and at such times as the Trustees may specify.

(f) Where a surplus is identified by an actuarial valuation, the Founder may with the consent of the Trustees and subject always to the provisions of the RBA reduce or eliminate the surplus in one or more of the following ways:

(i) reducing the contributions payable by the Founder to the Scheme;

(ii) suspending the obligation of the Founder to pay contributions to the Scheme for such period as the Actuary advises is appropriate;

(iii) increasing pensions and benefits or providing additional benefits under the Scheme;

(iv) retaining the surplus to meet any future anticipated deficiency or demand on the Scheme;

(v) subject to the written consent of the RBA and the Commissioner of Income Tax in making a payment to the Founder; or

(vi) apply it in any other way as may be permitted by the Commissioner and the RBA.

(g) If the actuarial valuation under paragraph (e) of this Rule shows that the value of the Scheme's assets is below the minimum funding level laid down under the RBA, the Trustees shall, if so directed by the Authority, submit to the Authority a remedial plan accompanied by an actuarial report and otherwise comply with the measures approved by the Authority for raising the funding of the Scheme to the level required.

RULE 20 - TAXES AND DUTIES

(a) If upon the death of a Member or Pensioner or other person in receipt of benefits under the Scheme, taxes become payable by the Trustees, the Trustees shall be entitled to recover any such amount (including any interest paid by them in respect of such payment and the cost of paying it) by deducting from any amount due or owing to such Member or pensioner or other person under the Scheme.

(b) In the event of the Trustees becoming accountable for tax or duty in respect of any payment under the Scheme, the Trustees shall have the right to deduct such tax or duty from the amount payable to such Members or other persons benefiting from the Scheme.

RULE 21 – ASSIGNMENT OF BENEFITS

A. Except as provided under the RBA, any benefit payable or to be paid under the Rules is not assignable and shall cease to be paid or payable if the recipient or other person who would otherwise be entitled to such benefit under these Rules attempts to alienate charge or anticipate the same or any part thereof **PROVIDED THAT** if any such benefit ceased to be paid or payable under the provisions of this Rule, the Trustees may in their absolute discretion in case of hardship pay or apply all or any part of such benefit for the support or maintenance or benefit of all or any one or more to the exclusion of any other or others of the following persons as the Trustees shall appoint namely such Member and his Dependants but in no circumstance shall any benefits under the Scheme be paid to an assignee.

B. Assignment of Benefits for Mortgage Purposes

(a) No benefits or contributions accruing from membership of the Scheme or payable under the Rules shall be capable of assignment except for the purpose of securing a mortgage loan issued by an institution approved by the Authority but subject to the provisions of the Retirement Benefits Act and the Regulations made thereunder.

(b) A guarantee issued by the Trustees to a lending institution under these Rules shall not exceed:-

(i) 60% of the Member's accumulated benefits at the time of the application of the said facility;
(ii) Market value of the house; whichever is less.

PROVIDED THAT the Trustees may provide a guarantee to cover the initial transaction fees including purchase deposit, applicable duties and taxes, valuation and legal fees for the acquisition of the house.

(c) Trustees may issue a guarantee to a lending institution to enable the Member obtain a loan to do the following: -

(i) Acquire immovable property on which a house can be erected;
(ii) Erect a house on an immovable property in respect of which a Member has title to or is owned jointly together with his Spouse;
(iii) Carry out repairs and renovations; and
(iv) Secure financing or waiver for the deposit, stamp duty, valuation fees, and legal fees (excluding arrangement and commitment fees) in the course of a transaction involving the purchase of a house.

(d) A Member shall make a formal application for the Trustees' consideration before assigning any such benefits.

(e) A Member is eligible to get one guarantee at a time.

(f) The lending institution in respect of which a Member can assign his benefits has to be:-

(i) A bank or financial institution licensed under the Banking Act;

(ii) A building society under the Building Society Act;

(iii) Microfinance institution established under the Finance Act, 2006 and National Housing Corporation;

(iv) Any other institution including an issuer of a tenant purchase agreement that is specifically approved by the authority.

(g) The Trustees shall not issue a guarantee unless the loan facility is granted pursuant to the facility being secured by first mortgage on the house in respect of which the loan is granted or where the house is in the rural areas, suitable security acceptable to the lender.

(h) The Trustees shall ensure that the financial institution has made adequate insurance arrangements in respect of which the loan is being advanced and shall further obtain evidence of the same.

(i) A guarantee shall be valid until the member authorizes its redemption or return.

(j) In the event of default and liability arising on the Trustees by an institution a guarantee shall be redeemable on demand.

PROVIDED FURTHER THAT in the event of default by a member arising on account of loss of employment, the trustees shall settle the outstanding mortgage with the institution if the outstanding loan is less or equal to the permitted guarantee under the Regulations.

(k) Where a dispute relating to a default arises the Trustees guaranteeing the loan shall give an opportunity to the Member to show that default has not arisen.

(l) Where a Member notifies the Trustees to redeem a guarantee, the Trustees shall first ensure that the Member's proportion of assigned benefits is enough to clear the outstanding balance of the guaranteed loan. The Trustees shall upon a resolution agree on release of any payment in redemption of a guarantee.

(m) The Trustees shall on a quarterly basis submit a return to the authority on the amount of the guarantees issued and details of the loans repaid and the guarantees redeemed.

C. Assignment of Benefits for purchasing of a Residential House.

(i) A Member may assign a percentage of his Benefits or Contributions accruing from membership of the Scheme or payable under the Rules for purposes of purchasing a residential house from an institution or projects approved by the ministry in charge of matters relating to housing or licensed under the Sacco Societies Act, Insurance Act or a scheme with residential houses for sale.

(ii) The assignable portion shall be an amount not exceeding forty (40) per cent of the member's accrued benefit, subject to a maximum of Kenya Shillings seven million.

(iii) The Purchase price which shall not exceed the market value of the house Provided that the amount to be paid from the scheme may include, transaction costs and applicable taxes.

(iv) A member who wishes to purchase a residential house, shall make a written application in the prescribed format to the trustees through the Trust Secretariat, The Application shall set out criteria for eligibility to this early access option

(v) A member of a scheme shall only be allowed to access their benefits only once to purchase a residential house.

(vi) A member earning a pension from the scheme and/or has attained normal retirement age shall not be eligible to apply;

(vii) Funds to be used towards the purchase shall first be drawn from the member's own contributions together with earned investment income and any balance shall be applied from the employer's contribution and the investment income thereof

RULE 23 - PROHIBITED PAYMENTS AND BENEFITS

(a) No payment shall be made to the Founder from the Scheme without the prior written consent of the Authority and the Commissioner.

(b) No payment shall be made hereunder to a Member who is serving on pensionable terms with the Founder.

(c) No loan, advance or other similar benefit or payment shall be provided out the Scheme to a Member or any other person.

RULE 24 - EFFECT ON TERMS OF EMPLOYMENT

(a) Nothing in these Rules shall in any way restrict the right of the Founder to terminate the employment of a Member.

(b) No persons shall have any claim concerning the Scheme except in accordance with these Rules and the Trust Deed.

(c) No benefit right or interest to which a Member or his Dependants may claim to be entitled in terms of the Rules shall be used as a ground for damages in any action brought by such Member or his Dependants against the Service.

RULE 25 - LIMITATION OF TRUSTEES' LIABILITY

The Trustees shall not be required to effect any payment or perform any obligation under the Scheme unless the Trustees shall have been notified by the Founder or by the Member or beneficiary concerned of all events giving rise to or affecting the incidence of such liability or obligation.

RULE 26 - REGISTER

(a) The Trustees shall maintain a register in which will be entered the names and dates of birth of all Members and their marital status, i.e. single, married or widowed. A Member shall advise the Trustees forthwith of any change in his marital status and supply the following information as relevant for the registration of potential beneficiaries:

- (i) The name, address and the date of birth of his Spouse;
- (ii) The date of birth of any child born to him or his wife;
- (iii) The adoption of any child by him or his Spouse;
- (iv) The death of any Dependant; and
- (v) The annulment or dissolution of his marriage.

(b) The Trustees may require a Member to make a declaration that there are no persons dependent on him, other than those who have already been registered as Dependants.

(c) The Trustees shall also keep and maintain such registers and records as will enable the Actuary to conduct an actuarial valuation of the Scheme at any time.

RULE 27 - PERIOD OF BENEFIT PAYMENT

Any benefit payable or to be paid under the Rules shall be made to the Member or other person entitled to such benefit on retirement or withdrawal and the period upon which a Member or their nominated beneficiary, or personal representative may receive the benefits shall not exceed sixty (60) days from the date of retirement or of giving notice of withdrawal as the case may be **PROVIDED THAT** if and to the extent that the Trustees shall fail to pay such benefit within the stipulated period, the Trustees shall pay interest on the delayed payment or any part thereof at the rate which shall be recommended by the Actuary (or such other qualified person as the Trustees may determine) as being reasonable **Provided Further That** such interest shall not be less than the investment interest declared by the Scheme in the year the payment was due.

RULE 28 - OTHER PROVISIONS

In the event of the occurrence of any event not expressly provided for in these Rules, the appropriate share of the moneys held under the Scheme shall be paid in trust by the Trustees for the Member, or his Dependants or Personal Representatives as the Trustees may think fit according to the circumstances then applicable.

RULE 29 - TRUSTEE'S DISCRETION

The Trustees shall have discretion to pay benefits arising under the Rules to such person or persons in such proportion as they may in their absolute discretion decide and in particular they may pay the pension in respect of a Spouse who deserts, abandons or fails to maintain the dependent children to such person or persons as they may think fit to be applied for the benefit of the dependent children.

RULE 30 - INCREASE AND DECREASE OF CHILDREN

(a) The Trustees shall be entitled to require that any Spouse in receipt of a pension shall notify the Trustees of the birth of any child to her after the death of the Member or of her marriage or of her/~~his~~ bankruptcy.

(b) The Trustees shall be entitled to require that any person in receipt of a pension in respect of an Dependant child shall notify the Trustees of the death of the child, which occurs before 21st birthday.

(c) The Trustees shall be entitled to call for the production of birth, marriage and death certificates or alternative evidence as they may require to establish the claim of any person to the payment of a pension or the continued payment of pension.

RULE 31 - RELATIONSHIP TO STATUTORY SCHEMES

The Founder and the Trustees reserve the right to amend the terms of the Trust Deed and the Rules to take account of changes in contributions to or benefits under the National Social Security Fund Act or any other statutory retirement arrangement established in Kenya.

RULE 32 – EXECUTION OF CONTRACTS AND OTHER DOCUMENTS.

Unless otherwise provided by a resolution of the Scheme Trustees, all documents binding the Scheme shall be effected by all the Scheme Trustees executing a deed or the document.

RULE 33 - HEADINGS AND MARGINAL NOTES

The headings and marginal notes to these Rules are for convenience of reference only and are not to be construed as part of the Rules.

IN WITNESS WHEREOF the Common Seal of the Founder has been hereunto affixed and the Trustees have hereunto set their hands the date and year first above written.

SEALED with the Common Seal of)
POSTAL CORPORATION OF KENYA)
and delivered in the presence of:)
)

30/5

2021

POSTMASTER GENERAL)

CORPORATION SECRETARY)

SIGNED and **DELIVERED** by
the said **JOHN GIKANDI THONGORI,**) --
in the presence of:-

MASITTA CHRIS N.
ADVOCATE
SIMBA AND SIMBA
P. O. Box 10312 - 00100, NAIROBI

SIGNED and **DELIVERED** by
the said **PETER KIBET KORIR**) --
in the presence of:-

MASITTA CHRIS N.
ADVOCATE
SIMBA AND SIMBA
P. O. Box 10312 - 00100, NAIROBI

SIGNED and **DELIVERED** by
the said **MUKTAR ABDULLAHI**) --
in the presence of:-

MASITTA CHRIS N.
ADVOCATE
SIMBA AND SIMBA
P. O. Box 10312 - 00100, NAIROBI

SIGNED and **DELIVERED** by
the said **ERIC BETT**) --
in the presence of:-

MASITTA CHRIS N.
ADVOCATE
SIMBA AND SIMBA
P. O. Box 10312 - 00100, NAIROBI

SIGNED and **DELIVERED** by
the said **ZULEIKHA MOHAMMED**) --
in the presence of:-

MASITTA CHRIS N.
ADVOCATE
SIMBA AND SIMBA
P. O. Box 10312 - 00100, NAIROBI

THE THIRD SCHEDULE

TO THE

TRUST DEED

THE POST –RETIREMENT MEDICAL FUND RULES

1 Eligibility for Participation

Any individual shall be eligible to participate in the POST–RETIREMENT MEDICAL FUND immediately he is eligible for membership to the Scheme. Before admission to Membership of the Fund, an eligible individual shall be required to complete an application in the form prescribed by the Administrator. A member shall cease to participate in the medical Fund on the date on which he withdraws all his benefits from the Fund. Should a member cease to be an Eligible individual no further contributions will be made by him but any amount already accrued to his credit in terms of Additional Voluntary Contributions will continue to be held and to earn interest subject to the trusts of the Scheme until he is paid his benefits.

2 Contributions

2.1 A Member may make additional voluntary contributions in respect of funding of a medical fund to be accessed at retirement and the contributions to the Scheme may be made in such installments to be agreed by the Trustees.

2.2 The trustees should seek, in writing, the professional advice of an actuary when determining the design and funding of the medical fund, including advice on contribution levels that shall be expected to be made in order to meet the target set for the medical benefits of members upon retirement.

2.3 The method of remitting the money shall be either by salary deduction, by Cheque, by banker's order or any other means as shall be agreed by the Trustee and the member from time to time.

2.4 An employer may contribute singly or jointly into the scheme on behalf of a member being his employee, **PROVIDED THAT** any contribution by the employer shall be supported by the employer's resolution in writing, which shall be submitted to the Authority.

2.5 Voluntary contributions by or on behalf of a member together with interest and other accrued income thereon shall constitute the Fund and shall vest fully in the members immediately.

2.6 A member may vary the rate of contribution upon giving reasonable notice to the trustees.

2.7 The contributions into the medical fund shall either be a fixed percentage of the member's pensionable emoluments, including other employment-related emoluments or a shilling amount.

2.8 The contribution amount or rates may be based on a target level of the medical benefits.

2.9 The contributions made into this medical fund shall be invested in accordance with the investment policy of the scheme **PROVIDED THAT** the scheme shall be required to prepare a separate investment strategy for the medical fund in the event the value of the medical fund exceeds fifty million shillings.

2.10 All contributions and the income derived therefrom shall be subject to the Income Tax Act.

3 Access to Medical Benefits

3.1 For the all purposes of these Rules No member shall be permitted to access their benefits while the member remains in the service of the employer.

3.2 (3.1) above notwithstanding, a member who remains in the service of the employer and not having reached normal retirement age may, subject to the approval of the trustees, be allowed to access the medical benefits on the ground of ill health or if the member becomes incapacitate due to ill health.

3.3 On exit from the employment of the sponsor before the attainment of retirement age, the medical funds shall be treated in the following manner—

(k) the funds may be transferred to another post-retirement medical fund elected in writing by the member and the scheme shall, within sixty days from the date of the election, transfer the medical funds to the medical fund elected by the member;

(ii)defer access to the benefits by the member until the member attains retirement age; or

(iii)the member may access the medical funds in the form of medical benefits

3.4 members will be allowed a period of upto one year from the date of retirement to exercise their option on how they would prefer to access their medical benefits.

3.5 members may access their medical benefits in any of the following ways

i) by retaining the funds within a post-retirement medical fund for the purpose of purchasing a medical cover;

ii) retaining the funds within a post-retirement medical fund for the purpose of offsetting any medical expenses incurred as and when they fall due;

iii) transferring the accrued amount to a medical cover provider other than another post-retirement medical fund for the purpose of purchasing a medical cover or offsetting any medical expenses incurred as and when they fall due;

iv) purchasing an annuity for the purpose of paying annual medical cover premiums.

3.6 The benefits contemplated in Rule 3.6 i), iii) and iv) maybe accessed by a spouse at the option of the member

4 Nomination of Beneficiary

Every Member shall be required to complete a nomination form in which he shall indicate the Nominated Beneficiary or Nominated Beneficiaries to whom he wishes the medical benefit payable in the event of his death but which shall in any event be paid in accordance with these Rules. Such nomination of a Beneficiary may be replaced - from time to time and together with any subsequent replacement thereto shall not be binding on the Trustee and shall be interpreted and applied by the Trustees in accordance with the provisions of the Retirement Benefits Act and the Regulations.

5 Members' Register and Accounts

5.1 The Trustee shall cause to be maintained a register of all Members of the medical fund in which register shall be maintained in respect of each Member an account (to be known as the "Member's Account") to which shall be credited forthwith upon receipt the Member's contributions.

5.2 Balances from time to time in the Member's Account deriving from voluntary contributions made by the Member together with any amounts transferred into the Scheme in respect of the Member deemed to be Member contributions and accumulated investment income attributed thereto shall be known as the Member Portion of the Member's Account.

5.3 Each Member's Account shall be credited or charged with the positive or negative net investment income arising from the Fund's investments as described in these Rules.

5.4 The Trustees shall within six months from the end of each financial year issue to each Member a statement giving details of his Member's Account.

5.5 Every Member of the Scheme shall have a right to inspect his own Member's Account in the said register during usual business hours on giving reasonable notice to the Trustees

6 Income and Other Taxes

6.1 If on the payment of any benefit from the Medical Fund, any income or other tax or estate or other duty is payable by the Trustee, it shall be entitled to recover from such benefit such duty or tax (including any interest payable in respect thereof and the costs of paying it) as if it were an amount due or owing by such Member or other person to the medical Fund;

6.2 In the event of the employer or the Trustees becoming accountable for any tax or duty in respect of any payment under the medical Fund the employer or the Trustees as the case may be shall have the right to deduct such tax or duty from the amount payable.

7 Payment of Benefits

7.1.1 All medical benefits payable under these Rules shall be payable within fourteen days of the date on which they fall due for payment.

7.1.2 Upon the death of a member of a scheme, the benefit payable from the scheme shall not form part of the estate of a member for the purpose of administration and shall be paid out by the trustees in accordance with the scheme rules.

7.1.3 Immediately following the payment by the Trustee to another medical cover provider of the amount of the Accumulated Credit as a lump sum the Member shall forthwith cease to be a Member of the medical Fund and shall have no further rights therein or claims against the Fund and the Trustees.

8 Restrictions Upon Payments from the Scheme

Notwithstanding anything contained herein to the contrary, the following shall apply to payments from the medical Fund: -

8.1 No loan or other benefit shall be provided out of the Fund to any Member or to any other persons except as specifically provided for in these Rules and in the Retirement Benefits Act and Regulations.

8.2 No warranty shall be provided by the Fund to a third party by way of guarantee of repayment of a loan to a Member.

8.3 No payment under the Fund shall be made to the employer without the written consent of the Authority and Commissioner of Income Tax.

9 Evidence of Existence

Before paying or otherwise making provision for any payment of benefit from the Fund, the Trustees may request and receive such evidence as they deem necessary regarding the continued existence or death of the persons entitled to the benefit and if such evidence shall not be forthcoming the Trustees may suspend payments of the benefit until such evidence is produced.

10 Benefit on Normal Retirement or Late Retirement

Each Member who retires at Normal Retirement Date shall on such Retirement be entitled to access their benefit and deal with such benefit representing his total Accumulated Credit standing to the credit of his Member's Account at that date in accordance with these Rules.

11 Death of a Member

On death of a Member, the Fund shall be used to provide a medical benefit to the nominated spouse(s) and/or dependant children in the manner provided for under Rule 3.

12 Duties of the Trustees

12.1 The Trustees shall ensure that the Scheme has the technical and systems capacity to segregate medical funds and the administrative capacity of handling the Fund and advisory functions to Members.

12.2 Trustees shall act in a responsible manner by putting in place standards that will help to mitigate the risk of the medical Fund from being exhausted during the lifetime of an individual Member.

13 Actuarial Valuation

Where the employer also contributes to this medical fund and the fund's design provides for guarantees regarding the level of medical benefits a member shall be entitled to, the consent of the employer shall be required in determining the level and design of the guarantees, including before amending the level and design of the guarantees PROVIDED THAT in the event this medical fund has the guarantees specified herein shall be required to conduct actuarial valuations of the fund at least once every three years.

In the event the Medical Fund provides guarantees on the level of medical benefits, any deficits or surpluses arising from actuarial reviews will be offset or utilized as per the provisions of these Rules. In the case of deficits, additional contributions would be required from either the employer, employees, or both (depending on who is contributing), or the level of benefits may be reduced. Surpluses in the medical fund may be used to enhance the level of benefits, or reduce the amount of contributions. Actuarial advice and recommendations will be required to advise on the utilization of surpluses and offsetting the deficits.

14 Transfer of Member's Portion

Members who have attained retirement age may be allowed to transfer a portion of their Pension Scheme benefits to the Medical Fund, or to another medical cover provider: **PROVIDED THAT** a member shall not transfer more than ten percent of the accrued benefits before commutation to the medical cover provider and that the member may transfer all the accrued benefits from additional voluntary contributions to the medical cover provider

15 Emigration of a Member from Kenya

A member may opt for payment to him, of the total amount of the vested accrued medical benefits before attaining the Retirement Age where a member emigrates from Kenya to another country without the intention of returning to reside in Kenya, provided that Trustees have approved the payment of emigration retirement benefits to the member.

The Trustee shall, fourteen days prior to effecting such a payment to a member submit the approval to do so to the Retirement Benefits Authority.

16 Trustees' Discretion in Payment of Death Benefits

16.1 The Trustee shall have power to pay or apply any benefit due from Scheme on the death of a Member other than a benefit expressed to be payable to or in respect of the Spouse or Child of such Member to or for the benefit of any other person who in the opinion of the Trustees is or was wholly or in part dependent upon the earnings of the Member or for whose maintenance and support the Member was legally liable immediately before his death or to the personal representatives of such deceased Member in such amounts at such times and generally in such manner as the Trustees in their absolute discretion shall from time to time think fit.

16.2 Any benefit due from the scheme on death of a Member shall not form part of the estate of the Member and shall be paid out by the scheme Trustees as per the Medical Fund Rules.

16.3 Without limitation to the generality of the foregoing the Trustees shall in determining to whom any medical benefit due upon the death of a Member shall be paid have due regard to any nomination by the Member in terms hereof.

17 Trustees' Decision Final

Subject to the provisions of the Retirement Benefits Act and Regulations, if any doubt arises in any particular case as to which of these Rules shall apply in any particular case the decision of the Trustees shall be final.

18 Trustees' Discretion Relating to Other Circumstances

In any event not provided for expressly in the Rules the appropriate share of the monies held under the Medical Fund shall be held in trust by the Trustees for such of the Member or his Nominated Beneficiary(s) or his Dependants as the Trustees shall think fit according to the circumstances then applicable.

19 Incapacity

If a Member's Nominated Beneficiary(s) or any other person to whom payments are being made or to whom any Retirement benefit has become payable suffers from any physical or mental incapacity (as to which a certificate from a qualified Medical Practitioner to that effect may be accepted by the Trustees as conclusive evidence) or is a minor child, the Trustees shall exercise their discretionary powers in determining the rightful beneficiary for the purpose of payment of medical benefits.

20 Member's Right to Documents

Every Member shall have the right to inspect a copy of the Trust Deed and these Rules and any amendments thereto upon giving the Trustees reasonable notice of his wish to do so. Every Member shall have a right to obtain a copy or to inspect his own Member's Fund

Account in the register and accounts of the whole Scheme during usual business hours upon giving the Trustees reasonable notice of his wish to do so.

21 Alterations to Statutory Scheme

The Employer and the Trustees reserve the right to amend the terms of the Trust Deed and these Rules to take account of changes in statutory contributions or benefits under the National Social Security Fund or any Statutory Scheme.

22 Headings

The headings in these Rules are for convenience of reference only and are not to be construed as part of the Medical Fund Rules.

IN WITNESS WHEREOF the Common Seal of the Founder has been hereunto affixed and the Trustees have hereunto set their hands the date and year first above written.

SEALED with the Common Seal of
POSTAL CORPORATION OF KENYA
and delivered in the presence of:)

- 5015

2021

POSTMASTER GENERAL)

CORPORATION SECRETARY)

SIGNED and **DELIVERED** by
the said **JOHN GIKANDI THONGORI,**) --
in the presence of:-

MASITTA CHRIS N.
ADVOCATE
SIMBA AND SIMBA
P. O. Box 10312 - 00100, NAIROBI

SIGNED and **DELIVERED** by
the said **PETER KIBET KORIR**) --
in the presence of:-

MASITTA CHRIS N.
ADVOCATE
SIMBA AND SIMBA
P. O. Box 10312 - 00100, NAIROBI

SIGNED and **DELIVERED** by
the said **MUKTAR ABDULLAHI**) --
in the presence of:-

MASITTA CHRIS N.
ADVOCATE
SIMBA AND SIMBA
P. O. Box 10312 - 00100, NAIROBI

SIGNED and **DELIVERED** by
the said **ERIC BETT**) --

in the presence of:-

MASITTA CHRIS N.
ADVOCATE
SIMBA AND SIMBA
P.O. Box 10312 - 00100, NAIROBI

SIGNED and **DELIVERED** by
the said **ZULEIKHA MOHAMMED**
in the presence of:-

MASITTA CHRIS N.
ADVOCATE
SIMBA AND SIMBA
P.O. Box 10312 - 00100, NAIROBI

1100hrs 12 22

Presentation No	Volume	Folio	File
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Registrar

B. F. Atieno #208