
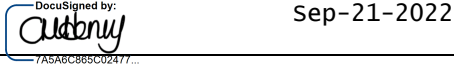

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	<b>GOVERNANCE</b>	
	<b>EFFECTIVE DATE</b>	<b>28 JULY 2022</b>
	<b>REFERENCE NUMBER</b>	<b>EPPFCS003</b>
<b>DOCUMENT TITLE</b>	<b>BOARD ELECTION AND APPOINTMENT POLICY</b>	



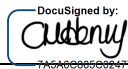
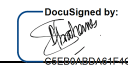
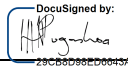
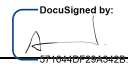
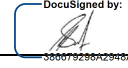
Eskom Pension and Provident Fund

**BOARD ELECTION AND APPOINTMENT POLICY**

Policy Reference Number	EPPFCS003
Version Number	2.0
Effective Date	28 July 2022
Review Date	30 June 2025
Policy Owner	Company Secretary
Signature	
Policy Sponsor	Chairman of the Board
Signature	
Date Approved	28 July 2022

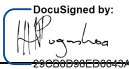

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### Key stakeholders in implementing and monitoring this Policy


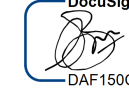
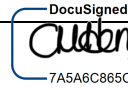
Stakeholder	Designation	Approval
Board of the Fund	Chairman of the Board	 Sep-21-2022 <small>7A5A6C865C02477...</small>
Executive Management	Chief Executive / Principal Officer	 Aug-29-2022 <small>66E0A0B0661F409...</small>
Company Secretariat	Company Secretary	 Aug-19-2022 <small>29C6B098E00043A...</small>
Governance and Assurance	Executive: Governance and Assurance	 Aug-22-2022 <small>011040F23A042B...</small>
Pension Administration	Executive: Pension Administration	 Aug-24-2022 <small>580079296A2346A...</small>


### Recommended by Policy Owner

I hereby acknowledge that we have reviewed this Policy and it is not duplicated or in conflict with any other policies

Role	Designation	Approval Signature	Date
Policy Owner	Company Secretary	 Aug-19-2022 <small>29C6B098E00043A...</small>	
Policy Sponsor	Chairman of the Board	 Sep-21-2022 <small>7A5A6C865C02477...</small>	


### Final Approval

Role	Designation	Approval Signature	Date
Audit and Risk Committee Chairperson	Mr ID du Plessis	 Aug-30-2022 <small>6002A8F72FF545D...</small>	
Legal and Governance Committee Chairperson	Ms L Brown	 Sep-05-2022 <small>DAF150C78883439...</small>	
Chairman of the Board	Ms CM Henry	 Sep-21-2022 <small>7A5A6C865C02477...</small>	

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**SUMMARY OF VERSION CONTROL**

<b>Version Number</b>	<b>Effective Date</b>	<b>Summary Changes</b>
2.0	1 July 2022	<ul style="list-style-type: none"> <li>- Renaming of the Policy to reflect that it is intended to provide for both the election of Board Members and the appointment of Board Members by the Principal Employer</li> <li>- Alignment to new Rules of the Fund</li> <li>- Alignment to the Fund’s new organisational design structure</li> <li>- Provide procedure for the Board to inform the Principal Employer of approved remuneration for Employer Board Members</li> </ul>

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## 1. INTRODUCTION

- 1.1 Section 7A of the Act requires the Fund to have a board and the election procedure, appointment and term of office of the board must be set out in the Rules. To that end, the Rules provide that the Fund shall be governed by a Board comprising fourteen (14) Board Members. In terms of the Rules, the term of office of the Board is four (4) years, after which an election has to take place. The procedure for the election and appointment of the Board is also set out in the Rules.
- 1.2 This Policy does not seek to replace, alter or contradict any of the aforesaid provisions of the Rules relating to the election and appointment of Board Members. In the event of a conflict between the provisions of the Policy and those of the Rules, the latter shall take precedence.


## 2. PURPOSE

- 2.1 The purpose of this Policy is to support the provisions of the Rules relating to the appointment and election of Board Members by:
- 2.1.1 Providing guidelines and procedures on Board elections;
- 2.1.2 Providing reference for free, fair and transparent election procedures to be followed; and
- 2.1.3 Providing reference for the resolution of possible problems that could arise during the election proceedings.

## 3. TERMS AND ABBREVIATIONS

- 3.1 In this Policy document the following terms and abbreviations shall have the meanings assigned to them below and any reference to the male gender shall also refer to the female gender and reference to the singular shall include the plural, or *vice versa*, unless the context dictates otherwise:

Act	the Pension Funds Act No. 24 of 1956;
Board	the Board of the Fund appointed and elected in terms of section 7A of the Act, Rule 3 of the Fund’s Rules and the provisions of this Policy;
Board Committee	a Committee constituted by the Board and delegated specified authority as determined by the Board;
Board Member	a member of the Board;
Chairman	the Chairperson of the Board as contemplated in the Rules;
Company Secretary	the Secretary of the Board appointed in terms of the Rules;

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Employee	any person who is employed by the Fund on a full time, fixed terms, part time or any other basis as contemplated by the Labour Relations Act, 1995 (Act No. 66 of 1995);
Employer	any employer who participates in the Fund;
Employer Board Member	A Board Member appointed by the Principal Employer in terms of Rule 3.2 of the Rules;
Exco	Executive Management Committee;
Executive: Governance and Assurance	the Executive responsible for the Governance and Assurance functions of the Fund;
Executive: Pension Administration	the Executive responsible for the Pension Administration function of the Fund;
FSCA	the Financial Sector Conduct Authority established in terms of the FSRA;
FSRA	the Financial Sector Regulation Act, 2017 (Act No. 9 of 2017)
Fund	the Eskom Pension and Provident Fund;
Independent Electoral Officer	The Independent Electoral Officer appointed by the Fund from time to time in terms of Rule 3.4.1 of the Rules;
Member	A person in active service of the Employer who has become and remained a contributing Member of the Fund and a “PAID-UP MEMBER” as defined in the Rules;
Member Board Member	a Board Member elected by Members and Pensioners in terms of Rule 3.3 of the Rules;
Pensioner	a “DEFERRED PENSIONER” as defined in the Rules and any person in receipt of a pension from the Fund due to their retirement from the Fund or on the basis of their being a “SPOUSE” or an “ELIGIBLE CHILD” as defined in the Rules;
Policy	this Board Election Policy as herein stated and amended from time to time;
Principal Employer	Eskom Holdings SOC Ltd
Principal Officer	the Principal Officer of the Fund appointed in terms of the Act and the Rules;
Rules	The Rules of the Fund

#### 4. SCOPE


- 4.1 This Policy applies to all Board Members, Employers (including the Principal Employer), Members, Pensioners, Employees, the Independent Electoral Officer and all persons and bodies participating in the election and appointment process of Board Members.

#### 5. POLICY PRINCIPLES

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- 5.1 The process of election and appointment of Board Members shall at all times comply with the provisions of the Act, the Rules and all applicable laws and regulations.
- 5.2 The election of Board Members shall be conducted in a structured and transparent manner in accordance with this Policy.
- 5.3 The election of Board Members shall be free and fair.
- 5.4 Any disputes arising during the process of election and appointment of Board Members shall be resolved fairly and transparently.
- 5.5 The election and appointment of Board Members shall be conducted with the aim to ensure that the Board collectively possesses the knowledge, skills, experience and diversity required by the Board.
- 5.6 The Principal Employer shall exercise its authority to appoint Board Members for the purpose of ensuring that the Board collective possesses the independence, knowledge, skills, experience and diversity required by the Board.
- 5.7 The Board encourages diversity in its composition, including diversity of skill, experience, gender, race and culture amongst other things.
- 5.8 The Board supports the principle that its members should comprise people with diverse professional expertise and knowledge in fields such as the financial, actuarial, legal, administrative and employee benefits fields amongst others.
- 5.9 The Principal Employer shall be mindful of conflicts of interest in considering candidates it wishes to appoint as Board Members.
- 5.10 Board Members elected and / or appointed in terms of this Policy must be fit and proper as determined by the applicable laws, the Rules and relevant policies of the Fund.
- 5.11 Board Members must be persons of integrity and must be honest, law abiding and free from corruption.
- 5.12 Board Members must be persons who are able to exhibit objectivity and have a sense of equity. This means they must be able to act in a manner that is fair and impartial and must ensure that no irrelevant considerations bear upon their judgement.
- 5.13 Board Members must be readily available and committed to attend to Fund matters, serve on Board Committees and participate in various and as many meetings as may be required.

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5.14 The Fund shall establish a Trustee Elections Committee ("TEC") which will facilitate the planning, coordinating, investigating, administering and reporting of the entire process of the elections in a manner that achieves the policy principles set out above.

## **6. COMPOSITION OF THE BOARD IN TERMS OF THE RULES**

6.1 The Rules provide that the management of the Fund shall vest in the Board, consisting of fourteen (14) Board Members.

6.2 The Rules provide that the Board be constituted as follows:

6.2.1 Seven (7) Board Members appointed by the Principal Employer, at least two of whom shall be independent experts in any of the fields advised by the Board. The appointment of such Board Members shall be carried out at the same time as the elections for elected Board Members take place.

6.2.2 Seven (7) Board Members elected by Members and Pensioners provided that:

6.2.2.1 Three (3) Board Members shall be elected by bargaining unit Members from labour organisations recognized by the Principal Employer to be representing employees;

6.2.2.2 Two (2) Board Members shall be elected by non-bargaining unit Members; and

6.2.2.3 Two (2) Board Members shall be elected by Pensioners.


6.3 The Rules require that the Chairman be elected by the Board from the independent Board Members appointed by the Principal Employer.

6.4 The Rules further provide that elections to elect the seven (7) Member Board Members shall be held every four (4) years.

6.5 The Rules make provision that the election of Board Members shall be conducted by secret ballot in accordance with this Policy, and it is the intent of this Policy to make provision for those matters and to provide guidelines for such matters.

6.6 The term of office of the Board is four years and Board members shall not serve in more than two consecutive Board terms. A Board member who served in two consecutive Board terms shall only be eligible for re-appointment or re-election after a cooling-off period of at least one term.



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6.7 Any time spent in office by a Board Member during any term of office of the Board, however insignificant, shall be considered to be a term fully served by that Board member for the purposes of calculating two consecutive terms.

## 7 ELIGIBILITY AND REQUIREMENTS


7.1 The Fund shall ensure that those persons elected or appointed to serve as Board Members have the necessary fiduciary skills and capacity to be able to serve as Board Members, as well as endeavour to achieve an adequate representation on the Board of expert and professional Board Members.

### 7.1.1 ELIGIBILITY

#### PERSONS NOT ELIGIBLE TO BE BOARD MEMBERS

Any person who:

- Is an Employee of the Fund;
- is an Executive Management Committee member of the Principal Employer or a member of its governing body;
- has been or is found guilty of fraud, theft, forgery or uttering a forged document , perjury, any offence involving dishonesty, any offence in connection with any company or public office or with the promotion, formation or management of a company or any other criminal offence by a court of law or properly constituted inquiry;
- has been or is declared insolvent, sequestrated or placed under judicial management and has not been rehabilitated;
- has been or is declared unfit to hold office as a public official, director of companies or any other position of trust due to mental incapacity, criminal record or any other reason;
- has been, was or is removed from office as a Board Member in terms of Rule 3.7.4 of the Rules;
- has served as a Board Member for the preceding two consecutive terms of office as contemplated in Rule 3.5.2 of the Rules;

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- has been or is dismissed from the service of any employer or removed from office on account of misconduct and/or incapacity;
- is disqualified from being a director in terms of an order under the Companies Act, 2008;
- has previously been removed from office by the FSCA; and/ or
- fails to meet the level of skills and training as may be prescribed by the FSCA from time to time within the period specified in the ACT.

shall not be eligible to nominate any candidate or to be nominated as a candidate to stand for election to serve on the Board, or to be appointed by the Principal Employer or to serve as a Board Member. Any nominations to stand for election received from and on behalf of any person, or any appointment made by the Principal Employer who is subject to any of the above categories, shall be rejected by the Board or its duly authorised representative. Any Board Member who becomes subject to any of the above, shall also be deemed to be unfit to hold office as a Board Member.


#### 7.1.2 VACATING OF POSITION

A Board Member shall vacate his position immediately;

- If found to be not eligible to serve as a Board Member in terms of Section 7.1.1 above.
- Upon expiry of the term of office for Board Members as detailed in the Rules and in this Policy.
- When directed by the Board acting in terms of the Rules or any legally constituted body or person authorised by law to do so, to vacate his/her position as a Board Member.
- By voluntarily resigning and advising the Chairman in writing at least 30 days prior to the effective date of resignation

## 8 APPOINTMENT OF EMPLOYER BOARD MEMBERS

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- 8.1 At the same time that the nomination process for the elected Board Members commences, the Principal Employer shall be requested to submit the names of Board Members to be appointed by the Principal Employer in terms of the Rules.
- 8.2 The Board shall advise the Principal Employer of the skills, attributes and any other relevant matters and considerations required by the Board and the Principal Employer shall consider these in appointing Employer Board Members.
- 8.3 The remuneration of Board Members shall be determined by the Board. In requesting the Principal Employer to submit names of Employer Board Members to be appointed, the Board shall simultaneously inform the Principal Employer of the annual remuneration package approved by the Board for the purpose of remunerating Employer Board Members, including the independent expert Employer Board Members contemplated in Rule 3.2.2 of the Rules.
- 8.4 The final submission date for the names of the Board Members to be appointed by the Principal Employer shall be the same date as the closing date determined for the ballot papers for elected Board Members.
- 8.5 The Board Members appointed by the Principal Employer shall be vetted by the Independent Electoral Officer to ensure that they meet the eligibility criteria set out in the Rules and this Policy.

## **9 ELECTION OF MEMBER BOARD MEMBERS**


### **9.1 OBJECTIVES OF PROCEDURE**

The objectives of the procedure established in terms of this Policy are to;

- Ensure free and fair elections for Member Board Members.
- Ensure continuity in the tenure of Board Members in the interests of Fund governance.

### **9.2 ELECTION PROCEDURE**

- The process for nomination and election of Member Board Members is determined by the Rules read with the provisions of this Policy.
- A postal nomination process will be followed to invite nominations for Board Member candidates nominated by Pensioners, followed by a postal election process, provided that the nomination and election processes may also be conducted by means of electronic media if considered

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practical and with the necessary controls in place.

- The nomination of candidates and election of Board Members elected by non-unionized Members shall be conducted through internal Employer communication channels, which may include electronic media if practical and with the necessary controls in place and the Fund may enter into a service level agreement with participating employers to formalise the distribution of nomination- and election documentation for Members.
- The nomination of candidates to stand for election as Board Members elected by unionised Members shall be conducted through the internal union structures, provided that the names of all candidates so submitted by the unions shall be placed on the formal election ballot paper and the Fund may at its discretion enter into an agreement with any organized labour grouping to formalize the process for the nomination and election of Board Members from those groups.
- It is compulsory for each labour organisation recognised by Eskom to nominate the number of candidates required in the Rules.

## **10 INDEPENDENT ELECTORAL OFFICER**

10.1 An Independent Electoral Officer shall be appointed to oversee the nomination and election processes and ensure that elections are free and fair.

## **11 ROLES AND RESPONSIBILITIES**


### **11.1 THE PRINCIPAL OFFICER**

- The Principal Officer is responsible to oversee the process and arrangements to have Board Members elected and/or appointed and shall be supported by other divisions of the Fund administration.
- If satisfied that the election has been free and fair, based on the report of the Independent Electoral Officer and such other considerations as may be applicable, the Principal Officer shall announce the results of the election to the Board and after validation by the Board, announce the results to Employers, Members, Pensioners and other interested parties.

### **11.2 COMPANY SECRETARY**

- The Company Secretary shall be the custodian of the election process and shall advise the Principal Officer and the Board on matters regarding the status of the

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election process, compliance of the election process with the Rules as well as risks emerging from the process.

### 11.3 THE INDEPENDENT ELECTORAL OFFICER

The Independent Electoral Officer shall:

- Provide independent oversight and advisory input into the communication; nomination, verification and voting processes.
- Draft and apply election guidelines to be used in cases of, for example, a tie of votes, suspected improper conduct or fraudulent activities by any person, spoilt nomination forms and/or ballot papers, late receipt of nominations and/or ballot papers, appeals or any other complaints or irregularities;
- Oversee the nomination process, receive, verify and capture the details of the nominations submitted, and forward the names of eligible candidates to the Principal Officer for inclusion on the ballot papers;
- Oversee the ballot process, capture details of the votes cast and forward the name(s) of the successfully elected candidate(s) together with an election report to the Principle Officer;
- Verify and confirm that candidates appointed by the Principal Employer and Member Board Members comply with the eligibility criteria set out in the Rules and this Policy; and
- Deal with disputes or objections to nominations and report observations; discrepancies and recommendations to the Principal Officer accordingly.

### 12 APPROVAL AND IMPLEMENTATION

This revised Policy, as approved by the Board will replace previous policies in this regard.

### 13 PERIODIC REVIEW

The policy shall be reviewed every three years to align with any changes in legislation and the Rules.