



UNIVERSITY OF NAIROBI PENSION SCHEME 2007

**DRAFT TRUSTEES REMUNERATION POLICY
NOVEMBER 2023**

1.0 INTRODUCTION

Section 5 (ba) of the Retirement Benefits Act requires that the Retirement Benefits Authority (the “Authority”) approves Trustee remuneration approved by members during the annual general meeting every three (3) years. The Authority has developed the Retirement Benefits (Trustee Remuneration Policy and Scheme Expenses) Guidelines to guide Trustees in developing a remuneration policy. It is therefore, important for the Board of Trustees to develop this policy in conformance with the Guidelines.

2. PURPOSE OF THE REMUNERATION POLICY

(a) The main objective of the University of Nairobi Pension Scheme 2007 is to provide retirement benefits to its members and beneficiaries. The primary duty of the Board of Trustees is to act in the best interests of the members. The Trustees must ensure that the Scheme remains financially sound through effective management and thereby, meet its obligation of paying out benefits as set out in the Scheme rules.

(b) The purpose of this Trustees remuneration policy is to set out how, when and how much remuneration is to be paid to Trustees and reimbursement of permissible expenses incurred in the conduct of the affairs of the Scheme in accordance with the duties imposed by law. While doing so, the Board of Trustees reiterates its commitment to managing the Scheme with integrity and prudence. The Board of Trustees, by subscribing to this policy, pledges to act in a professional manner with due regard to the Trustees’ fiduciary duties and responsibilities, compliance with applicable laws and other policies that apply to the Scheme.

3. POLICY OBJECTIVES

The Trustees remuneration policy has been designed to align with the Scheme’s objective and its strategic and business plan so as to:

- (a) promote certainty and awareness of the guiding principles of trustee remuneration;
- (b) match the Scheme’s expenditure projections to the Scheme’s sustainable funding and risk appetite;
- (c) facilitate Trustees’ participation in Scheme activities, protect the Trustees’ interests and meet the reasonable expectations of members.

4. APPROVAL OF ANNUAL BUDGET

- (i) Trustees shall ensure that there is an approved budget for the year clearly indicating the expenses and remuneration of the Trustees.

- (ii) The Scheme shall ensure that the remuneration is sufficient to attract and retain Trustees to run the Scheme effectively as approved by members in an annual general meeting.

5. REMUNERATION PROCEDURES

- (i) The Trustees shall have meetings as per the approved calendar of events for the year and the meetings that are eligible for remuneration shall not exceed six full Board of Trustees' meetings and six meetings per committee per year;
- (ii) All Trustees meetings shall have an agenda which will be well documented;
- (iii) Allowances shall only be paid for the duly constituted meetings;
- (iv) Allowances shall be paid only to Trustees who attend meetings in person or virtually;
- (v) Where a meeting is adjourned to another time in the same day, there shall be no separate payment of a sitting allowance for the continuation of the same meeting;
- (vi) Trustees shall endeavor to hold their meetings in the principal office of the Trustees: Provided that any meeting held away from the principal office of the Trustees shall be adequately justified and included in the budget;
- (vii) All Trustees shall be remunerated equally provided that the Chairperson of the Board of Trustees may be paid a higher remuneration as may be approved by the members in an annual general meeting;
- (viii) Only Trustees permissible expenses shall be incurred and paid for by the Scheme as per the RBA First Schedule of the guidelines on Trustees' remuneration. The following shall not form part of the expenses of the Scheme :-
 - a) Trustee Honoraria;
 - b) Trustee Responsibility allowance;
 - c) Trustee Bonuses;
 - d) Trustee Meeting preparation allowance
- (ix) Where a Scheme hires experts or independent Trustees to sit in the Board of Trustees, they shall be remunerated according to their expertise and performance and an agreement signed for their appointment: provided that the Scheme expenses shall be prudently managed;
- (x) The frequency and cost of training , seminars , conference and retreats of Trustees shall be prudently managed within the annual budget approved by Trustees:

Provided that during such training, seminars, retreats and workshops, the Trustees shall not be paid a sitting allowance but shall be reimbursed for reasonable accommodation and travel expenses;

- (xi) Foreign training and travel expenses will only be paid for by the Scheme if the same has been provided for in the Scheme's budget that has received prior approval from the Authority and the Authority shall respond to such requests within fourteen days after their receipt;
- (xii) Payment for reimbursable expenses shall be done upon the actual expenses being incurred but no reimbursable expenses shall be paid before the meeting.
- (xiii) The rate for the payment of the remuneration shall be a fixed amount not exceeding Kshs. 40,000 as set out in the First schedule of the Trustees' remuneration policy guideline

6. REMUNERATION SHALL BE FOR THE FOLLOWING MEETINGS

- (i) Board of Trustees Meetings - maximum of six (6) meetings per year ;
- (ii) Investment & Finance Committee meetings- maximum of six (6) meetings per year;
- (iii) Administration & Communications Committee meetings- maximum of six (6) meetings per year;
- (iv) Audit & Risk Committee meetings- maximum of six (6) meetings per year;
- (v) Approved Seminars, conferences and trainings - maximum of five (5) days per year
- (vi) Annual General Meetings

7. SITTING ALLOWANCES

The Trustees of University of Nairobi Pension Scheme 2007 will be paid the following Sitting allowances:-

Type of meeting	Allowance (KShs) subject to tax (Per person/ per meeting)		
	Chairman	Member	Coopted
Board of Trustees Meeting	40,000	25,000	25,000
Investment & Finance Committee meeting	25,000	20,000	20,000
Administration & Communication Committee meeting	25,000	20,000	20,000
Audit & Risk Committee meeting	25,000	20,000	20,000
Annual General Meeting	40,000	25,000	25,000

Note

- All applicable taxes are payable on the allowances
- In a case where a meeting is adjourned to another time in the same day, there shall be no separate payment of a sitting allowance for the continuation of the meeting.

8. OTHER ALLOWANCES

The Trustees of University of Nairobi Pension Scheme 2007 shall draw the following other allowances from the Scheme:-

Type of Expense	Allowance (KShs.)
Daily subsistence allowance	<ul style="list-style-type: none"> • This allowance may be claimed and paid up to a set maximum per day when a trustee attends a duly constituted meeting of the Board of Trustees outside his/her normal place of residence. • The allowance shall only be paid where the Scheme has not made other accommodation arrangements for the Trustee. • For Nairobi, Kisumu, and Mombasa, the maximum payable to Trustees will be twenty thousand shillings before tax per day • For other towns, the maximum payable to Trustees will be fifteen thousand shillings before tax per day • Where the Scheme will provide accommodation for Trustees in an appropriate Hotel as will be agreed by the Trustees, they will be paid a quarter per diem
Trustees Meeting Expenses	<ul style="list-style-type: none"> • Kshs. 2,000 before tax as data bundles allowance for all online meetings OR • Trustees will be paid Kshs. 2,000 before tax as transport allowance for all Trustees meetings within Nairobi. • Where a meeting continues until lunch time, Trustees shall be given a lunch allowance of Kshs. 2,000 or will be provided with lunch
Training Expenses	<ul style="list-style-type: none"> • Actual costs incurred in attending training programmes, seminars; • Expenses/Fees and conferences related to the Scheme business whose duration shall not exceed five days in each year. • The number of days excludes the dates for the trustee development programme Kenya training; • Provided that no sitting allowance shall be paid to a trustee

	<p>for such trainings, seminars or conference;</p> <ul style="list-style-type: none"> • Stakeholder sensitization forums held by the Authority shall not be considered as trainings.
Travel expenses	<ul style="list-style-type: none"> • Board of Trustees shall be provided with transportation to the venue of a duly constituted meeting or scheduled activities of the Scheme; • Where this option is not available or a Trustee opts to travel by their own means, the trustee shall be compensated according to the applicable Automobile Association of Kenya (AA) mileage compensation rates; • In the event that a Trustee opts to use his or her own transport where Scheme transport has been availed, the Scheme shall not make any further transport payment; • Actual transport costs or AA rates for a maximum vehicle capacity not exceeding one thousand eight hundred cubic centimeters; • Travel by air shall be in economy class. However, the CEO of the Sponsor shall travel as per the Sponsor's policy.
Airport transfers	<ul style="list-style-type: none"> • The Scheme shall meet all airport transfer expenses as and when appropriate at the total rate of KShs. 6,000. • Where a Trustee spends more than the amount provided for, they shall raise a reimbursement claim for the excess amount
Laptops/Tablets	<ul style="list-style-type: none"> • During the term of a Trustee, the Scheme shall provide each Trustee with a laptop/tablet for their use in Board meetings only once during the entire period they will serve as Trustee. • Once the laptop/tablet has been issued to the Trustee, it shall not be repossessed at the expiry of their Term. • If the Sponsor provides tablets/laptops to the Council nominated Trustees, the Scheme shall not provide the Council nominated Trustees with laptops/tablets.

9. TRUSTEES ADOPTION OF THE POLICY

The Board of Trustees deliberated and adopted this remuneration policy on 8th November 2023 and it has taken into account the principles set out in the RBA guidelines on Trustees' Remuneration Policy and Scheme expenses.

10. REVIEW OF THE POLICY

The Trustees shall amend the policy as need arises and seek approval of the members of such amendments in the next general meeting and shall review the policy at least every three years or as provided in the law.

THE RETIREMENT BENEFITS ACT (No. 3 of 1997) GUIDELINES

It is notified for the general information of the public that the Retirement Benefits Authority has issued the guidelines set out in the Schedule that shall apply to trustees' remuneration policy and scheme expenses.

SCHEDULE

GUIDELINES ON TRUSTEES' REMUNERATION POLICY AND SCHEME EXPENSES

PART I—PRELIMINARY

Citation

1. These Guidelines may be cited as the Guidelines on Trustees' Remuneration Policy and Scheme Expenses.

Interpretation

2. In these Guidelines, unless the context otherwise requires—

“Administrator” means a person appointed under a written instrument by the trustees of a scheme to manage the administrative affairs of the scheme;

“auditor” means a person, firm, director or partner of a firm, as shall be appointed by trustees to hold office as such in accordance with such terms and conditions of service as may be specified in the instrument of appointment and who shall be a member of the Institute of Certified Public Accountants of Kenya;

“Custodian” means a company whose business includes taking responsibility for the safe custody of the funds, securities, financial instruments and documents of title of the assets of scheme funds;

“Independent trustee” means a trustee who has been nominated by the sponsor and who does not have a material or pecuniary relationship with the scheme;

“Manager” means a company registered by the Authority whose business includes investment and management of funds and other assets of the scheme;

“Member” means a member of a retirement benefits scheme and includes a person entitled to or receiving a benefit under the scheme;

“Non-permissible expenses” means the expenses that shall not form part of the scheme expenses;
“policy” means the Trustee Remuneration Policy;

“Prudent” means good, sound and well-documented judgment in avoiding risks and uncertainties;

“Scheme” means a retirement benefits scheme registered under the Act;

“Scheme expenses” means those expenses incurred by trustees or their agents in the general administration and management of the scheme;

“Service level agreement” means an agreement entered into between a service provider and trustees or between different service providers that sets out the terms and conditions of appointment;

“Service provider” means an administrator, manager, custodian and any other provider contracted or appointed by the scheme;

“Sponsor” means a person who establishes a scheme and includes a founder of a scheme;

“Trustee” means a trustee of a scheme fund and includes a trust corporation;

“Trustee remuneration” means any payment made to a trustee for the duties carried out on behalf of the scheme;

and

“Trustee expense” means any allowances, payments or reimbursements made to cover reasonable and necessary costs legitimately incurred by a trustee while attending a duly constituted meeting or affairs of the scheme.

Objectives of the Guidelines

3. The objectives of these Guidelines are to—

(a) set out the principles and procedures for the determination and approval of the remuneration of trustees;

(b) specify the permissible and non-permissible expenses for scheme operations;

and

(c) guide trustees on how to determine the fees payable to ensure quality of service and value addition services.

Outcomes of the Guidelines

4. The implementation of the Guidelines is intended to achieve the following outcomes—

(a) the prudent management of scheme expenses;

(b) enhanced transparency and accountability in the management of scheme expenses;

(c) enhanced member confidence in trustees; and

(d) minimisation of scheme risks.

5. Application and Scope

(1) These Guidelines shall apply to all sponsors, trustees and service providers of retirement benefits schemes.

(2) Trustees shall ensure that they prudently set and review the remuneration paid to them and fees stipulated in agreements signed with service providers.

(3) Notwithstanding any other provisions of these Guidelines, the remuneration of trustees of

statutory schemes shall be in accordance with the schedule of expenses or allowances under the relevant legislation.

Trustees to Implement these Guidelines

6. The trustees of a scheme shall be responsible for the overall implementation of these Guidelines.

7. Guidelines Provide Guidance on Minimum Standards

(1) These Guidelines shall provide guidance on the expectations of the Authority on the minimum standards required in setting trustee remuneration and prudent management of scheme expenses.

(2) The trustees shall be responsible for ensuring compliance with these Guidelines.

8. Remuneration to be reported

(1) The remuneration of trustees shall be reported in the annual audited financial statements of the scheme.

(2) The report shall be detailed, disclosing all remuneration, whether paid out of the scheme fund or by the sponsor.

9. Limitations

(1) These Guidelines shall be subject to the provisions of the Act, the Regulations thereunder and any other applicable law.

(2) Where there is a conflict between these Guidelines and the provisions of the Act, the Regulations or any other written law, the provisions of the Act, the Regulations or that other written law shall prevail.

PART II—TRUSTEES’ OBLIGATIONS IN SETTING REMUNERATION AND FEES

10. Approval of Annual Budget

Trustees shall ensure that there is an approved budget for the year clearly indicating the expenses and remuneration of the trustees.

11. Setting Trustees and Service Providers Remuneration

(1) In setting their remuneration, trustees—

(a) shall participate in the development of the trustee remuneration policy;

(b) shall ensure that the remuneration is sufficient to attract and retain trustees to run the scheme effectively as approved by members in an annual general meeting;

(c) may be paid all allowances and reimbursement of expenses as set out in the policy;

(d) shall amend the policy as need arises and seek approval of the members of such amendments in the next general meeting;

and

(e) shall review the policy at least every three years or as provided in the law.

(2) In setting fees payable to service providers, the trustees shall—

(a) participate in a meeting to approve the basis of fees payable to service providers;

(b) adhere to best governance practices in selecting service providers taking cognizance of the professional nature of engagement and fees charged;

and

(c) sign a service level agreement with the services providers and regularly review the fees at least once every three years.

(3) The fees payable to service providers shall be based on regular evaluation of the performance of the service providers by the trustees.

(4) After setting the fees payable to service providers, the trustees shall ensure that the fees are paid as provided in the service level agreement and within the stipulated timelines.

(5) Trustees shall prepare an annual report of the expenses incurred which shall clearly show the remuneration of trustees and fees paid to service providers, separately indicated.

(6) The trustees shall ensure that the tax obligations in relation to any remuneration are fulfilled under the relevant tax laws.

(7) Trustees shall seek guidance from the Authority on any matter that is not clear or on which a dispute arises in the process of the implementation of these Guidelines.

PART III—GUIDING PRINCIPLES IN THE DEVELOPMENT OF THE TRUSTEE REMUNERATION POLICY

12. (1) Trustees of a scheme shall have an approved trustee remuneration policy in place.

(2) Where trustees are not remunerated, a trustee remuneration policy shall not be required.

(3) The trustee remuneration policy shall—

(a) clearly state the meetings that are eligible for remuneration which, in any case, shall not exceed six full board of trustees' meetings and six meetings per committee per year;

(b) ensure all trustees are remunerated equally: Provided that the Chairperson of the board of trustees may be paid a higher remuneration as may be approved by the members at the annual general meeting;

(c) clearly stipulate the permissible expenses as highlighted in the First Schedule: Provided that the following shall not form part of the expenses of the scheme—

- (i) honoraria;
- (ii) responsibility allowance;
- (iii) bonuses; and
- (iv) meeting preparation allowance.

(d) where foreign training and travel expenses are provided for, the same shall not be met out of scheme funds unless they are included in a budget for the scheme year that has received prior approval from the Authority and the Authority shall respond to such requests within fourteen days after their receipt;

and

(e) payment for reimbursable expenses shall be done upon the actual expense being incurred but no reimbursable expenses shall be paid before the meeting.

(4) The trustee remuneration policy shall clearly stipulate that where a meeting is adjourned to another time in the same day, there shall be no separate payment of a sitting allowance for the continuation of the same meeting.

(5) Trustees shall endeavor to hold their meetings in the principal office of the trustees: Provided that any meeting held away from the principal office of the trustees shall be adequately justified and included in the budget.

(6) A trustee remuneration policy shall include—

(a) the requirement that trustees set an annual budget for the expenditure to be incurred in the running of the affairs of the scheme including a budget for the remuneration of trustees before the beginning of the financial year of the scheme: Provided that the Authority may at any time require the scheme to submit its annual budget;

(b) a rate for the payment of the remuneration which shall be a fixed amount not exceeding the amounts set out in the First Schedule;

(c) the budgeted expenses incurred by trustees to attend a duly constituted meeting of the board of trustees or a committee of the board and which shall be as stipulated in the First Schedule;

and

(d) the frequency and cost of training, seminars, conference and retreats of trustees shall be prudently managed within the annual budget approved by trustees:

Provided that during such training, seminars, retreats and workshops, the trustees shall not be paid a sitting allowance but shall be reimbursed for reasonable accommodation and travel expenses.

(7) The guiding principles for setting the fees payable to service providers shall apply to a trust corporation.

(8) Where a scheme hires experts or independent trustees to sit in the board of trustees, they shall be remunerated according to their expertise and performance and an agreement signed for their appointment:

Provided that that scheme expenses shall be prudently managed as provided in the First Schedule.

PART IV—PROCESS FOR SETTING AND APPROVING THE TRUSTEE REMUNERATION POLICY

13. Statement when Trustees are not remunerated

Where a scheme does not offer remuneration to trustees, a statement to that effect shall be carried in the annual audited financial statements of the scheme.

14. Policy to Indicate Procedure of Remuneration of Trustees

(1) Where a scheme offers remuneration to trustees, it shall ensure that the remuneration policy clearly indicates the procedures to be followed.

(2) A template for the trustee remuneration policy is set out in the Second Schedule.

15. Trustees to Adopt Remuneration Policy at Duly Constituted Meeting

The trustees shall deliberate and develop a trustee remuneration policy which takes into account the principles set out in these Guidelines at a duly constituted meeting which has met the minimum quorum and is convened in accordance with the applicable law and the provisions of the trust deed and rules.

16. Trustees to Forward Remuneration Policy to Sponsor for Concurrence

Once completed, trustees shall forward the trustees remuneration policy to the sponsor for concurrence.

17. Automatic Concurrence of Remuneration Policy of Trustees

Upon the lapse of twenty-one (21) days after receipt of the trustee remuneration policy, and there being no communication or response from the sponsor regarding the policy, the trustees shall consider the same as concurrence of the sponsor and proceed as such.

18. Objections by Sponsor to Remuneration Policy of Trustees

Where the sponsor raises any objections in writing within twenty-one days, and returns the trustee remuneration policy to the trustees for further deliberation, the trustees shall review the policy taking into consideration the sponsor's comments.

19. Authority to Give Directions in Dispute between Trustees and Sponsor

Where there is a dispute between the sponsor and trustees regarding the trustee remuneration

policy, the trustees shall forward the draft policy and communication from the sponsor to the Authority for direction.

20. Trustees to Seek Approval from Members at Annual General Meeting

(1) Once in every three (3) years, trustees shall seek the approval of the trustee remuneration rates which shall be obtained under the related agenda of the annual general meeting.

(2) Where the approval of the trustee remuneration rates is due, the trustees shall append the proposed rates to the annual general meeting notice and circulate to the members at least fourteen (14) days before the meeting.

(3) Members will be invited to submit written proposals in relation to the trustee remuneration rates proposed by the trustees which should reach the scheme office at least seven (7) days before the annual general meeting.

(4) Notwithstanding the provisions of subparagraph (3), members may be allowed to make oral proposals at the annual general meeting on the Trustees remuneration rates before subjecting the same to the members for approval.

(5) Approval of the trustee remuneration rates set by the members shall be by a simple majority of members present.

21. Rates Approved by Members to be forwarded to Authority for Approval

The approved trustee remuneration rates shall be inserted in the trustee remuneration policy which shall be forwarded to the Authority for approval within fourteen (14) days of the annual general meeting date together with the relevant resolution from the annual general meeting signed by trustees and two members present who are not trustees.

22. Prevailing rates to apply on failure to approve new rates

Where the members fail to approve the remuneration rates for trustees or there is an equal vote by the members or the meeting for whatever reason is not concluded with a clear decision, the trustees shall retain the prevailing trustee remuneration rates.

PART V—BASIS FOR SETTING SERVICE PROVIDERS' FEES

23. (1) In determining the fees paid to service providers, trustees should consider the quality of service provided to the scheme.

(2) The trustees shall ensure that—

(a) the fees of a corporate trustees shall be based on—

(i) a percentage of the value of the scheme fund or a shilling amount; or

(ii) the number of members in the scheme with a maximum limit to be negotiated by the trustees;
or

(iii) the contributions received by the scheme per year or per month; or

(iv) any other prudent basis as agreed with the sponsor;

(b) the fees of an administrator are based on—

(i) a percentage of the value of the scheme fund; or

- (ii) the contributions remitted by the scheme; or
- (iii) the number of members in the scheme with a maximum limit to be negotiated by the trustees; or
- (iv) any other prudent basis as agreed with the trustees;

- (c) the fees of a manager are based on—
 - (i) a percentage of the value of the scheme fund; or
 - (ii) the investment performance of the scheme; or
 - (iii) any other prudent basis as agreed with the trustees;

and

- (d) the fees of a custodian are based on—
 - (i) a rate based on transaction fees for activities undertaken for the scheme; or
 - (ii) a percentage of the value of the scheme fund; or
 - (iii) charges in accordance to the particular service offered including safekeeping, out-of-pocket expenses, postage charges and transaction costs; or
 - (iv) any other prudent basis as agreed with the service provider.

(3) The trustees shall be prudent in negotiating fees payable to any other service provider out of the scheme funds.

(4) The reimbursement of any other reasonable costs incurred by a service provider in the management of the scheme's affairs shall be set out in the service level agreement.

(5) Trustees must disclose where the costs reimbursed under subparagraph (4) give rise to a conflict of interest.

PART VI—ENFORCEMENT AND COMPLIANCE

24. The Act, the Regulations made thereunder and these Guidelines provide adequate guidance to schemes on the Authority's expectations on the prudent administration of trustee remuneration and a guide on the prescribed fees to be paid by the administrators, managers and custodians of schemes.

Authority may Conduct Evaluations on Compliance

25. The Authority may from time to time conduct comprehensive evaluations of scheme's compliance to these Guidelines to assess the implementation of the same.

Authority may Direct Trustees to take Remedial Action

26. The Authority may require scheme trustees to undertake effective and timely remedial action to address any material deficiencies in its compliance with these Guidelines.

PART VII—IMPLEMENTATION

Schemes to Implement Remuneration Policy within Twelve (12) Months

27. Every scheme, other than a scheme managed by a trust corporation as sole trustee, shall ensure that it has a trustee remuneration policy or has reviewed the policy within twelve (12) months from the date of coming into effect of these Guidelines.

FIRST SCHEDULE

SUMMARY OF PERMISSIBLE TRUSTEE REMUNERATION

This table sets out a summary of permissible trustee remuneration and trustee expenses

The First Schedule shall provide a guide in the remuneration of trustees and the rates agreed by trustees shall be included in the trustee remuneration policy.

1. Sitting allowance

Taxable sitting allowance paid to a trustee when he/she attends a duly constituted meeting of trustees or board committee:

Provided that the chairperson of the board of trustees may be paid an additional sitting allowance up to five thousand shillings for a meeting.

Maximum sitting allowance payable to trustees per sitting based on scheme fund value at the beginning of the scheme year as set out below:

	SCHEME'S FUND VALUE	SITTING ALLOWANCE AMOUNT
(a)	Fund value not exceeding five hundred million shillings	Maximum, ten thousand shillings before tax
(b)	Fund value of more than five hundred million shillings but not exceeding one billion shillings	Maximum fifteen thousand shillings before tax.
(c)	Fund value of more than one billion shillings but not exceeding ten billion shillings	Maximum twenty- five thousand shillings before tax.
(d)	Fund value of more than ten billion shillings	Maximum forty thousand shillings before tax.

2. Daily subsistence allowance

This allowance may be claimed and paid up to a set maximum per day when a trustee attends a duly constituted meeting of the board of trustees outside his/her normal place of residence.

The allowance shall only be paid where the scheme has not made other accommodation arrangements for the trustee.

TOWN	MAXIMUM PAYABLE
Nairobi, Kisumu, and Mombasa	Maximum twenty thousand shillings before tax
Other towns	Maximum fifteen thousand shillings before tax.

3. Foreign accommodation allowance

The allowance shall be paid using the rate stipulated in this schedule in line with the rates published

by the United Nations circular that gives the daily allowance for various categories and destinations.

The allowance shall only be paid where the scheme has not made other accommodation arrangements for a trustee.

Note exceeding the maximum published by the United Nations for different countries up to an overall maximum of five hundred United States dollars per day before tax.

4. Travel allowance

Board of trustees shall be provided with transportation to the venue of a duly constituted meeting or scheduled activities of the scheme.

In international travel or areas served by air transport, the means of transportation shall ordinarily be an economy class return air ticket.

Where this option is not available or a trustee opts to travel by their own means, the trustee shall be compensated according to the applicable Automobile Association of Kenya (AA) mileage compensation rates.

In the event that a trustee opts to use his or her own transport where scheme transport has been availed, the scheme shall not make any further transport payment.

Actual transport costs or AA rates for a maximum vehicle capacity not exceeding one thousand eight hundred cubic centimeters.

5. Training expenses

Actual costs incurred in attending training programmes, seminars

Expenses/Fees and conferences related to the scheme business whose duration shall not exceed five days in each year. The number of days excludes the dates for the trustee development programme Kenya training.

Provided that no sitting allowance shall be paid to a trustee for such trainings, seminars or conference.

Stakeholder sensitization forums held by the Authority shall not be considered as trainings.

Note: All scheme expenses must be budgeted and prudence exercised in the management of these expenses. In particular, scheme expenses must be incurred using the most cost-effective means of transportation. Such expenses will be supported by receipts for purchase of service.

SECOND SCHEDULE

TRUSTEE REMUNERATION POLICY

1. Introduction

Section 5 (ba) of the Retirement Benefits Act requires that the Retirement Benefits Authority (the “Authority”) approves trustee remuneration approved by members during the annual general meeting every three (3) years. The Authority has developed the Retirement Benefits (Trustee Remuneration Policy and Scheme Expenses) Guidelines to guide trustees in developing a remuneration policy. It is therefore, important for the board of trustees to develop this policy in conformance with the Guidelines.

2. Purpose of the Remuneration Policy

(a) The main objective of the University of Nairobi Pension Scheme 2007 is to provide retirement benefits to its members and beneficiaries. The primary duty of the board of trustees is to act in the best interests of the members. The trustees must ensure that the scheme remains financially sound through effective management and thereby, meet its obligation of paying out benefits as set out in the scheme rules.

(b) The purpose of this trustees remuneration policy is to set out how, when and how much remuneration is to be paid to trustees and reimbursement of permissible expenses incurred in the conduct of the affairs of the scheme in accordance with the duties imposed by law. While doing so, the board of trustees reiterates its commitment to managing the scheme with integrity and prudence. The board of trustees, by subscribing to this policy, pledges to act in a professional manner with due regard to the trustees’ fiduciary duties and responsibilities, compliance with applicable laws and other policies that apply to the scheme.

3. Policy Objectives

The trustees remuneration policy has been designed to align with the scheme’s objective and its strategic and business plan so as to:

- (a) promote certainty and awareness of the guiding principles of trustee remuneration;
- (b) match the scheme’s expenditure projections to the scheme’s sustainable funding and risk appetite;
- (c) facilitate trustees’ participation in scheme activities, protect the trustees’ interests and meet the reasonable expectations of members.

Signed by:

Sign:

Chairperson:

Date:

Signed by: [List all Trustees]

Sign:

Trustee: Date:

Witnessed by:

Sign:

Trust Secretary/Administrator:

Date: