Dear NFMW-member

The National Fund for Municipal Workers (NFMW) is in the process of conducting trustee elections to fill four vacancies on the Board of Trustees, effective 1 May 2018. The election process is contained in this document and the Nomination-form provided.

We look forward to your active participation.

1. INTRODUCTION

The National Fund for Municipal Workers is controlled and managed by a Board of Trustees which itself or through its duly authorised assignees performs all acts for and on behalf of the fund.

The Board of Trustees comprises of thirteen (13) persons. The Board of Trustees shall be compiled as follows:

Twelve (12) members of the fund will be elected on a proportional basis. Proportional representation of the Board of Trustees will be determined by the percentage of membership representation in each province, subject to at least one Board of Trustee member per province (or a combination of provinces).

Therefore, representation on the Board of Trustees for the 2018/2023 term of office has been determined as follows per province:

<table>
<thead>
<tr>
<th>Province</th>
<th>Total number of representatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gauteng</td>
<td>4</td>
</tr>
<tr>
<td>Western Cape, Eastern Cape and Northern Cape combined</td>
<td>2</td>
</tr>
<tr>
<td>Mpumalanga</td>
<td>2</td>
</tr>
<tr>
<td>Limpopo</td>
<td>2</td>
</tr>
<tr>
<td>Free State, Northwest and KwaZulu Natal combined</td>
<td>2</td>
</tr>
<tr>
<td>Totals</td>
<td>12</td>
</tr>
</tbody>
</table>

One (1) representative may be appointed by the Local Government Employer’s organisation representing the majority of employers in the Local Government sector in the Republic of South Africa (presently SALGA).
In accordance with the principles of continuity, the following will be applicable:

1. The first phase of the continuity of membership of the Board of Trustees principle has been instituted with the by-election of two new Board of Trustee members in 2008.
2. 50% of the elected members on the Board of Trustees will stand for election every 2½ years.
3. The geographical distribution of trustees to stand for re-election will be dependent on member proportions at that stage (as determined by the Board of Trustees at least 90 days prior to the election) as stated in the Rules of the Fund.
4. A person who is within 2½ years of normal retirement age at vacating his/her position on the Board or of whom it is confirmed that he/she will leave the employment of Local Government within 2½ years of him/her vacating his/her position as a member of the Board of Trustees, will not be eligible for re-election to the Board.

In accordance with the rules of the fund and the principles as stated above, the following seats will be up for election in the 2018 Board of Trustee elections, effective 1 May 2018:

- Gauteng: 1 member
- Western Cape, Eastern Cape and Northern Cape combined: 1 member
- Mpumalanga: 1 member
- Limpopo: 1 member

The term of office of a Board of Trustee member is five (5) years and ceases when:

- his / her term of office expires;
- he / she dies or becomes incompetent due to health reasons to perform his / her duties as a Board Member;
- he / she ceases to be a member of the Fund;
- he / she becomes incompetent to be a director of a company in terms of the Companies Act, 1973.
- he / she is removed from office in terms of the Rules of the Fund.

Any Board Member who, in the opinion of the Board of Trustees, is guilty of misconduct or neglecting his / her duties, may by a resolution of the Board of Trustees, taken with a two thirds majority vote, be removed from his / her office as Board Member after he / she has had the opportunity to state his / her case.

2. EXPLANATION OF THE PROCESS

2.1 What does Nomination mean?

Before you can vote for trustee members, the name of possible candidates must be put forward. The process of collecting names of people who are proposed, qualify and who are willing to stand for election is called NOMINATION. You as a member must nominate someone (on the attached form) and forward his/her details to the National Fund for Municipal Workers before the closing date.

2.2 Right to nominate

Each member has the right to nominate another member to stand for election in his/her own province. You may not nominate yourself. You are invited, but not compelled to nominate. Each member may nominate only one person.
2.3 How to nominate

1. The person you wish to nominate (the nominee) must meet the criteria as set out in the instructions included herewith. The person must also agree to be nominated, be willing to accept his / her fiduciary responsibilities and accountability and authorise the fund to investigate his / her suitability as being fit and proper.

2. You must fill in the enclosed nomination form in full. If any details are omitted, your nomination form will be regarded as spoilt and will not be processed.

3. Your nomination form can be faxed or e-mailed to reach the offices of the National Fund for Municipal Workers by the closing date. The fax number to be used is 086 668 1155. The e-mail address to be used is elections@nationalfund.co.za.

4. The closing date for the submission of nominations is 22 February 2018.

2.4 Selection of election candidates

After verifying whether nominees meet the selection criteria, valid nominations received for each nominee will be added to the list of candidates.

Every member will be granted the opportunity to vote for the candidate he / she nominated.

2.5 Free and fair elections

In order to ensure that nominated candidates and election candidates are not prejudiced in any way, the entire nomination and voting processes will be conducted independently by the Office of the Principal Officer of the fund.

3. Instructions when completing the nomination form

Section 1: The Proposer

The proposer is you, the member of the fund. Please ensure that you provide all requested information. If you do not provide this information, your nomination will be invalid. The proposer must sign the nomination form.

Section 2: The Nominee

The person you are nominating for election as a trustee member is known as the nominee.

Please ensure that you provide all requested information for the nominee. The nominee must sign the nomination form.

4. The nominee must meet the following criteria by being:

- a member of the fund;
- willing to be nominated as a candidate for election;
- fit and proper to manage the business of a retirement fund in accordance with the Pension Funds Act and the Rules of the Fund;
- able to serve office having not been declared insolvent, convicted or disqualified from performing a profession and by having a clean credit history;
- able to prove that he/she is competent to manage his / her own financial affairs responsibly;
- a permanent citizen of South Africa;
- prepared to travel to attend Board or committee meetings, and any special Board meetings or training arranged from time to time. (Travel expenses will be reimbursed);
- contactable by telephone, fax and e-mail.
5. **The following persons may not be nominated:**

- anyone that has a conflict of interest i.e. serving on the Board of Trustees of another retirement / pension fund operating within local government;
- any member whose contributions to the NFMW is less than any contributions made on his/her behalf to any other fund providing retirement benefits for employees in local government;
- anyone directly employed by the National Fund for Municipal Workers;
- the Auditors and Principal Executive Officer of the Fund;
- members that are within 2½ years of normal retirement age;
- contract workers or consultants of the National Fund for Municipal Workers;
- anyone that has been removed from the Board of Trustees or found guilty of misconduct in terms of the rules and approved policies of the fund.

**Need more information or require assistance?**

If you have any questions or queries, please do not hesitate to contact us at the National Fund for Municipal Workers on 012 743 3004.