Certified that these are the rules of the RETIREMENT FUND FOR LOCAL AUTHORITIES AND UTILITY SERVICES IN NAMIBIA which will become effective on the 30th of October 2026

Signed at Windhoek on this 24th day of September 2026.



BOARD CHAIRPERSON



BOARD MEMBER



PRINCIPAL OFFICER

VALUATOR's CERTIFICATE

I certify that the amended, rescinded or additional rule has no effect on the current or prospective financial position of the fund.



29 September 2026

VALUATOR **DATE**

RETIREMENT FUND FOR LOCAL AUTHORITIES AND UTILITY SERVICES IN NAMIBIA AMENDMENT NO 12

RESOLVED to amend the RULES in accordance with section 272 of the Financial Institutions and Markets Act, 02 of 2021 as set out below which will become effective on the 30th day of October 2026:

1. GENERAL

Amended 1.2 The registered office of the Fund is 1-3 Delius Street, Windhoek, Namibia.

2. DEFINITIONS

"ACT" shall mean the Financial Institutions and Markets Act, 02 of 2021.

4. CONTRIBUTIONS AND FUND ACCOUNTS

Inserting the following under **4.1 Contributions by the Member**:

4.1.1 (m)	21%; or
4.1.1 (n)	22%; or
4.1.1 (o)	23%; or
4.1.1 (p)	24%: or
4.1.1 (q)	25%

Amended **4.1 (b)** each Member who joined the Fund on or after 1 September 2008 shall be allowed to elect to contribute to the Fund at the rate of 7.5%, 9%, 10%, 11%, 12%, 14%, 15%, 16%, 18%, 20%, 21%, 22%, 23%, 24% or 25% of one-twelve of his Fund Salary.

Amended **4.1.2 (a)** on entering Service, each Member shall be required, by notice in writing to the Board, to elect one of the contribution rates set out in Rule 4.1.1 (c), (d), (e), (f), (g), (h), (i), (j), (k), (l), (m), (n), (o), (p) or (q). If he fails to make an election, he shall contribute at the rate of 7.5% of Fund Salary.

Amended **4.1.2 (b)** on 1 July and 1 November, each MEMBER may elect to increase his contribution rate, by notice in writing to the BOARD. If he fails to elect an increased rate, he shall continue to contribute at the last rate elected by him.

Replace RULE 12.1, 12.2, 12.3 and 12.4 in its entirety as follows:

12. The MANAGEMENT OF THE FUND

12.1 Structure of the Board

12.1.1 The BOARD must consist of persons who are fit and proper within the meaning of the STANDARDS and the FUND's policy.

12.1.2 The BOARD must consist of a minimum of 4 (four) members.

12.1.3 The BOARD must consist of representatives from each REGION participating in the FUND who are appointed per RULE 12.2.

12.1.4 In addition, the PRINCIPAL OFFICER serves as an *ex officio* BOARD MEMBER.

12.2 Appointment and Election of the Board of Trustees

12.2.1 The term of office of a BOARD MEMBER and their alternate is 5 (five) years.

12.2.1.1 Fifty percent (50%) of TRUSTEES appointed prior to commencement of the Financial Institutions and Markets Act, 02 of 2021, shall serve a 5 (five) year term commencing 1 September 2024 until 31 August 2029.

12.2.1.2 Fifty percent of (50%) of Trustees elected after the commencement of the Financial Institutions and Markets Act, 02 of 2021, shall serve a 5 (five) year term commencing from 1 September 2026 until 31 August 2031.

12.2.2 When a BOARD MEMBER's term expires, they may be re-elected. To ensure independence and reduce the risk of familiarity, no TRUSTEE may serve for more than three consecutive terms.

12.2.3 Elections for fifty percent of the TRUSTEES shall be held every second year (in alphabetical order of the Regions) after the first election for the full BOARD of TRUSTEES which occurred shortly after the COMMENCEMENT DATE.

12.2.3.1 If the name of the Region is changed, the alphabetical order referred to in 12.2.3 that existed prior to the Region name change shall be maintained for the purpose of elections of the TRUSTEES.

12.2.4 Subject to RULE 12.1.3, the ACTIVE and RETIRED MEMBERS have the right to directly or indirectly elect at least half the BOARD.

12.2.5 Subject to the requirements of the ACT and RULE 12.1.3, the BOARD will determine appropriate criteria for persons to serve as members of the BOARD. In deciding these criteria, the BOARD must consider how to achieve an optimal BOARD.

12.2.6 In determining the suitability and competence of persons to serve as members of the BOARD, the BOARD must, among other things, consider the following factors:

(a) Whether its size, diversity and demographics make it effective and diverse;

(b) Diversity of the BOARD includes, but is not limited to, academic qualifications, technical expertise, relevant industry knowledge, experience, age, race and gender; and

(c) Whether the BOARD is effective in performing all functions required of the BOARD and overseeing the prudent conduct of the FUND's business.

12.2.7 Each REGION participating in the FUND will be represented by one representative, for the Participating Employer and one for the MEMBERS, except for the Khomas region where the FUND will be represented by two representatives for the Participating Employer and two for the MEMBER.

12.2.8 A representative of the Participating Employers must be:

(a) in the case of a local authority, a serving local authority COUNCILLOR;

(b) in the case of a commercialised venture, a joint business venture or a regional electricity distributor, a senior executive;

(c) elected in each REGION where at least one local authority council is a PARTICIPATING EMPLOYER.

12.2.9 Elections for the appointment of fifty per cent of the BOARD will be held every second year (in alphabetical order of the REGIONS).

12.2.10 The elections will follow the following procedures:

(a) The BOARD must ask the MEMBERS and PARTICIPATING EMPLOYERS in each REGION to nominate candidates for election to the BOARD as representatives for the MEMBERS and PARTICIPATING EMPLOYERS in the REGION. Only candidates that meet the requirements in these RULES and the election manual will be able to run for election.

(b) Each candidate nominated will be ranked according to the number of votes received.

(c) In all REGIONS except for Khomas:

(aa) the candidate with the highest number of votes for election as the PARTICIPATING EMPLOYER representative in the REGION will be elected as the PARTICIPATING EMPLOYER representative in that REGION. The candidate with the next highest number of votes will be elected as the alternate of that REGION's PARTICIPATING EMPLOYER representative;

(bb) the candidate with the highest number of votes for election as the MEMBER representative in the REGION will be elected as the MEMBER representative in that REGION. The candidate with the next highest number of votes will be elected as the alternate of that REGION's MEMBER representative. The candidate who received the third most number of votes during the election process will act as second alternate to the main MEMBER representative TRUSTEE of that REGION.

(d) In the Khomas Region:

(aa) the two candidates with the highest number of votes for election as the PARTICIPATING EMPLOYER representatives in the REGION will be elected as the PARTICIPATING EMPLOYER representatives for Khomas. The two candidates with the next highest number of votes will be elected as the alternates of that REGION's PARTICIPATING EMPLOYER representatives;

(bb) the two candidates with the highest number of votes for election as the MEMBER representatives in the REGION will be elected as the MEMBER representative for Khomas. The two candidates with the next highest

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number of votes will be elected as the alternates of that REGION's MEMBER representatives.

12.2.11 The representatives of the MEMBERS must be elected by the MEMBERS in each REGION where at least one local authority council is a Participating Employer.

12.2.12 The PENSIONERS must elect from amongst their number one TRUSTEE to represent them on the BOARD OF TRUSTEES.

12.2.13 The BOARD must nominate and elect one of the PENSIONERS as the other representative of the retired members.

12.2.14 An alternate must be elected for each BOARD MEMBER except for the PRINCIPAL OFFICER.

12.2.15 A retiring BOARD MEMBER holds office until their replacement takes office.

12.2.16 A replacement's term expires per RULE 12.2.1 even if they assume office after the effective date of their election or appointment.

12.3 Constitution of Sub-Committees

12.3.1 TRUSTEES appointed by the BOARD to serve on any of the FUND`S constituted Sub-Committees shall serve for a period of 5 years.

12.3.2 Every BOARD constituted Sub-Committee shall from amongst their number appoint a Chairperson as well as a Vice-Chairperson.

12.3.3 The Chairpersonship as well as Vice-Chairpersonship of every BOARD constituted Sub-Committee shall change after every 3 years.

12.3.4 The BOARD shall appoint two (2) Alternate TRUSTEES to each constituted Sub- Committee.

12.3.5 The alternate TRUSTEES referred to in terms of Rule 12.3.4 shall not have the same board term of office as the TRUSTEES serving on the Sub-Committee.

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12.3.6 To ensure continuity alternates shall fill the vacancy until the next election period of the BOARD constituted Sub-Committee.

12.4 Removal of a MEMBER of the BOARD OF TRUSTEES from office

12.4.1 A BOARD MEMBER ceases to hold office before their term expires if:

(a) they resign from office at any time by giving written notice to the BOARD Chairperson.

12.4.2 The BOARD may resolve to remove a BOARD member from office by a two-thirds majority (excluding the affected BOARD member) if:

(a) the BOARD finds the BOARD member in breach of the CODE of CONDUCT, the RULES or a FUND governance policy statement;
(b) the BOARD has resolved to remove them from office; or as a MEMBER representative of the ACTIVE MEMBERS if they are not a MEMBER or a member or official of a representative Trade Union registered under an Act of Parliament;
(c) the BOARD member is incapable of discharging their duties as a BOARD member;
(d) The BOARD determines on the basis of appropriate independent medical evidence, that the BOARD member is unable, by reason of physical or mental incapacity, to perform the essential duties of office for a prolonged or indefinite period, after reasonable accommodation has been considered and the BOARD member has been given a reasonable opportunity to be heard.

12.4.3 The BOARD may suspend any BOARD member who is being investigated for fraud, theft, dishonesty or other misconduct or a criminal offence, until the outcome of the case is known.

12.4.4 A BOARD member will also cease to hold office if:

(a) they fail to attend at least 75% of all BOARD meetings held in a calendar year;

(b) their term expires;

(c) they become disqualified from being a BOARD member in terms of RULE 12.5;

(d) they no longer meet the criteria in RULE 12.2.5;

(e) they cease to be a MEMBER in the case of an elected TRUSTEE.

(f) The PRINCIPAL OFFICER ceases to be a BOARD MEMBER as soon as they cease to hold office as PRINCIPAL OFFICER.

12.4.5 Despite any other RULE, the BOARD is competent to act despite a temporary vacancy on the BOARD if the BOARD is able to comply with the quorum requirements in RULE 12.10.

12.5 Disqualification of BOARD Members

12.5.1 Any of the following persons may not be appointed or act as a BOARD MEMBER:

(a) persons who are not fit and proper as meant by the STANDARDS;

(b) a director, an officer or an employee of the FUND ADMINISTRATOR or of the FUND ADMINISTRATOR's holding company, subsidiary, joint venture or associate;

(c) a consultant to, or contractor under, an agreement with the FUND ADMINISTRATOR;

(d) a financial institution or financial intermediary rendering financial services as defined in the ACT to the FUND or the BOARD;

(e) persons disqualified from being a company director under the Companies Act 28 of 2004;

(f) a minor;

(g) a person unable or incapable of managing their own affairs;

(h) a person legally incompetent to enter into a contract;

(i) a juristic person;

(j) a person who refuses to be bound by the BOARD CODE OF CONDUCT;

(k) a person who has contravened the BOARD CODE OF CONDUCT and been asked to resign;

(l) as a MEMBER representative of the ACTIVE MEMBERS if they are not a MEMBER or a member or official of a representative Trade Union registered under an Act of Parliament;

(m) as a PARTICIPATING Employer representative:

(aa) if they stop serving as a councillor on a participating local authority, or

(bb) if they stop acting as a director or equivalent of a commercialised venture, a joint business venture or a regional electricity distributor in the case of a senior executive.

12.6 Removing BOARD MEMBERS

12.6.1 If a BOARD MEMBER is not fit and proper as meant by the STANDARDS, NAMFISA may direct the FUND to remove them. NAMFISA may only do so after giving the BOARD and the BOARD MEMBER a reasonable opportunity to be heard.

12.6.2 If, on the basis of an objective assessment, the BOARD finds a BOARD MEMBER in breach of the BOARD CODE OF CONDUCT or any other FUND governance policy statement, and the affected BOARD MEMBER has been given a reasonable opportunity to be heard, the BOARD may resolve to remove the BOARD MEMBER from office by a two-thirds majority (excluding the BOARD MEMBER in breach).

12.6.3 It is specifically provided further that the BOARD shall have the right to suspend any member of the BOARD who is being investigated for fraud, theft, dishonesty or any other misconduct or criminal offence, until the outcome of the case against such member of the BOARD is known.

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12.6.4 If a BOARD MEMBER is removed from office for reasons other than the expiration of that BOARD MEMBER's term of appointment or voluntary resignation that BOARD MEMBER must within 21 days of the removal submit a written statement to NAMFISA of the reasons, in the opinion of the BOARD MEMBER, for the termination and must in addition at any time inform NAMFISA in writing on becoming aware of any material matter relating to the affairs of the FUND which, in the opinion of the board member, may seriously prejudice the financial viability of the FUND or the benefits or rights of its MEMBERS.

12.6.5 The BOARD must within 21 days of the removal of a BOARD member, submit a written statement to NAMFISA of the reasons, in the opinion of the BOARD, for the termination.

12.7 Replacement of a MEMBER of the BOARD

12.7.1 Subject to section 261(1) and 261(2) of the ACT, on the termination of office for any reason of a member of the BOARD, a person to replace such member must be elected or appointed in terms of RULE 12.2 and the BOARD must notify NAMFISA forthwith of the termination and replacement.

12.7.2 A person who is elected or appointed as a member of the BOARD in terms of RULE 12.2 must be a fit and proper person within the meaning of the STANDARDS, and such election or appointment must comply with the provisions of section 261 or 262 of the ACT.

12.7.3 NAMFISA may at any time, on the grounds that any member of the BOARD is not a fit and proper person within the meaning of the ACT and STANDARDS, and after giving the BOARD and the member of the BOARD in question a reasonable opportunity to be heard, direct that such member of the BOARD be removed from office; and in case the remaining number of members is less than the number required by section 261 or 262 or by the RULES, that some other person who complies with the provisions of the ACT and the RULES be elected or appointed to the BOARD.

12.8 The BOARD's Chairperson

12.8.1 Every two years, the BOARD elects a MEMBER representative and a PARTICIPATING EMPLOYER representative as BOARD chairperson and vice- chairperson of the BOARD, provided that:

(a) the PRINCIPAL OFFICER may not serve as chair;

(b) the chairpersonship must alternate every two years between a MEMBER representative and a PARTICIPATING EMPLOYER representative.

12.8.2 The chairperson and vice-chairperson may resign before their term expires by giving three months' written notice to the BOARD.

12.8.3 If there is a vacancy for the BOARD chairperson or vice-BOARD chairperson, the BOARD fills it by electing from their ranks a BOARD MEMBER to serve for the remainder of the term of the person who has vacated office.

12.9 Vacancies on the BOARD

12.9.1 A vacancy on the BOARD not due to the expiry of the BOARD MEMBER's term of office must be filled by their alternate for the remainder of the outgoing BOARD MEMBER's term.

12.9.2 If there is a vacancy among the alternates, the BOARD will ask the PARTICIPATING EMPLOYERS or the MEMBERS, as applicable, in the REGION where the vacancy occurs to fill the vacancy either by election or appointment as provided for in terms of the RULES.

12.9.3 An alternate who serves on the BOARD in the place of a BOARD MEMBER who cannot serve due to mental or physical incapacity or absence extending beyond three consecutive BOARD meetings. In this case, the alternate serves in their place for the duration of such incapacity or absence.

12.10 Board Meetings

12.10.1 The BOARD must meet at least four times a year in Namibia unless the BOARD holds a meeting using teleconference facilities or other form of electronic communication that allows all meeting participants to speak to and hear each other.

12.10.2 The BOARD must convene a special meeting on the BOARD chair's instruction or at the written request of 10 BOARD MEMBERS.

12.10.3 The PRINCIPAL OFFICER must give at least 15 days' notice of each ordinary BOARD meeting unless the BOARD agrees in writing to waive or reduce the period.

12.10.4 The BOARD chairperson presides over the meeting and ensures the meeting's orderly and proper conduct. The BOARD chairperson may suspend or exclude a BOARD MEMBER from a meeting if they deliberately disregard the chairperson's authority or transgress the BOARD CODE OF CONDUCT.

12.10.5 If the BOARD chairperson is unable to attend a BOARD meeting, the vice-BOARD chairperson will chair the meeting. If neither the BOARD chairperson nor vice-BOARD chairperson can attend a meeting, the BOARD MEMBERS present at the meeting must elect one of their number to chair the meeting.

12.10.6 The majority of BOARD MEMBERS will form a quorum for BOARD meetings. If a quorum is not present within 30 minutes of the appointed starting time of the meeting, the meeting will adjourn for at least one week. The BOARD MEMBERS present at an adjourned meeting will constitute a quorum.

12.10.7 At all BOARD meetings, the decision of the majority on any issue is binding.

12.10.8 The BOARD takes decision by a counting of hands unless a BOARD MEMBER requests a vote by ballot paper.

12.10.9 Each BOARD MEMBER, including the PRINCIPAL OFFICER has one vote. If the voting on an issue is tied, the BOARD must institute negotiations on the matter. If the BOARD cannot then settle the issue, the BOARD must appoint a conciliation board. If the BOARD cannot agree on the appointment of a conciliation board, the Labour Commissioner's Office must appoint the conciliation board.

12.10.10 The BOARD may pass a resolution if in writing on a round-robin basis and by majority vote, including a proposal submitted by electronic mail. For a round-robin resolution to be valid, required number of BOARD MEMBERS that constitutes a quorum must sign it, and the BOARD must ratify it at the first subsequent BOARD meeting by recording it in the FUND's minute book. A signed round-robin resolution has the same force and effect as one adopted at a properly convened and held BOARD meeting.

12.10.11 The provisions of Rule 12.10.10 will be applicable to both the Board of Trustees as well as the appointed Sub-Committees as provided for in terms of the Rules of the Fund.

12.10.12 The BOARD must keep the minutes of every BOARD meeting in a minute book.

12.10.13 The FUND will pay the reasonable travel costs of a BOARD MEMBER who must travel from their usual workplace to attend a BOARD meeting, provided the BOARD approves such expenditure in advance.

12.11 CODE OF CONDUCT

12.11.1 The BOARD shall adopt a CODE OF CONDUCT and BOARD members must perform their functions in accordance with the CODE OF CONDUCT.

12.11.2 BOARD members may be disciplined by the FUND for contraventions thereof, such discipline to include the dismissal of the BOARD member or another sanction which the BOARD deems appropriate;

12.11.3 Without limiting the duties set out in the CODE OF CONDUCT, each BOARD MEMBER must comply with the following duties:

(a) **Duty of Attendance** of meetings in accordance with the minimum attendance requirements set out in these RULES;

(b) **Duty of Active Engagement** – The BOARD members agree to be actively engaged in BOARD activities and not merely passive vote-casters at meetings. This means not only attending meetings but also withholding their vote on any issue until they are satisfied that their vote is based on their own personal critical examination of the issue and then voting on the basis of their appraisal of the facts. They agree to be or become knowledgeable concerning the RULES, its objectives and operations, the roles played by service providers, the provisions of FIMA and must be intimately familiar with the CODE OF CONDUCT and its interpretation;

(c) **Duty of Prudence** - BOARD members must discharge their responsibilities with skill, diligence and prudence having regard for the fact that the management, conservation and growth of the assets and investments of the FUND is in their hands. BOARD members must carefully test and challenge the advice of service providers to ensure that the FUND is not unduly exposed to risk of loss and that its rate of return expectations is reasonable and appropriate to the objectives and nature of the FUND;

(d) **Duty to Protect** the FUND – BOARD members must ensure that the FUND is operated and maintained subject to adequate and appropriate measures to identify and control risks, whether they are investment risks, administrative risks, insolvency risks or financial risks;

(e) **Duty of Avoidance and Fair Dealing** – BOARD members must avoid conflicts of interest (and if unavoidable, adequately manage such conflicts), avoid accepting gifts or inducements from any source related to the fund in any way, to ensure that MEMBERS and BENEFICIARIES maintain their confidence in the governance of the FUND and that its governance is transparent and free of any questionable conduct issues. BOARD members must ensure that all transactions involving the FUND and its governance, maintenance, investment and administrative operations are based on sound corporate governance principles and are at arm's length of BOARD members, FUND employees and MEMBERS and BENEFICIARIES of the FUND.

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(f) **Duty of Independence** - BOARD members must exercise discipline in terms of rigorously exercising independence of thought and analysis when considering the business of the BOARD. This means, in general, seeking information that is needed to ensure that matters are carefully examined, and critically inspecting that information to ensure it meets various tests, e.g., completeness, consistency and reasonableness. BOARD members must resist the tendency to uncritically accept the views and opinions of other BOARD members and of representatives of service providers;

(g) **Duty to Monitor Performance** - BOARD members must monitor the investment and administrative performance of the FUND. BOARD members must review and analyse reports and ensure that all questions that arise therefrom receive attention and are resolved to the satisfaction of the BOARD member or members concerned;

(h) **Duty to Hold Service Providers Accountable** - BOARD members must satisfy themselves to the greatest possible extent that the counsel of work performed and reporting by service providers are reasonable and based on the highest professional or industry standards. To that end, they must study all reports submitted by service providers, ensure that they are given the opportunity to meet with service providers and, as necessary in the circumstances, challenge items or matters that are unclear or that seem questionable or unreasonable; and

(i) **Duty of Compliance** - BOARD members must ensure that the FUND meets the requirements of all applicable legislation, regulations and standards and that it is operated in accordance with its RULES. The BOARD must satisfy itself that all parties involved in the maintenance and administrative or investment operations of the FUND comply with a CODE OF CONDUCT that the BOARD considers sufficient and appropriate. The BOARD must instruct all such parties to report to it all misconduct or non- compliance with the RULES or administrative standards or guidelines.

12.11.4 BOARD members must incur only those reasonable expenses necessary to ensure their preparation for, attendance at and effective participation in meetings of the BOARD or of MEMBERS and BENEFICIARIES. BOARD members must ensure that meeting expenses are reasonable and have regard for their duty to protect the FUND against excessive expenditures. BOARD members must ensure that the bases for the expense charges of service providers are reasonable, and that the actual charges are subject to appropriate verification and audit;

New Revised Numbering

12.12 Duties and Powers of the Board

12.13 Executive Committee

12.14 Other Appointment

12.15 Indemnification of Officers of the Fund

12.16 Fit and Proper Requirements

Reasons for amendments:

- To make provision for the change in the Fund`s registered address.
- To make provision for the addition of additional contribution categories.
- To make provisions for the requirements in terms of Section 261(7) of the Financial Institutions and Markets Act, 2021