



Issued August 2008

CODE OF CONDUCT POLICY

The trustee Code of Conduct is an agreement between Natal Joint Municipal Pension / KwaZulu-Natal Joint Municipal Provident Funds and the individual trustee members and the Director that specifies the standards of behaviour expected from them.

NATAL JOINT MUNICIPAL PENSION (SUPERANNUATION) and (RETIREMENT) / KWAZULU-NATAL

JOINT MUNICIPAL PROVIDENT FUNDS

("collectively the Funds")

CODE OF CONDUCT

(Note: The principles contained herein are in accordance with Circular PF 130 and supersedes the previous Code of Ethics for members of the Committee of Management of the Funds).

PREAMBLE

1. We, the Committee of Management and Principal Officer of the Funds record that we owe to each other the beneficiaries of the Funds a fiduciary duty for sound administration and acknowledge that –
 - 1.1 the objects of the Fund are to provide retirement, death and ill-health benefits to or in respect of the fund's members and pensioners (being employees and retired employees of any employer participating the Fund), as well as their dependants (such members, pensioners and dependants being collectively referred to as "beneficiaries"). Such benefits are promised in terms of the Regulations of the Fund.
 - 1.2 Whilst our primary duty is to ensure the solvency of the Fund in order that the promised benefits of the Fund may be paid out to the beneficiaries, we also consider ourselves to hold a position of trust and we therefore acknowledge further that-
 - 1.2.1 as members of the Committee of Management we are required to act independently, and in particular may not be influenced by any party, including any Local Authority associated with the Funds or any service provider, to act differently from that which the office as members of the Committee of Management requires of us;
 - 1.2.2 . We acknowledge that as members of the Committee of Management we must declare any potential conflict of interest and if a member of the Committee of Management is deemed by the Committee of Management to have a conflict of interest, the member concerned will be asked by the Committee of Management to leave..

- 1.3 Our respective functions as Members of the Committee of Management require us not only to fulfil all the requirements imposed on us by law in the fulfilment of our duties, but also to ensure that the Fund is governed by us in such a way as will-
 - 1.3.1 ensure that the benefits promised in terms of the Regulations are actually delivered;
 - 1.3.2 these benefits are optimal with minimal associated risk; and
 - 1.3.3 the process of delivery of these benefits is credible and worthy of the trust of the beneficiaries, and can also be demonstrated to each employer, the sponsor and the Registrar of Pension Funds ("the Registrar").
- 1.4 We are accountable for our governance of the Fund.
2. We accordingly undertake to manage and administer the Funds to the best of our ability, both jointly and severally and we set out in this document the manner in which we intend to administer the Funds in order that the beneficiaries, and Local Authorities associated with the Funds, the Registrar of Financial Institutions and the service providers serving the Funds are aware of what is required of members of the Committee of Management and the service providers in order that our aims and objectives of the management of the Funds can be achieved. .

MANAGEMENT OF OURSELVES AS TRUSTEES AND PRINCIPAL OFFICER

3. We acknowledge that as members of the Committee of Management that notwithstanding that a decision by the members of the Committee of Management representative of a particular fund, that we nevertheless have participated in the discussion giving rise to the decision and that accordingly we respect and acknowledge that we shall be bound by the decision which has been reached. As members of the Committee of Management we furthermore undertake to act with the utmost good faith in our relationship with each other as members of the Committee of Management.
4. We look to the Chairperson of the Committee of Management to lead us proactively to ensure that meetings of the Committee of Management are run effectively, and to continue to act as spokesperson of the Funds..
5. We as members of the Committee of Management look to the Principal Officer for effective liaison with the service providers and the beneficiaries, being the repository of much of the institutional history of the Fund and providing support to the Chairperson and to us as the Committee of Management in their responsibilities. I as Principal Officer accept responsibility for the above and acknowledge that although I have no vote at meetings of the Committee of Management I nevertheless am expected to make contributions to those meetings

and to provide input particularly, in my compliance function, to the risk management responsibilities of the Committee of Management.

6. We undertake
 - 6.1 to record our acceptance of the responsibilities as members of the Committee of Management and Principal Officer in governance of the Funds as reflected herein.
 - 6.2 to agree a policy on gifts offered to any of us as members of the Committee of Management or Principal Officer.
 - 6.3 to declare annually or more frequently as we may decide, as members of the Committee of Management our interests on the lines of the document referred to as "B".

7. We acknowledge as members of the Committee of Management that every Trustee is expected to receive such training and orientation, at the expense of the Fund if necessary, as is necessary or desirable in order for that Trustee to fulfil his or her responsibilities as such.

8. We undertake as members of the Committee of Management to ensure that our skills and learning's as such members are passed on to those members who succeed us.

9. We acknowledge that information about the Fund, the beneficiaries, any Local Authority and service providers and the proceedings of the Committee of Management are confidential and may only be disclosed to a third party, unless there is a contrary duty in law, or such persons as we as members of the Committee of Management may agree .

10. We undertake to submit ourselves, jointly and severally, to such assessment as is appropriate, acknowledging that the purpose of any such assessment is to ascertain our performance, particularly in fulfilling our responsibilities for the management and administration of the Funds..

11.
 - 11.1 We acknowledge that each of us as a member of the Committee of Management may be sanctioned, in the manner determined by the Joint Rules for the management and administration of the Funds, as applicable from time to time, whether in the form of censure, suspension subject to any terms and/or conditions determined by other members of the Committee of Management, or expulsion from office, for any breach of this code; but that any such sanction shall only be imposed in accordance with the provisions relating thereto as contained in such Joint Rules.

 - 11.2 **DUTIES OF MEMBERS**
Whenever any member becomes aware of any contravention of or failure to comply with any provision of this Code of Conduct, or whenever any allegation or statement

is made to him or her in writing, to the effect that any member has allegedly contravened or failed to comply with any provision of this Code of Conduct, he or she shall forthwith inform the Director thereof in writing, setting out the particulars of any facts of which he or she is aware or the particulars of any statements or allegations made to him or her.

MANAGEMENT OF THE BUSINESS OF THE FUND

12. We acknowledge that we must exercise an oversight responsibility over the administration of the Fund, in particular those service providers supplying services to the Funds, with a periodic revision of the regulations in conjunction with the appropriate service providers to the Funds.
13. that there is a periodic revision of the Rules; and that there is a periodic review and assessment of the service providers of the Fund.
14. We undertake to ensure, as far as is possible, that our service providers avoid or remove any conflicts of interest.
15. We acknowledge as members of the Committee of Management that we do not have all the skills necessary for the proper administration of the Fund and undertake to seek expert advice, which we will interrogate and test, in order to ensure that the benefits of the Fund are optimal and the risks associated with that minimal.
16. We undertake as members of the Committee of Management to have in place a risk management policy, which may on request be available to any Local Authority and/or beneficiary. This risk management policy must deal with the assessment and management of each type of risk to which the Fund is exposed, including but without being limited to, accounting and administrative risk, investment risk and legal risk. As part of this we undertake as members of the Committee of Management to ensure that there are appropriate rights of recourse against our service providers and that appropriate insurance cover is enjoyed by the Fund.
17. We undertake as members of the Committee of Management to devise an investment policy which is appropriate for the needs of the Fund and, in particular, entails an acceptable level of risk and is appropriate to meet the benefits promised by the Fund.

MANAGEMENT OF RELATIONSHIPS

18. We undertake as members of the Committee of Management to communicate (in accordance with our Communication Policy) regularly all relevant and clear information about the Fund to every beneficiary. We understand the importance of such communication for each beneficiary and that good communication about the

Fund, particularly the governance arrangements in place, plays an important role in the promotion of the trust we wish the beneficiaries to have in us.

19. We undertake as members of the Committee of Management to deal with any query or complaint by any beneficiary, Local Authority or the Registrar of Pension Funds timeously, thoroughly and with respect.
20. We acknowledge that the Funds owe a duty of good faith to each Local Authority associated with the Funds and which accordingly has an interest in the governance of the Funds. Accordingly we undertake as member of the Committee of Management to communicate on matters to any Local Authority which is relevant to it and we, as members of the Committee of Management undertake to be available to discuss with any Local Authority any aspect of the Funds, the Funds benefits etc., in which a Local Authority may express an interest. We expect the Local Authorities to support the Funds in its responsibilities such as in the research necessary for the property determination of benefits payable on the death of a beneficiary and we shall look to all Local Authorities to the extent that a Local Authority shall be able to rely on such support.
21. We commit the Funds to a constructive, co-operative and open relationship with the Registrar of Pension Funds and any other regulatory authority, including SARS, with which the Fund may have dealings.
22. We undertake as members of the Committee of Management to attend all Committee of Management meetings and Sub Committee meetings to which we have been elected, except where leave of absence has been granted by the Chairperson.
23. We undertake as members of the Committee of Management to allocate sufficient time to ensure that we are sufficiently prepared for Board meetings.

MISLEADING OR INFLUENCING COMMITTEE OF MANAGEMENT/SUB-COMMITTEE AND CERTAIN OTHER ACTS PROHIBITED

- 25.1 No member of the Committee of Management shall mislead or attempt to mislead the Committee of Management or Sub-committee of which he or she is a member in its consideration of and decision on any matter serving before it;
- 25.2 Influence or attempt to influence the Committee of Management or Sub-committee of which he or she is a member in its consideration of and decision on any matter serving before it so as to gain some direct or indirect benefit, whether in money or otherwise for himself or herself or any other person to whom he or she is related or any other person or body with whom he or she is associated.
- 25.3 Directly or indirectly encourage, advocate, incite or participate in the taking of any unlawful decision by the Committee of Management or Sub –Committee of which he or she is a member; or
- 25.4 Directly or indirectly encourage, advocate incite or participate in any debate, consultation, meeting or decision with any other person or body, the aim or effect of which would be the abrogation by the Committee of Management or Sub-

Committee or which he or she is a member, of any rights in its favour or the breach by such Committee of Management or Sub-Committee of any agreement or the breach by any other person or body of any agreement with such Committee of Management or Sub-committee or any other breach or loss of any right or the neglect of any obligation to the extent that the Fund concerned suffers loss or is in any way prejudiced or improperly or unlawfully burdened with any obligation.

26 PRESSURE ON EMPLOYEES PROHIBITED

- 26.1 No member of the Committee of Management of the Funds shall, directly or indirectly:coerce or put any pressure on any employee of the Funds to insert in or to omit from any document prepared by such employee, any fact, view or information, or to frame a recommendation in any such document in a particular manner; or
- 26.2 instruct or order any employee of the Funds not to implement any decision of the Committee of Management or any decision of any Sub-Committee of the Funds or to implement any such decision contrary to the intent and purpose thereof.

27 INTERVENTION IN ADMINISTRATION OF FUND PROHIBITED

No member of the Committee of Management shall:

- 27.1 intervene directly or through the agency of any other person in the management or administration of any department, branch, section or division of the Funds;
- 27.2 directly or through the agency of any other person, issue or attempt to issue an executive order to any employee; or
- 27.3 directly or indirectly encourage, advocate, incite or participate in any debate, decision or act, the result of which would be to cause or contribute to maladministration within the Funds or in any department, branch, section or division of such Funds.

The date of approval by the Committee of Management of the Funds of this Code of Conduct is

.....
CHAIRPERSON OF THE FUNDS

.....
PRINT NAME (BLOCK LETTERS)

A"

NATAL JOINT MUNICIPAL PENSION / KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUNDS

ACCEPTANCE OF APPOINTMENT

as Member of the Committee of Management

NATAL JOINT MUNICIPAL PENSION / KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUNDS

("the Fund)

In respect of my appointment as a member of the Committee of Management of the above Funds for the period from to I declare that-

1. I accept the appointment of Trustee of the above Fund. I appreciate the responsibilities and duties attaching to the office of Trustee of a retirement fund, in particular the fiduciary nature of those responsibilities.
2. I undertake to abide by the Regulations of the Natal Joint Municipal Pension Fund (Superannuation), the Natal Joint Municipal Pension Fund (Retirement) and the KwaZulu-Natal Joint Municipal Provident Fund, noting that I may not have been elected or appointed as the case may be as a representative of a particular fund, , any decision of the Committee of Management of the Funds, any policy document or practice note issued by the Fund (in particular any code of conduct, investment policy statement and any other policy document) as determined by the Committee of Management from time to time. I acknowledge that I may not divulge any confidential information about the Funds, to any Local Authority service provider or any beneficiary of the Funds unless such information is in the public domain or I am authorised by the party to whom such information relates to release it.
3. I am not disqualified from acting as a member of the Committee of Management in terms of any legislation.
4. I understand and accept that my ongoing competence and performance as a member of the Committee of Management will be evaluated in a frequency and manner to be prescribed by the Committee of Management of the Funds from time to time.
5. I understand that I can be removed as a member of the Committee of Management of the Fund in the manner prescribed by the Joint Rules for the management and administration of the Funds as applicable from time to time and that I can resign as a member of the Committee of Management by written notice of resignation to the Chairperson of the Committee of Management.

6. I certify as correct the details of my personal information, experience and any interests in the Fund, the employer, the administrator, any service provider to the Fund and my appointment to any other retirement Funds that I have recorded in the Trustee Details and Declaration of Interest forms attached.

I undertake to provide the Funds and the Principal Officer with any changes to these details from time to time.

SIGNED AT:

MEMBER NAME:

MEMBER SIGNATURE: **DATE:**

**NATAL JOINT MUNICIPAL PENSION / KWAZULU-NATAL JOINT
MUNICIPAL PROVIDENT FUNDS**

("the Funds)

DETAILS OF MEMBER (of the Committee of Management)

Surname:

Full Names:

ID Number:

Telephone Numbers

Work Home:

Cell: E-Mail:

Residential Address:

.....

.....

Local Authority :

.....

Local Authority's Address:

.....

.....

.....

"B"

NATAL JOINT MUNICIPAL PENSION / KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUNDS

("the Funds")

COMMITTEE OF MANAGEMENT POLICY ON GIFTS

1. This document sets out the policy of the Fund applicable to each Trustee and the Principal Officer in respect of any gift received by or offered to him or her by virtue of holding his or her office as Trustee. For the purpose of this document "gift" means any property of whatsoever nature and any benefit, direct or indirect, which has a financial value, but does not include agreed remuneration for services to the Fund. A gift may include but is not limited to –

- A movable item, such as a book or bottle of wine;
- The payment of the costs, including travelling costs, to attend a conference, whether or not convened by a service provider to the Fund;
- An invitation to attend any sporting, social or recreational event.

For the purposes of this policy, the payment by a service provider, of the costs, including travelling and subsistence costs, of any member of the Committee of Management to attend a conference or seminar related in any way to the retirement fund industry does not constitute a gift.

2. The purpose of this policy is to determine appropriate conduct in relation to any gift offered to or received by any member of the Committee of Management or the Principal Officer. In this way the governance of the Fund is intended to be demonstrated as one of integrity, independence and accountability.
3. Any member of the Committee of Management or the Principal who is offered a gift must notify in writing that offer to the Committee of Management before acceptance. A gift may only be accepted by a member of the Committee of Management if so decided by the Committee of Management by resolution. Only thereafter may the gift be accepted by the member or the Principal Officer.
4. The Committee of Management may from time to time determine that any gift below a certain monetary amount need not require a resolution of the Committee of Management in order to be accepted. Any gift less than this amount must, nevertheless, be disclosed to the Committee of Management at its first meeting after its receipt. It is recorded that at the date of approval by the Committee of Management of this policy it was determined that any gift below R1000,00 (one thousand hundred rand) does not require a resolution of the Committee of Management in order to be accepted.

- 5. Non-compliance with this policy by a member of the Committee of Management or the Principal Officer will constitute a breach of his or her duties to the Fund and renders that member liable to such sanction as the Committee of Management may consider appropriate.

- 6. A gift register will be maintained by the Funds.

The date of approval by the Trustees of the Fund of this policy is

.....
CHAIRPERSON OF THE FUND

.....
PRINT NAME (BLOCK LETTERS)

NATAL JOINT MUNICIPAL PENSION / KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUNDS

("the Fund")

TRUSTEES DECLARATION OF INTERESTS

1. I acknowledge that the purpose of this declaration is for me as a Trustee of the Fund to declare my interest in any matter or entity which may compromise the impartiality and independence I am required to possess, to demonstrate and to be seen to demonstrate as Trustee.

2. For the purpose of this declaration the following words or phrases have the meanings indicated –
 - 2.1 **"financial interest"** means any shares held by me directly or indirectly (an indirect shareholding includes one held through a trust, company or legal entity controlled by me or members of my immediate family or, in respect of a trust, of which I or members of the immediate family are the primary beneficiaries), but excludes any shareholding held through a collective investment scheme;

 - 2.2 **"Independent Trustee"** means a Trustee of a retirement Fund who is not appointed by the employer participating in that Fund or elected by the members of that Fund;

 - 2.3 **"last financial year"** means the last day of the month of February preceding the date of signature of this declaration;

 - 2.4 **"professional fees"** means those fees in respect of any type of work, including acting as a Trustee of a retirement fund, in or related to the retirement fund industry including and without being limited thereto, for services to asset managers, administrators, consulting actuaries, life insurers and retirement funds;

 - 2.5 **"service provider"** means an administrator, auditor, provider of risk benefits, provider of short term insurance, brokerage or any other entity contracted by the Fund to provide any services which, for this purpose, includes the management of any assets of the Fund whether in the form of a mandate or an insurance policy;

 - 2.6 **"sponsor"** means (name of insurer, asset manager, administrator or other entity which sponsors the umbrella fund, preservation fund or RA fund) and any subsidiary of it (as understood in terms of the Companies Act, No. 61 of 1973);

3. The following are Retirement Funds, apart from the Fund, sponsored by the sponsor of which I am an independent Trustee –
4. The proportion of my total professional fees billed for acting as an independent Trustee over the most recent financial year of the Funds listed in 3 above (including the Fund) was% (express as percentage).
5. Over the most recent financial year the following is the proportion of my total professional fees for services to the sponsor other than in respect of acting as an independent Trustee of the Fund and the Funds referred to in 3 above (express as percentage).
6. If I am a Director of or partner of a professional firm, does my firm provide any services on an ongoing basis to the sponsor. Yes / No (circle which is applicable)
 - 6.1 if the above answer is Yes, is my firm the only provider of such services – Yes / No (circle which is applicable)
 - 6.2 Or the predominant provider of such service – Yes / No (circle which is applicable)
7. The following are the retirement funds of which I am an independent Trustee which are not sponsored by the sponsor.
8. I have / have not (circle which is applicable) been permanently employed by the sponsor, and if I have been permanently employed by the sponsor that employment terminated on (insert date).
9. I acknowledge that as Trustee –
 - 9.1 the incorrect incompleteness of this may constitute a breach of the code of conduct of the Fund;
 - 9.2 my co-Trustees may require more information about any aspect of the declaration made by me in terms hereof.
10. I acknowledge that as Trustee –
 - 10.1 the incorrect incompleteness of this may constitute a breach of the code of conduct of the Fund;
 - 10.2 my co-Trustees may require more information about any aspect of the declaration made by me in terms hereof.
11. I confirm that there is no other fact which to the best of my knowledge compromises my ability to act independently and impartially as a Trustee.

DATED AT ON THIS DAY OF

.....
TRUSTEE (Insert Name)