



Government Employees Pension Fund

Conflict of Interest Policy

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Document Versions

Version	Revision Date	Prepared / Revised by	Business Unit	Status
1.1	June 2009	GEPF	Legal and Compliance	Approved
1.2	August 2014	GEPF	Secretariat	Approved
1.3	November 2015	GEPF	Secretariat	Draft
1.4	August 2016	GEPF	Secretariat	Draft

Business Areas Impacted By This Policy

Name Business Unit / Area	Context and Relevance
Trustees / Substitute Trustees	Conflicts of Interests

Glossary of Terminology

Abbreviation/Terminology	Description
"Benefit"	Includes any tangible or intangible advantages or profits gained, such as a book or bottle of wine, tickets to sporting, social or other events, invitations to lunches, dinners, promotions or travel, payment of the costs, including traveling costs, to attend a conference, whether or not convened by a Service Provider to the Fund
"Board"	The Board of Trustees of the Government Employees Pension Fund
"Conflict of Interest"	<p>A situation in which any decision, action or activity being contemplated by the Trustee affects, may affect or may be perceived to affect the Trustee's judgment in acting in the best interest of the Fund, including using the Trustee's position for:</p> <ul style="list-style-type: none"> • private gain or the expectation of private gain or advancement of the Trustee or any member of the Trustee's Family, friends or business associate; or • the Benefit or advancement of any corporate entity in which the Trustee or any member of the Trustee's Family has a Direct or Indirect Financial interest or which could directly or indirectly significantly detriment the reputation or interests, material or otherwise of the Fund, the Trustees and its members

Abbreviation/Terminology	Description
"Corruption"	Any conduct or behaviour as described in the Prevention and Combating of Corrupt Activities Act, 2004 where a person accepts, agrees or offers any gratification for him/herself or for another person where the purpose is to act dishonestly or illegally. Such behaviour also includes the misuse of material or information abusing a position of authority or a breach of trust or violation of duty to achieve an unjustified result
"Direct Financial Interests"	Financial Interests where a Trustee may benefit in cash or in kind from Remunerated Work, consultancies, retainerships, sponsorships, Gifts, property ownership or any other source of Benefit that could be perceived as conflicting to the role as Trustee of the Fund
Entertainment	Includes entertainment such as a show, performance, presentation, production, spectacle and extravaganza etc
"Family"	Includes the Trustee's spouse or equivalent, sibling, parent, grandparent, child, grandchild and any person who is adopted or blood relative of the Trustee
"Financial Interest"	Any Shares held by a Trustee directly or indirectly (an indirect shareholding includes one held through a trust, company or legal entity controlled by a Trustee or members of his immediate Family or, in respect of a trust, of which a Trustee or members of my immediate Family are the primary beneficiaries), but excludes any shareholding held through a collective investment scheme
"Fund"	The Government Employees Pension Fund (GEPF)
"Fund employees"	All employees employed by the Fund
"GEP Law"	The Government Employees Pension Law
"Gift"	Includes items, goods, services, information or any property of whatsoever nature which is bestowed voluntary without expectation of compensation and any Benefit, direct or indirect, which has a financial value, and for which no contractual obligations are imposed
"Hospitality"	Can be any food, drink, accommodation or entertainment provided free of charge or heavily discounted
"Indirect Financial Interests"	Interests where the Family of the Trustee or other significant personal or business relationship, or other potential relationships that could be perceived to introduce conflict, may benefit in cash or in kind from remunerated work, consultancies, retainerships, sponsorships, property

Abbreviation/Terminology	Description
	ownership or any other source of Benefit that could be perceived as conflicting to the role as Trustee of the Fund
"Rules"	Rules of the Government Employees Pension Fund
"Service Provider"	Includes an administrator, auditor, provider of risk benefits, provider of short term insurance, brokerage or any other entity contracted by the Fund to provide goods and 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
"Policy"	This Conflicts of Interest Policy and such alteration hereof as may at any time be in force
"Remunerative work"	Any work performed by a Trustee outside the Fund for which a reward or pay for services rendered is made
'Shares'	'Securities' as defined in the Securities Services Act, 2004 and includes derivative instruments, bonds, debentures, instruments based on an index, sights in securities, but excludes money market instruments and all collective investments other than collective investments listed on a recognized exchange or with assets under management by the institution
'Trustee'	A person designated or elected as a member of the Board in terms of Rules, and includes a Substitute Trustee.

1. Policy purpose and scope

The purpose of this Policy is to assist the Trustees of the GEPF with the management of conflicts of interest by providing guidance in relation to actual, perceived or potential conflict of interests. This policy is aimed at enhancing integrity, independence and accountability within GEPF.

The principles outlined in this Policy apply to all Trustees and Substitute Trustees.

2. Governance principles

The purpose of the Conflicts of Interest Policy is to give effect to constitutional rights and create a culture of openness, transparency and accountability, as well as an effective administration and good corporate governance.

Trustees are expected to perform their duties conscientiously, honestly and in accordance with the best interests of GEPF. Trustees should not use their positions or knowledge gained through their position as Trustees of GEPF, for private or personal advantage or in such a manner that a conflict or an appearance of conflict arises between the interest of GEPF and their personal interests.

3. Objectives of the Policy

This Policy regulates processes and procedures in accordance with the Trustee's statutory, common law and fiduciary duty and obligation to act in the best interest of the members, beneficiaries and GEPF, and should therefore not be construed or applied in a manner contrary to such duties and obligations, nor is it designed to replace such duties and obligations.

The primary objectives of this Policy are:

- To establish guidelines and principles for managing Conflicts of Interest in GEPF.
- To promote transparency and accountability by assisting Trustees in identifying situations that could present Conflicts of Interest.
- To document the process for the disclosure, approval and review of activities that may amount to actual, potential or perceived Conflicts of Interest.
- To provide guidance on the behaviours expected in accordance with the Code of Conduct and Ethics.
- To provide guidance in respect of the acceptance of gifts, hospitality and entertainment.
- To promote good governance in GEPF.
- To ensure fairness in the interests of members, beneficiaries and GEPF.
- To assist Trustees in minimising Conflicts of Interest for the protection of both the individual Trustee whose conduct may be under scrutiny and the integrity of GEPF; and
- To provide an appropriate method of resolving conflict of interest issues.

4. Types of Conflicts of Interest

It is important for the Trustees to be aware that actual, potential and perceived Conflicts of Interest may occur in the course of conducting the affairs of GEPF. Typically, a Conflict of Interest will arise where a Trustee's ability to perform his or her duties effectively and impartially is, or could be seen by others to be, impaired by an external appointment, relationship, business or activity. The appearance of such Conflicts of Interest can create a serious ethical challenge for the Trustee and GEPF even if there is no Conflict of Interest whatsoever.

Conflicts of Interest can be classified in the following categories:

4.1. Actual Conflict of Interest

An actual Conflict of Interest occurs when the Trustee's personal, business interest or gain interferes with the objective exercise of the Trustee's statutory or fiduciary duty or influences the Trustee's independent judgment.

4.2. Apparent/perceived Conflict of Interest

An apparent or perceived Conflict of Interest exists when there is a perception formed by a reasonably informed person that an actual or potential Conflict of Interest exists that could influence the objective exercise of the Trustee's statutory or fiduciary duty or influence the Trustee's independent judgment. An apparent or perceived Conflict of Interest should be treated and dealt with in the same manner as one would deal with an actual conflict.

4.3. Potential Conflict of Interest

A potential Conflict of Interest occurs when the Trustee's personal or business interest or gain is of such a nature that might interfere with the objective exercise of the Trustee's statutory or fiduciary duty or influence the Trustee's independent judgment. A potential Conflict of Interest should be treated and dealt with in the same manner as one would deal with an actual conflict.

4.4 Structural Conflict of Interest

A structural conflict of interest is a conflict that arises where a Board member finds him/herself in a position in which his or her duties as a

Board member conflict with his or her direct or indirect personal financial interest or the financial interest of a stakeholder in the fund (such as the employer or the sponsor) of which he or she is an employee or which he or she is a shareholder.

5. General principles

- 5.1 Trustees must avoid any conflict between their own interests and the interests of GEPF. More particularly, Trustees may not engage in any activity, whether directly or indirectly, which is or may be construed to be in conflict with or prejudicial to the interests of the Fund.
- 5.2 The obligation to avoid Conflicts of Interest means that Trustees may not place themselves in a position in which they have or may have a personal interest conflicting with or which may possibly conflict with their duty to act in the interests of the Fund.
- 5.3 Trustees are required to exercise good judgment in avoiding Conflicts of Interest. If Trustees are unsure whether or not Conflicts of Interest exist, they should consult the Governance and Legal Committee.

6. Manifestations of Conflicts of Interest

Below are some of the circumstances which may give rise to Conflicts of Interest. The list is not exhaustive.

- 6.1 Business interests, appointments, partnerships, shareholdings, board membership, investments or other relationships with Service Providers, contractors, sub-contractors, customers or suppliers or entities that have business interests in GEPF or has a direct substantial relationship.
- 6.2 Transactions involving the selection and use of consultants or other professional advisors, the selection or supervision of contractors, suppliers, or vendors, the purchase of materials, supplies and equipment,

the investment and borrowing of funds and an interest in a business unrelated to the business of GEPF.

- 6.3 The offering and acceptance of Gifts, Hospitality, Entertainment or other benefits from Service Providers or entities that have associations with GEPF.
- 6.4 Considering tenders for a contract and awarding tenders to a company of which members of the Trustees' family are directors or shareholders.
- 6.5 Compensation arrangements and employment contracts directly or indirectly affecting the Trustee and/or his Family.
- 6.6 Where a Trustee commits an act or omits to do something that favours self or external parties at the expense of GEPF.

There are many other instances that can create situations of Conflicts of Interest. It is therefore critically important that situations that can put a Trustee at risk of a Conflict of Interest are continuously identified.

7. Financial disclosures

7.1. The duty to disclose

Every trustee must fully communicate and disclose any Conflict of Interest, including pre-existing Conflicts of Interest which could impair or be perceived to impair his/her ability to act with integrity or objectivity in his/her role as a Trustee of the Fund or affect the impartial fulfillment of his/her role as a Trustee.

Disclosures of Conflicts of Interest must be made prior to undertaking any activity, at the beginning of any negotiations or at the beginning of any decision-making process if a Conflict of Interest arises or may arise.

In exceptional circumstances, the formalities regarding disclosure may be finalised after the event in instances where time is of the essence and the substance of this Policy has been complied with, with the proviso that such exceptions must be consented to in writing by the Governance and Legal Committee.

7.2. Annual disclosure

Every Trustee shall at least annually or as determined by the Board, disclose all conflicts of interest by completing the prescribed form set out in Annexure A to this Policy, identifying any relationships, positions or circumstances in which the Trustee is involved in that he/she believes could contribute to or result in a Conflict of Interest, such as:

- Shares and other Financial Interests directly held in any private or public company or their subsidiaries, or any other corporate entity recognised by law;
- Directorships, partnerships, or formal participation as a committee member, advisor or consultant;
- Remunerated work outside GEPF;
- Sponsorships;

- Trusteeships;
- Gifts, Hospitality and Entertainment from a source other than a family member;
- Ownership of land and other interests in land and property, whether inside or outside the Republic; and
- Other Direct or Indirect Financial Interests that may be perceived to introduce a Conflict of Interest to their duties and responsibilities in terms of the GEP Law.

Information relating to disclosures shall be treated as sensitive information and shall be classified as “Confidential Information” in terms of the Confidentiality Policy of GEPF.

The financial disclosure form must be submitted to the Chairperson or Vice Chairperson of the Board of Trustees of GEPF annually on or before 30 April, with information relevant as at 31 March of the same year.

The Chairperson or Vice Chairperson of the Board of Trustees of GEPF will review all financial disclosure forms. Where an actual or perceived conflict is identified, the Chairperson or Vice Chairperson will request further information, pertaining to the specific financial interest in order to ascertain whether indeed a conflict exists, and the precise magnitude of the conflict.

In the event that a Trustee is not entirely certain that a Conflict of Interest exists, a Trustee with such potential conflict shall disclose the circumstances to the Chairperson or the Vice Chairperson, who shall determine whether a Conflict of Interest exists that is subject to this Policy.

7.3. Changing circumstances

Trustees are required to update the financial disclosure forms when facts and circumstances relating to a previously disclosed interest or activity changes materially during the financial year, thereby introducing a new

undisclosed interest. Such disclosures must be made within 30 days of the change of a previously disclosed interest.

7.4. Nil-returns/annual statements

Trustees must submit a signed disclosure form as set out in Annexure A to this Policy, whether they have Conflicts of Interest to disclose or not. An Annual Statement or a nil-return must be submitted certifying that they:

- have received a copy of the Conflicts of Interest Policy;
- have read and understood their responsibilities in terms of the Policy;
- agree to comply with the Policy; and
- that they have no conflicts to disclose.

8. Disclosures in meetings

In addition to making disclosures enumerated above, a Trustee who has a direct or indirect financial or personal interest in any matter to be discussed at a meeting must, before or during such meeting, make full disclosure to the Board or Committee of an actual, potential or perceived conflicting interest to which such a Trustee is a party by completing the prescribed financial disclosure form. The Declaration of Interest form shall be circulated at each and every Board and Committee meeting and signed by each Trustee.

8.1. Determining whether a Conflict of Interest exists

After disclosure of the financial or personal interest and all material facts, the Trustee who has made the disclosure, shall leave the Board or Committee meeting while the determination of Conflict of Interest is discussed and voted upon. The remaining Trustees attending the meeting shall determine whether any actual, potential or perceived Conflicting Interest exists.

8.2. Procedure for addressing the Conflict of Interest

The Board may decide that:

8.2.1 no Conflict of Interest exists and therefore no action is necessary; or

8.2.2 In terms of Rule 4.1.16 of the GEP Law and Rules, A trustee who, directly or indirectly, has a pecuniary interest in any investment or contemplated investment of the Fund, or an interest in any other matter before the Board, shall disclose such interest and may not be present at that meeting when the particular matter is discussed and decided upon.

8.2.3 the Trustee who has made the disclosure must excuse himself or herself from the meeting and any subsequent meeting at which the matter is to be discussed, and is not entitled to participate in the discussions around the matter in respect of which he/she has made such disclosure nor receive or sign any documents relating to the matter.

8.3. Record of proceedings

Conflict of Interests situations reported to, taken into account or otherwise considered by the Board or Committee shall be recorded, with adequate particulars, in the minutes of the Board. The minutes shall state:

- The names of the Trustees who disclosed or otherwise were found to have a Financial Interest in connection with an actual, perceived or potential Conflict of Interest;
- The nature and extent of the Conflict of Interest;
- The actions taken to determine whether the Conflict of Interest was present;
- The decision as to whether the Conflict of Interest exists;
- The names of the persons who were present for discussions;

- The content of the discussion;
- A record of any votes taken in connection with the proceedings and whether or not the Trustee's vote was counted for purposes of a quorum in a resolution.

8.4 Conflicts in terms of Benefit related changes

8.4.1 The law requires that even though Trustees may in fact be representing the interests of the persons who nominated them, they are in law obliged to serve the interests of the Fund to the exclusion of the interests of their Principals.

8.4.2 Trustees are not subject to the control of any Principal other than the Fund. Once a Trustee becomes a member of the Board of Trustees of the Fund, he or she is subject to the duty to serve the interests of the Fund rather than the interests of his or her Principal.

8.4.3 The duty to exercise an independent judgement requires trustees to exercise his or her judgement *bona fide* in the interests of the Fund as stipulated in Rule 4.1.19(b) of the GEP Law.

8.4.4 In light of the above, no GEPF Board Member is conflicted when enhancements or changes to pension or member benefits are discussed and/or approved by the Board.

8.4.5 Board Members are appointed to represent the interests of the pensioners, members and beneficiaries. It is therefore not necessary for any Board Member to recuse himself/herself when benefits related matters are discussed.

9. Guidelines on the acceptance and receipt of Gifts, Hospitality, Entertainment and other benefits

Conflicts of Interest can arise where Trustees are offered Gifts, Hospitality, Entertainment or other benefits, of any value, which might, or could be perceived to interfere with the objective exercise of the Trustee's duties or influence the Trustee's independent judgment. In order to protect the integrity of Trustees and GEPF and to assist them in dealing with ethical challenges that can be posed by the offering or acceptance of Gifts, Hospitality, Entertainment or other benefits, it is necessary to put measures in place to manage any form of Conflict of Interest that may arise as a result of the offering and acceptance of Gifts, Hospitality, Entertainment or other benefits.

The Trustees must observe the following guidelines with regard to the acceptance and offering of Gifts, Hospitality, Entertainment and other benefits:

9.1 In accordance with a Trustee's obligation to act in the best interest of the members, beneficiaries and GEPF, Trustees are prohibited from demanding, soliciting, accepting or receiving, or from agreeing to solicit, accept or receive any rewards, favours, Gifts, Entertainment and Hospitality directly or indirectly. If any Trustee accepts any of the aforementioned of any kind or value from a service provider, a potential conflict of interest is created. The only exceptions will be place in the following instances:

9.1.1 GEPF approved educational experiences or programmes, whether local or international where the entire trip is fully paid for by the Conference Organiser and/or Invitee. Any trips of this nature must be fully substantiated by relevance and value-add and approved by the Chairperson and Vice-Chairperson of the Board.

9.1.2 Any conference attendance or workshop, whether local or international requires a post conference report to be tabled to the relevant Committee and Board.

9.1.3 Gifts which have a nominal value or a practical purpose, i.e. calendars, chalk message boards, food items etc.

9.1.4 Gifts received from visiting pension funds and/or dignitaries which have a cultural diplomacy attached to it.

9.2 Declaration of such Gifts received must be made to the Board Secretariat.

10 Non-compliance with the Policy

Non-compliance with this Policy and the procedures described in it by any Trustee constitutes breach of the Code of Conduct and Ethics and shall subject the Trustee to such sanction as may be deemed appropriate by the Board.

If the Governance and Legal Committee has reasonable cause to believe a Trustee has failed to disclose actual or potential Conflicts of Interest, it shall inform the Trustee of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

If, after hearing the member's response and after a further investigation as warranted by the circumstances, the Governance and Legal Committee may determine that the member has failed to disclose an actual or potential Conflict of Interest, and shall thus take the necessary action as deemed appropriate by the Board.

11 Acceptance of the Policy

Each new Trustee shall be required to review a copy of this Policy and to acknowledge in writing that he/she has reviewed the Policy, understands the content and agrees to be bound by it.

12 Ownership

The Governance and Legal Committee is responsible for implementing this Policy and for taking reasonable steps to ensure that all Trustees are aware of the contents thereof.

The ultimate responsibility for ensuring that appropriate standards and processes are in place to manage Conflicts of Interest effectively rests with the Board of GEPF.

13 Review of Policy

This Policy will be reviewed as and when required, but at least annually.

The Governance and Legal Committee is responsible for implementing, updating and reviewing this Policy.

Any changes to the Policy shall be communicated immediately to all Trustees.

14 Interpretation

In the event of any inconsistency between this Policy and the Rules of the Fund, the Rules shall prevail.

This Policy where relevant, should be read in conjunction with the Trustees' Code of Conduct and Ethics.

15 Approval



MS EEA WATSON

CHAIRPERSON: GOVERNANCE AND LEGAL COMMITTEE

DATE: 2016-11-10

Approved / ~~Not Approved~~



DR R MOKATE

CHAIRPERSON: BOARD OF TRUSTEES

DATE: 2016-11-11

Annexure A

Financial Disclosure Form for GEPF Trustees

Purpose

The purpose of this financial disclosure form is to provide a record of any conflict or potential Conflict of Interest, which may arise between a Trustee and GEPF and to provide a written record of the decisions relating to the disclosure, including whether the disclosure is declined, approved, or conditionally approved.

Personal details

Full names	Residential address	Postal address	Contact numbers	
			Telephone	
			Cell number	
			Facsimile	
			Email	

Family members or connected persons

(A separate form must be completed in respect of connected persons)

Full names	Residential address & Postal address	Relationship	Contact numbers	
			Telephone	
			Cell number	
			Facsimile	
			Email	

Financial Disclosures

I disclose the following details with regard to direct and indirect financial interests:

- a. **Shares and Financial Interests in public or private companies and other corporate entities recognized by the law**

Name of the company/entity	Type of business	Nature of ownership	Number of shares and/or extent of financial interest (%)

- b. **Directorships, partnerships or formal participation as a committee member**

Name of company/entity/Fund	Position held	Type of business

c. Trusteeships

Name of a retirement fund	Type	Fees

d. Financial Interest in GEPF Service Providers

Name of Service Provider	Type of Service Provider	Nature of financial interest	Amount of fees/remuneration ¹² / percentage of shareholding

e. Consultancies and retainerships

Name of client	Type of business activity	Value of the benefits received

f. Remunerated work outside the GEPF

Name of Employer	Type of work

g. Sponsorships

Source of assistance or sponsorship	Description	Value of assistance or sponsorship

h. Gifts and hospitality from a source other than family (In his/her capacity as GEPF Trustee)

Description	Value	Source

i. Ownership and other interest in land and property

Description	Location	Extent	Value

j. Other direct or related financial interests

Nature of actual or perceived conflict	Name of entity / Source of benefit	Value

k. Affirmation

I acknowledge that as a Trustee –

- i. I have received a copy of the Conflicts of Interest Policy;
- ii. I have read and understand my responsibilities in terms of the Policy;
- iii. I agree to comply with the Policy;
- iv. the incorrect completion of this may constitute a breach of the Code of Conduct of the Fund;
- v. my co-trustees may require more information about any aspect of the affirmation made by me in terms hereof;

vi. I have disclosed all actual, perceived and potential conflicts of interest and 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;

or

I they have no actual, perceived and potential conflicts of Interest to disclose. (delete whichever is not applicable)

Comments: _____

Signature of Trustee/ Trustee substitute

Date