




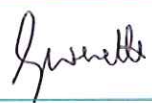
GIPF

Government Institutions
Pension Fund

Conflict of Interests Management Policy

Version: 02

Responsible Department: Office of the CEO

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POLICY OWNER	D Nuyoma	CEO		08/05/2020
COMMITTEE RECOMMENDATION	R Gomachas	LGCC Chairperson		12/05/2020
BOARD APPROVAL	G Menette	Board Chairperson		13/05/2020

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Definitions

- 1.1. In this Policy, a word or expression defined in the Rules, unless the context indicates otherwise, has that meaning.
- 1.2. “Associate”-
- (a) in relation to a natural person, means –
 - (i) a person who is recognized in law or the tenets of religion as the spouse, life partner or civil union partner of that person;
 - (ii) a child of that person, including a stepchild and adopted child;
 - (iii) a parent, stepparent, adoptive parent or guardian of that person;
 - (iv) a person in respect of which that person is recognized in law or appointed by a Court as the person legally responsible for managing the affairs of or meeting the daily care needs of the first-mentioned person;
 - (v) a person who is the permanent life partner or spouse or civil union partner of a person referred to in subparagraphs (ii) to (iv);
 - (vi) a person who is in a commercial partnership with that person;
 - (b) in relation to a juristic person –
 - (i) which is a company, including any subsidiary or holding company of that company, any other subsidiary of that holding company and any other company of which that holding company is a subsidiary;
 - (ii) which is a close corporation registered under the Close Corporations Act, 1984 (Act No. 26 of 1988), including any member thereof as defined in section 1 of that Act;
 - (iii) which is not a company or a close corporation as referred to in subparagraphs (i) or (ii), means another juristic person which would have been a subsidiary or holding company of the first-mentioned juristic person-
 - (1) had such first-mentioned juristic person been a company; or
 - (iv) in the case where that other juristic person, also, is not a company, had both the first mentioned juristic person and that other juristic person been a company;
 - (v) means any person in accordance with whose directions or instructions the board of directors or members of, or in the case where such juristic person is not a company or close corporation, the governing body of such juristic person is accustomed to act;

(c) in relation to any person–

- (i) means any juristic person of which the board of directors or members, or in the case where such juristic person is not a company or close corporation, of which the governing body is accustomed to act in accordance with the directions or instructions of the person first-mentioned in this paragraph;
- (ii) includes any trust controlled or administered by that person;

1.3. **"Board"** means the Board of Trustees of the Fund;

1.4. **"company"** means a company incorporated under Chapter 4 of the Companies Act 28 of 2004 and includes anybody which, immediately before commencement of the 2004 Act, was a company in terms of the repealed Act.

1.5. **"conflict of interest"** means any situation in which a Trustee, an Employee or a service provider has an actual or potential interest (including, but not limited to (i) a financial interest; (ii) an ownership interest; or (iii) any relationship with a third party that may, in rendering any service to the GIPF–

- (a) influence the objective performance of his, her or obligations to the Fund; or
- (b) prevent the Trustee, Employee or service provider from rendering unbiased and fair services to the Fund, or from acting in the interests of the Fund.

1.6. **"corruption"** means any conduct or behaviour as described in the Anti- Corruption Act, 2004 (Act No. 8 of 2004);

1.7. **"Employee"** means any person in an employment relationship with the GIPF;

1.8. **"financial interest"** means any cash, cash equivalent, voucher, gift, service, advantage, benefit, discount, domestic or foreign travel, hospitality, accommodation, sponsorship, other incentive or valuable consideration, other than an ownership interest;

1.9. **"Fund", or "GIPF"** means the Government Institutions Pension Fund;

1.10. **"holding company"** means a holding company as defined in section 1 of the Companies Act, 2004 (Act No. 28 of 2004);

1.11. **"immaterial financial interest"** means any financial interest with a determinable monetary value of not more than N\$500 from an individual third party, subject thereto that the aggregate in any calendar year from the same third party may not exceed N\$1,000 in that calendar year;

1.12. **"implemented consulting"** refers to –

- (a) an extension of traditional asset-consulting services where investment advice and fund

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manager selection services are combined into an integrated service. Effectively, this allows Trustees of a pension scheme to delegate the role of selecting investment managers to the asset consultants.

- (b) consulting were the consultant/service provider has a number of potentially conflicting roles that they fulfil, for example providing audit and non-audit services; or providing asset liability modelling, strategic asset allocation advice, risk modelling and fund manager selection and monitoring.

1.13. **"intra-adviser relationships"** means consultants or service providers who refer the service or products of related parties to their clients, for which there may be some form of financial or non-financial consideration.

1.14. **"ownership interest"** means –

- (a) any equity or proprietary interest, for which fair value was paid by the owner at the time of acquisition, other than equity or a proprietary interest held as an approved nominee on behalf of another person; and
- (b) includes any dividend, profit share or similar benefit derived from that equity or ownership interest;

1.15. **"Placement agent"** means any person or entity hired, engaged, or retained by or acting on behalf of a service provider or on behalf of another placement agent as a finder, solicitor, consultant, broker or other intermediary to raise investments from or to obtain access to the Fund, directly or indirectly.

1.16. **"service provider"** includes an any person who is an investment adjudicator, asset manager or asset consultant, auditor, actuary, accountant, legal practitioner rendering services to the Fund or a provider of risk benefits, short term insurance cover or brokerage services to the Fund; and any natural or juristic person who provides a service to the Fund in terms of a contractual agreement.

1.17. **"Rules"** means the Rules of the Fund;

1.18. **"subsidiary"** means a subsidiary as defined in section 1 of the Companies Act, 2004 (Act No. 28 of 2004);

1.19. **"the Policy"** means this Conflict of Interests Management Policy and any amendment thereof as may at any time be in force;

1.20. **"third party"** means –

- (a) any service provider or any other entity (including a natural person) which supplies products and services to the GIPF and includes any other person contracted by such service provider or entity for their ultimate benefit;

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- (b) an associate of the service provider or entity referred to in paragraph (a) of a Trustee or Employee;
- (c) any person who in terms of an agreement or arrangement with a person referred to in paragraphs (a) and (b) above provides a financial interest or ownership interest to a Trustee or an Employee;

1.21. "Trustee" means a duly appointed Trustee of the GIPF, including a specialist member of a Board Committee.

1. Policy Statement

1.1 The Government Institutions Pension Fund ("the GIPF") recognizes that a serious responsibility rests on all individuals responsible for the administration of the Fund and the investment of Fund assets. To assure members, their beneficiaries and other stakeholders of the fidelity and probity of Trustees and Employees of the Fund, the following guidelines shall serve as the Fund's Conflict of Interest Management Policy ("the Policy").

- (a) The GIPF is dedicated to a high standard of ethical behaviour and continuously strives to conduct business with integrity and with exemplary adherence to the principles of good corporate governance. The same standard is expected of GIPF Trustees and Employees.
- (b) The purpose of the Policy is to assist the GIPF Trustees and Employees to control and manage conflicts of interest that may arise in the course and scope of the business of the Fund by providing guidance for the management of actual, perceived or potential conflicts of interests – thereby enhancing integrity, independence and accountability within the Fund.
- (c) The Policy therefore seeks to address the avoidance or possible mitigation of any conflicts of interest in the operations of the GIPF, more particularly the giving and receiving of direct and or indirect benefits between Trustees, Employees and third parties which may result in a conflict of interests.

2. Objectives

2.1 This Policy regulates processes and procedures in accordance with statutory, common law and fiduciary duties and obligations of Trustees, Employees and Service Providers, 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.

2.2 The primary objectives of this Policy are:

- (a) To promote transparency and accountability by assisting Trustees, Employees and Service providers in identifying situations that could present conflicts of interests.

- (b) To establish guidelines and principles for managing conflicts of interests in the Fund.
- (c) To document the process for the disclosure, approval and review of activities that may amount to actual, potential or perceived conflict of interests.
- (d) To provide guidance on behaviour expected in accordance with the GIPF Code of Ethical conduct.
- (e) To assist Trustees, Employees and Service Providers in minimising conflict of interests for the protection of the integrity of the Fund.

3. Scope

The principles outlined in the Policy apply to all GIPF Trustees and Employees, including the Fund's Management and Service Providers. The Policy is also to be read in conjunction with all other policies and procedures of the Fund and must be regarded as being incorporated into the employment contracts of its Employees.

4. Legislative Context

The Policy is also intended to address the directives issued by the Namibian Financial Institutions Supervisory Authority (NAMFISA) in its Directive of 8 December 2014, concerning the management of conflicts of interests by financial services providers. The Policy is also intended to address principle 3.10 of the Corporate Governance Code for Namibia (2014) – “The code of conduct should be supplemented by several ethics-related policies that provide detailed guidelines for dealing with specific issues – for example, giving and receiving gifts, supplier relations, and political donations”.

5. General Governance Principles

- 5.1 The Policy seeks to enhance a culture of openness, transparency and accountability, as well as effective administration and good corporate governance.
- 5.2 **Integrity, Professionalism and Good Faith:** In line with the GIPF Code of Ethical Conduct and the values of the Fund, Trustees and Employees must always act with integrity and conduct themselves in a professional manner at all times. They are expected to adhere to the standard of utmost good faith towards the GIPF, its members and their beneficiaries.
- 5.3 **Best Interest of the Fund:** Trustees and Employees are expected to perform their duties conscientiously, honestly and in accordance with the best interests of the Fund and its members. A person should not use any knowledge gained as a Trustee or Employee for private or personal advantage or in such a manner that a conflict or an appearance of conflict arises between the interests of the Fund and such individual's personal interests.

6. CHAPTER 1: NATURE OF CONFLICTS OF INTERESTS

6.1 Types of Conflicts of Interests

7.1.1 Trustees and Employees must be aware that actual, potential and perceived conflict of interests may occur in the course of conducting the affairs of the Fund.

7.1.2 Typically, a conflict of interest will arise where a Trustee's or Employee'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 perception of such conflict of interests can create serious ethical challenges for the Trustee or Employee and the Fund even if there is no conflict of interest.

7.1.3 Conflict of interests can be classified in the following categories:

(a) Actual Conflict of Interests

An actual conflict of interests occurs when (i) a financial interest, (ii) an ownership interest, or (iii) any relationship with a third party influences the objective performance of the obligations of a Trustee or Employee to the Fund, or prevents the Trustee or Employee from rendering unbiased and fair services to the Fund, or from acting in the best interests of the Fund.

(b) Potential Conflict of Interests

A potential conflict of interests occurs when (i) a financial interest, (ii) an ownership interest, or (iii) any relationship with a third party might influence the objective performance of the obligations of a Trustee or Employee to the Fund, or might prevent the Trustee or Employee from rendering unbiased and fair services to the Fund, or from acting in the best interests of the Fund.

(c) Apparent/Perceived Conflict of Interests

An apparent or perceived conflict of interests exists when there is a perception formed by a reasonably informed person that an actual or potential conflict of interests exists that could influence the objective performance of the obligations the Trustee or Employee owes to the Fund, or prevents the Trustee or Employee from rendering unbiased and fair services to the Fund, or from acting in the best interests of the Fund.

7. CHAPTER 2: MANAGEMENT OF CONFLICT OF INTERESTS: TRUSTEES

Trustees must avoid any conflict between their own interests and the interests of the Fund. 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.

7.1 PART A: General Standard of Conduct: Trustees

8.1.1 A Trustee must abide by the following standards of conduct and may not-

- (a) Accept or solicit any financial or ownership interest that might reasonably tend to influence the Trustee in the discharge of official duties or that the Trustee knows or should know is being offered with the intent to influence the Trustee's official conduct.
- (b) Accept other employment or engage in a business or professional activity that the Trustee might reasonably expect would require or induce the Trustee to disclose confidential information acquired by reason of his or her position with the Fund;
- (c) Accept other employment or compensation that could reasonably be expected to impair the Trustee's independence of judgment in the performance of his or her official duties for the Fund; or
- (d) Intentionally or knowingly solicit, accept, or agree to accept any benefit for having exercised the Trustee's authority or performed the Trustee's duties at the Fund in favor of another.

8.1.2 Trustees must make reasonable efforts to avoid conflicts of interest and appearances of conflicts of interest.

8.1.3 Trustees may not under any circumstances accept offers, by reason of their service, relationship or employment with the Fund, to trade in any security or other investment on terms more favorable than those available to the general investing public or, in the case of private equity investments, a similarly situated investor.

8.2 PART B: Conduct Prohibited by Trustees

8.2.1 Trustees must never place themselves in a situation where they may gain or benefit from a situation at the expense of the Fund or where financial or ownership interest or a relationship with a third party exists. Trustees must desist taking or influencing a decision to his or her advantage.

8.2.2 A Trustee may never-

- (a) directly or indirectly engage in business practices with the Fund;
- (b) make a financial gain, or avoid a financial loss, at the expense of the Fund;
- (c) have an interest in the outcome of a service provided to the Fund or of a transaction carried out on behalf of the Fund, which is distinct from the Fund's interest in that outcome;
- (d) have a financial or other incentive to favour the interest of a third party over the interests of the Fund;
- (e) receive from a person other than the Fund, an inducement in the form of monies, goods or services in relation to a service provided to the Fund, other than his or her remuneration.

8.2.3 Certain transactions by Trustees are prohibited, including:

- (a) The purchase, sale, exchange or leasing of property with the Fund if that trustee holds an interest in the property;
- (b) The purchase, sale, or exchange of any direct investment with the Fund if that Trustee holds an interest in the investment;
- (c) The lending of money or furnishing of other credit by a third party if the Trustee has a direct or indirect interest in the loan or credit;

8.2.4 Trustees may not under any circumstance accept offers by reason of their position with the Fund to trade in any security or other investment on terms more favorable than those available to the general investing public.

8.2.5 Trustees may not use their position with the Fund to solicit business for their own account or the account of an associate.

8.2.6 Trustees may not borrow from service providers, banks or other financial institutions with which the Fund has a business relationship, unless such entities are normally engaged in such lending in the usual course of their business.

8.2.7 No Trustee may serve as a placement agent in connection with any Fund investment.

8.2.8 A former Trustee is prohibited from serving as a placement agent in connection with any Fund investment for a period of two years after having vacated the Trustee position.

8.2.9 Trustees may not cause the Fund to engage in any prohibited transactions outlined above with any associate of the Trustee, any other Trustee, Employee, or third party.

8.2.10 Trustees may buy or sell a publicly traded security of an issuer which is held by the Fund, but may not engage in a personal securities transaction when the trustees have actual knowledge that the Fund is trading such securities.

8.2.11 Trustees may not for two years after ceasing to be in their respective positions at the Fund make any communication to or appearance before an Employee with the intent to influence Fund action to benefit the person seeking such action. This restriction does not apply to the act of providing information as long as such communication is done without the intent to influence any actions by the Fund.

8.2.12 A former Trustee may not represent any person or receive compensation for services rendered on behalf of any person regarding a particular matter in which the former Trustee participated during the period of his or her service as such, either through personal involvement or because the matter was within the Trustee's official responsibility.

8.2.13 Trustees must not disclose confidential information, except when duly authorized personnel determine such disclosure is required by law.

8.2.14 The Board acknowledges that it may be helpful during a meeting for a person to express the views of a participating employer in relation to a particular issue. If that person is also a Trustee he or she should declare that he or she is speaking on behalf of that particular employer before expressing that view and the Board will consider whether it is appropriate for the Trustee to express that view. Where issues require negotiation and agreement with such employer, the Board will request that the employer appoint a representative who is not a Trustee to lead the discussions on behalf of that employer.

8.3 PART C: The Duty to Disclose Conflict of Interests: Trustees

8.3.1 Every Trustee must fully communicate and disclose any actual, potential or perceived conflict of interest, including pre-existing conflicts of interest, which could impair or be perceived to impair the Trustee's ability to act with integrity or objectivity or affect the impartial fulfilment of his or her role as such.

8.3.2 Disclosures of conflicts of interests must be made prior to undertaking any activity, at the beginning of any negotiations or at the beginning of any decision-making process involving the Fund.

8.4 PART D: Annual Disclosure: Trustees

8.4.1 Every Trustee must complete a confidential Declaration of Interests Form regarding any financial interest, ownership interest or relationship with a third party, in the **Annual Trustee Declaration Form** attached hereto as **Annex A** and submit the Form to the Chairperson of the Board. The declaration form must be completed upon an individual's initial association with the Fund and should be updated annually thereafter, whether the individual has any interests to declare or not.

8.4.2 Every Trustee shall be obliged to submit to the Prime Minister, such Declaration Form in terms of Rule 10.2(5) of the Fund Rules. The form shall be submitted to the Prime Minister through the Board Chairperson as set out in section 8.4.1 above.

8.4.3 In the Declaration Form the Trustee must identify any relationships, positions or circumstances in which the Trustee is involved which could contribute to or result in a conflict of interest.

8.4.4 Trustees are required to update their Declaration Forms when facts and circumstances relating to a previously disclosed interest or activity changed 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.

8.4.5 Information relating to disclosures by Trustees is classified as sensitive and confidential and will be managed as such by the Fund.

8.4.6 The Declaration Form must be received and signed off by the Chairperson of the Board annually on or before 31 March. Together with the form a Trustee must submit a separate declaration that he or she-

- (a) received a copy of the Policy;
- (b) has read and understand his or her responsibilities in terms of the Policy;
- (c) agree to comply with the Policy; and that
- (d) the Declaration Form is to the best of their ability true and correct.

8.4.7 The Chairperson must refer all Declaration Forms completed by Trustees to the Legal, Governance and Compliance Committee of the Fund for review and assessment. If the Committee identifies an actual, potential or perceived conflict, the Committee will request further information, pertaining to the specific interest in order to ascertain whether indeed a conflict exists, and the precise magnitude of the conflict.

8.4.8 After the review and assessment, the Legal, Governance and Compliance Committee must report to the Board whether a Trustee has a conflict of interest.

8.5 PART E: Disclosures in Meetings: Trustees

8.5.1 The Board and its Committees must include an item on conflict of interests at each meeting and in the annual report of the Board.

8.5.2 In addition to making annual disclosures enumerated above, a Trustee who has a direct or indirect financial interest, ownership interest or relationship with a third party in any matter to be discussed at a meeting must, before or during such meeting, make full disclosure to

the Board or any of its Committees of an actual, potential or perceived conflicting interest to which such a Trustee is a party by verbally informing the Chairperson of the Board or Committee, whichever is applicable.

8.5.3 After the disclosure of the financial interest, ownership interest or relationship with a third party and all material facts the Trustee who has made the disclosure, shall leave the Board or Committee meeting while the determination of the conflict of interest is discussed and decided upon. The remaining Trustees attending the meeting shall determine whether any actual, potential or perceived conflicting interest exists.

8.5.4 The Board or Committee, as the case may be, must take a separate decision on any budget item relating to a matter in respect of which a Trustee has a substantial financial interest, ownership interest or relationship with a third party.

8.6 PART F: Curing Conflicts of Interests: Trustees

8.6.1 All Trustees who become aware of a conflict of interests have an obligation not only to disclose that conflict, but to cure it. A person normally cures a conflict of interest by promptly eliminating it.

8.6.2 A Trustee can cure a conflict by prudently withdrawing from action on a particular matter in which a conflict exists provided that:

- (a) the person may be and is effectively separated from influencing the action taken;
- (b) the action may properly be taken by others; and
- (c) the nature of the conflict is not such that the person must regularly and consistently withdraw from decisions that are normally his or her responsibility with respect to the Fund.

8.6.3 Trustees must disclose any conflict of interests regarding matters which are before the Board, absent themselves from any relevant deliberations, and not participate in decision-making on the matter. Such Trustees may be required to disclose additional relevant information with respect to the matter in question.

8.6.4 Once a conflict of interests has been determined to exist, the Board or Committee may decide that:

- (a) a conflicted Trustee should not receive any board information or papers relating to the issue giving rise to the conflict;
- (b) legal advice must be obtained to determine how to proceed;
- (c) no conflict of interest exists and therefore no action is necessary; or
- (d) although a conflict of interests exists, it is of a minor nature and that the only action required is to have the conflict recorded in the minutes of the meeting; or
- (e) the Trustee who has declared a conflict of interests should stay, for the sole

- purpose of supplying further relevant information; or
- (f) 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 or she has made such disclosure nor receive or sign any documents relating to the matter; or
 - (g) Such other alternative as the Fund's Company Secretary may advise is appropriate in a particular case.

8.6.5 If the declared conflict of interests is with respect to a contract or transaction that will be decided on at a meeting, the Trustee who has made the disclosure:

- (a) may be counted in determining the presence of a quorum for purposes of the vote;
- (b) may not vote on the contract or transaction; and
- (c) may not be present in the meeting room when the matter is discussed and a vote is taken.

8.6.6 Any decision by a Committee regarding a Trustee's declaration of conflict of interests must be tabled at the Board meeting for discussion.

8.6.7 Should the Board view a Trustee's conflict of interests as sufficiently serious-

- (a) the Board may establish a sub-committee to review the issue; or
- (b) where a conflict only relates to a Trustee role on a particular Committee, request the Trustee to resign from that Committee (but not the Board as a whole);
- (c) request the Trustee to resign from the Board if the conflict is so fundamental that it cannot be managed in any other way.

8.7 PART G: Management of Interests of Nominee Directors/Trustees on Investee Governing Boards

8.7.1 GIPF Trustees appointed to serve on GIPF-investee governing boards have a fiduciary duty to act in the best interest of the investee company. Observance of this duty entails the honest exercise by directors/trustees of their judgment as to what is in the company's interests.

8.7.2 The fiduciary duty is owed to the company and not to the Fund and should the Trustee become aware of any confidential information in the course of their duties, that information may not be relayed to the GIPF Board of Trustees in any circumstance.

8.7.3 A nominee director/trustee may not place him/herself in a position in which he/she has, or can

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have, a personal interest conflicting, or which may possibly conflict, with his duty to act in the interests of the company.

- 8.7.4 Where the interests of the Fund conflict with those of the investee company such that the Trustee is unable to properly discharge his/her fiduciary duty, the conflicted Trustee should
- (a) Declare the interest before or at the meeting concerned. The declaration must be made before any decision is taken.
 - (b) Recuse him/herself and leave the meeting.

8.8 PART H: Record of Proceedings: Trustees

- 8.8.1 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 of Committee meeting as the case may be. The minutes shall state:
- (a) 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;
 - (b) the nature and extent of the conflict of interest;
 - (c) the actions taken to determine whether the conflict of interest was present;
 - (d) the decision as to whether the conflict of interests exists;
 - (e) the names of the persons who were present for discussions; and
 - (f) the content of the discussion.

9 CHAPTER 3: GUIDELINES ON THE ACCEPTANCE OF HOSPITALITY AND GIFTS: TRUSTEES

The Guidelines on the acceptance of hospitality and gifts is aimed at enhancing a culture of openness and transparency in the Fund.

9.1 PART A: General Standard of Conduct: Trustees

- 9.1.1 In accordance with a Trustee's obligation to act in the best interest of the Fund, its members and beneficiaries Trustees are prohibited from demanding, soliciting, accepting or receiving, or from agreeing to solicit, accept or receive any rewards, favours or financial interests directly or indirectly, other than in terms of the procedures prescribed in the Policy and the GIPF Code of Conduct.
- 9.1.2 Any Trustee who receives hospitality and gifts with a monetary value in excess of N\$1000.00 or such interest from a single source which accumulatively exceeds the value of N\$1000.00 per year or favours by virtue of his/her involvement with the Fund will be subject to the following conditions:
- (a) A Trustee must disclose the acceptance or receipt of any hospitality and gifts as soon as practicably possible, but no later than ten (10) days of receiving such interest or favour on the form attached hereto as **Annex B ("Trustee Hospitality and Gifts Declaration Form")** and forthwith submit the form to the Chairperson of the Board.
 - (b) A Trustee may not accept or receive more than three (3) hospitality and/or gifts from the same third party, including entertainment, per annum (excluding food and drink provided after or during meetings).
 - (c) An immaterial financial interest received directly by the Trustee must be declared but need not be approved, subject thereto that the acceptance or receipt of the interest does not impair the independence or objectivity of the Trustee acting in his or her official capacity on behalf of the Fund.
 - (d) The acceptance or receipt of any hospitality and gifts may not take place in circumstances that amount to a conflict of interests on the part of the Trustee, as is defined in the Policy.
 - (e) The acceptance or receipt of any hospitality and gifts may not take place in circumstances that amount to corruption.

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- (f) It is preferred that all costs for training, travel and accommodation be paid for by the Fund, however, in instances where training is offered for free by a service provider, the Fund should at least bear the costs relating to the training (e.g. travel and accommodation costs) but excluding those of the actual training.
- (g) Where a service provider intends to provide training or to present topics relevant to the retirement fund industry at no costs, which may also include refreshments and beverages, such an event must be open for registration to the general public or to a general category of persons.
- (h) Attendance of advisory committee meetings on behalf of the Fund, at the expense of the investment vehicle the Fund is invested in, will not be seen as a conflict.
- (i) Any Trustee who is offered a free trip, event, training, capacity building and networking opportunities and/or travel and accommodation funded by a service provider or potential service provider must disclose the offer to the Legal, Governance and Compliance Committee chairperson who shall make a determination as to whether or not an actual, potential or perceived conflict exists and make recommendations on how to cure it. The actual costs of such training, whether paid by the Fund or offered for free by the service provider must still be reasonably justifiable (in accordance with the travel provisions contained the GIPF Remuneration Policy).

9.2PART B: Prohibited Hospitality and Gifts: Trustees

- 9.2.1 The acceptance of cash (bank notes or equivalent, including gift cards/vouchers) is specifically prohibited.
- 9.2.2 Any gifts from suppliers during the tender and onboarding process is prohibited.
- 9.2.3 Travelling and accommodation for attending events on behalf of service providers and/or endorsing/promoting the service provider or its products/services is prohibited. Travelling and accommodation includes the use of service provider holiday homes, game farms, etc.

9.3PART C: Disclosure of Gifts: Trustees

- 9.3.1 In the event of doubt a Trustee must disclose any and all hospitality and gifts received. Such disclosure should be made on the **Trustee Hospitality and Gifts Declaration Form**.
- 9.3.2 Declaration(s) of hospitality and gifts received in respect of Trustees must be made to the Company Secretary who must place all declarations before the Chairperson of the Board;

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and to the Audit Committee chairperson in respect of the Board Chairperson.

10 PART D: Acceptance of the Conflicts of Interest Management Policy: Trustees

Each new Trustee must be provided with a copy of the Policy and is required to review the Policy and to certify in writing that he or she has reviewed the Policy, understands the content and agrees to be bound by it.

11 PART E: Compliance and Enforcement: Trustees

- 11.1 Non-compliance with this Policy and the procedures described in it by any Trustee constitutes a breach of the GIPF Code of Conduct and will be subject to appropriate action (including 11.8 below) in addition to civil or criminal consequences, if any.
- 11.2 If the Board has reasonable cause to believe a Trustee or Employee has failed to disclose actual or potential conflicts of interest, it shall inform the individual concerned of the basis for such belief and afford him/her an opportunity to explain the alleged failure to disclose. If, after hearing the individual's response and after making further investigation as warranted by the circumstances, the Board may determine that the individual has failed to disclose an actual or possible conflict of interest, and shall thus take the necessary action as deemed appropriate by the Board.
- 11.3 If a transaction or arrangement in which a Trustee had a conflict of interest was not in the best interests of and fair and reasonable to the Fund at the time it was undertaken, the Board in its discretion, may void the contract and/or require such Trustee to restore the Fund to the financial position it would have been in if such Person had been acting in compliance with the Policy. Where the latter remedy is employed, such Trustee shall be required to make payments of cash or property to the Fund in amounts equal to the value of the excess benefit he or she received plus interest.
- 11.4 A complaint or allegation of a Trustee's potential violation of the Policy must be in writing and submitted to the CEO. In the event of a complaint concerning a Trustee, the CEO will promptly notify the Chairperson of the Board of the alleged violation. If the potential violation involves the Chairperson, the CEO will notify the chairperson of the Legal, Governance and Compliance Committee (LGCC), or other Trustee, as applicable.
- 11.5 The Board chairperson, LGCC chairperson or other Trustee, as applicable may have Legal Counsel review the claim and related information.
- 11.6 No retaliatory action will be taken against the reporting person for any such report involving

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another person made in good faith.

- 11.7 The Chairperson or any other Trustee, as applicable, must present recommendations to the Board for resolution of the matter. The Board has final decision-making authority with respect to Trustee violations of the Policy, and such decision shall be binding on the Trustee. A Trustee who is a subject of the alleged violation may not participate in decision-making on such Board action.
- 11.8 If the Board finds a Trustee violation occurred, the Board may issue a resolution of reprimand, censure, or other appropriate measure, including a recommendation to the Appointing Authority request a resignation, recall, or suspension.

12. CHAPTER 4: MANAGEMENT OF CONFLICT OF INTERESTS: EMPLOYEES

Employees must avoid any conflict between their own interests and the interests of the Fund. More particularly, Employees 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.

12.1 PART A: General Standard of Conduct: Employees

12.1.1 An Employee must abide by the following standards of conduct and may not-

- (a) Accept or solicit any financial or ownership interest that might reasonably tend to influence the Employee in the discharge of official duties or that the Employee knows or should know is being offered with the intent to influence the Employee's official conduct.
- (b) Accept other employment or engage in a business or professional activity that the Employee might reasonably expect would require or induce the Employee to disclose confidential information acquired by reason of his or her position with the Fund;
- (c) Accept other employment or compensation that could reasonably be expected to impair the Employee's independence of judgment in the performance of his or her official duties for the Fund; or
- (d) Intentionally or knowingly solicit, accept, or agree to accept any benefit for having exercised the Employee's authority or performed the Employee's duties at the Fund in favor of another.

12.1.2 Employees must make reasonable efforts to avoid conflicts of interest and appearances of conflicts of interest.

12.1.3 Employees may not under any circumstances accept offers, by reason of their service, relationship or employment with the Fund, to trade in any security or other investment on terms more favorable than those available to the general investing public or, in the case of private equity investments, a similarly situated investor.

12.2 PART B: Conduct Prohibited by Employees

12.2.1 Employees must never place themselves in a situation where they may gain or benefit from a situation at the expense of the Fund or where financial or ownership interest or a relationship

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with a third party, exists. Employees must desist taking or influencing a decision to his or her advantage.

12.2.2 An Employee may never-

- (a) directly or indirectly engage in business practices with the Fund;
- (b) make a financial gain, or avoid a financial loss, at the expense of the Fund;
- (c) have an interest in the outcome of a service provided to the Fund or of a transaction carried out on behalf of the Fund, which is distinct from the Fund's interest in that outcome;
- (d) have a financial or other incentive to favour the interest of a third party over the interests of the Fund;
- (e) receive from a person other than the Fund, an inducement in the form of monies, goods or services in relation to a service provided to the Fund, other than his or her remuneration;
- (f) receive an inducement in the form of monies, goods or services in relation to services provided to a member, beneficiary or a person other than the Fund, other than his or her remuneration.

12.2.3 Certain transactions by Employees are prohibited, including:

- (a) The purchase, sale, exchange or leasing of property with the Fund if that employee holds an interest in the property;
- (b) The purchase, sale, or exchange of any direct investment with the Fund if that Employee holds an interest in the investment;
- (c) The lending of money or furnishing of other credit by a third party if the Employee has a direct or indirect interest in the loan or credit;

12.2.4 Employees may not under any circumstance accept offers by reason of their position with the Fund to trade in any security or other investment on terms more favorable than those available to the general investing public.

12.2.5 Employees may not use their position with the Fund to solicit business for their own account or the account of an associate.

12.2.6 Employees may not borrow from service providers, banks or other financial institutions with which the Fund has a business relationship, unless such entities are normally engaged in such lending in the usual course of their business.

12.2.7 No Employee may serve as a placement agent in connection with any Fund investment.

12.2.8 A former Employee is prohibited from serving as a placement agent in connection with any Fund investment for a period of two years after having vacated the employment position.

12.2.9 Employees may not cause the Fund to engage in any prohibited transactions outlined

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above with any associate of the Employee, any other Employee, Trustee, or third party.

12.2.10 Employees may buy or sell a publicly traded security of an issuer which is held by the Fund, but may not engage in a personal securities transaction when the employees have actual knowledge that the Fund is trading such securities.

12.2.11 Employees may not for two years after ceasing to be in their respective positions at the Fund make any communication to or appearance before another Employee with the intent to influence Fund action to benefit the person seeking such action. This restriction does not apply to the act of providing information as long as such communication is done without the intent to influence any actions by the Fund.

12.2.12 A former Employee may not represent any person or receive compensation for services rendered on behalf of any person regarding a particular matter in which the former Employee participated during the period of his or her service as such, either through personal involvement or because the matter was within the Employee's official responsibility.

12.3 PART C: The Duty to Disclose Conflict of Interests: Employees

12.3.1 Every Employee must fully communicate and disclose any actual, potential or perceived conflict of interest, including pre-existing conflicts of interest, which could impair or be perceived to impair the Employee's ability to act with integrity or objectivity or affect the impartial fulfilment of his or her role as such.

12.3.2 Disclosures of conflicts of interests must be made prior to undertaking any activity, at the beginning of any negotiations or at the beginning of any decision-making process involving the Fund.

12.4 PART D: Annual Disclosure: Employees

12.4.1 Upon employment, all non-managerial Employees are obliged to disclose in writing, through their respective line manager to their respective General Manager any financial interest, ownership interest or relationship with a third party on the **Annual Employee Declaration Form** attached hereto as **Annex C**.

12.4.2 Upon employment, all Middle Managers are obliged to disclose in writing, through their respective General Manager to the Chief Executive Officer ("the CEO") any financial interest, ownership interest or relationship with a third party.

12.4.3 Employees are also obliged to disclose remunerative work outside their official duties. Such outside remunerative work should not hinder an Employee's performance of his/her duties towards the Fund.

12.4.4 The Declaration Form must be updated annually thereafter, whether the individual has any interests to declare or not.

12.4.5 The CEO must submit his or her Declaration Form to the Chairperson of the Board.

12.4.6 The declaration form must be received and signed off by the respective line General Manager or CEO annually on or before 31 March. Together with the form the Employee must submit a separate declaration that he or she-

- (a) received a copy of the Policy;
- (b) have read and understand their responsibilities in terms of the Policy;
- (c) agree to comply with the Policy; and that
- (d) the declaration form is to the best of their ability true and correct.

12.4.7 Whenever an Employee's financial interest, ownership interest or relationship with a third party changes, such change should be disclosed within 30 days of such change having occurred, similarly on the Employee Financial Interest Declaration Form.

12.4.8 If the CEO has a material conflict of interests he must notify the Chairperson of the Board and the Board must direct how the conflict should be managed.

12.4.9 An Employee must disclose the acceptance or receipt of any hospitality or gift as soon as practicably possible, but no later than ten (10) days of receiving such interest or favour on the **Employee Hospitality and Gifts Declaration Form (Annexure D)** and forthwith submit the form to the CEO.

12.5 PART E: Remunerative Work outside GIPF: Employees

This section of the Policy provides measures in terms of which employees of the Fund may perform remunerative work outside GIPF. The onus lies on the Employee to seek approval from his/her line manager, General Manager or CEO (as applicable) of any remunerative work conducted outside their responsibilities to the Fund.

12.5.1 The rationale for this section is that every employee of the Fund must act at all times during his/her employment with the Fund with utmost good faith towards the Fund and to ensure that the administration and efficiency of the Fund is not unjustifiably prejudiced.

12.5.2 When performing outside remunerative work during official work hours, employees must observe the standard of conduct as set out in the GIPF Code of Ethical Conduct and apply for leave in line with the applicable provisions of the GIPF Leave Policy.

12.5.3 Conditions for the performance of outside remunerative work must be as follows:

- (a) There must be no conflict of interests between the work that will be performed outside the Fund and the employee's duties within the Fund. In the event of there being a conflict of interest, the competing interests must be cured in terms of 8.7 below.
- (b) The work must in no way interfere with, or impede the effective and/or efficient performance of the employee's functions within the Fund.
- (c) An Employee may not use GIPF letterheads, personnel, equipment, supplies, or other resources for a non-GIPF purpose to conduct outside remunerative work.

12.5.4 Supervisors must monitor the performance of Employees, to ensure that service delivery is not compromised. The corrective action should be taken should service delivery be compromised and a breach of the work conditions has occurred.

12.5.5 GIPF will not be held responsible for any contractual or delictual claims arising out of the Employee's conduct in relation to the performance of remunerative work outside the Fund.

12.6 PART F: Disclosures in Meetings: Employees

12.6.1 All Committees must include an item on conflict of interests at each meeting and in the annual report of the Board.

12.6.2 In addition to making annual disclosures enumerated above, an Employee who has a direct or indirect financial interest, ownership interest or relationship with a third party in any matter to be discussed at a meeting must, before or during such meeting, make full disclosure to the Committee of an actual, potential or perceived conflicting interest to which such an Employee is a party by verbally informing the Chairperson of the Committee.

12.6.3 After the disclosure of the financial interest, ownership interest or relationship with a third party and all material facts the Employee who has made the disclosure, shall leave the Committee meeting while the determination of the conflict of interest is discussed and decided upon. The remaining Employees attending the meeting shall determine whether any actual, potential or perceived conflicting interest exists.

12.6.4 The Committee, as the case may be, must take a separate decision on any budget item relating to a matter in respect of which an Employee has a substantial financial interest, ownership interest or relationship with a third party.

12.7 PART G: Curing Conflicts of Interests: Employees

12.7.1 All Employees who become aware of a conflict of interests have an obligation not only to disclose that conflict, but to cure it.

12.7.2 An Employee can cure a conflict by prudently withdrawing from action on a particular matter in which a conflict exists provided that:

- (a) the person may be and is effectively separated from influencing the action taken;
- (b) the action may properly be taken by others; and
- (c) the nature of the conflict is not such that the person must regularly and consistently withdraw from decisions that are normally his or her responsibility with respect to the Fund.

12.7.3 Employees must disclose any conflict of interests regarding matters which are before the Committee, absent themselves from any relevant deliberations, and not participate in decision-making on the matter. Such Employees may be required to disclose additional relevant information with respect to the matter in question.

12.7.4 Once a conflict of interests has been determined to exist, the Committee may decide that:

- (a) a conflicted Employee should not receive any board information or papers relating to the issue giving rise to the conflict;
- (b) legal advice must be obtained to determine how to proceed;
- (c) no conflict of interest exists and therefore no action is necessary; or
- (d) although a conflict of interests exists, it is of a minor nature and that the only action required is to have the conflict recorded in the minutes of the meeting; or
- (e) the Employee who has declared a conflict of interests should stay, for the sole purpose of supplying further relevant information; or
- (f) the Employee 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 or she has made such disclosure nor receive or sign any documents relating to the matter; or
- (g) Such other alternative as the Committee chairperson may advise is appropriate in a particular case.

12.7.5 If the declared conflict of interests is with respect to a contract or transaction that will be decided on at a meeting, the Employee who has made the disclosure:

- (a) may be counted in determining the presence of a quorum for purposes of the vote;
- (b) may not vote on the contract or transaction; and
- (c) may not be present in the meeting room when the matter is discussed and a vote is taken.

12.7.6 Should the Committee view an Employee's conflict of interests as sufficiently serious-

- (a) the Committee may establish a sub-committee to review the issue; or
- (b) where a conflict only relates to an Employee's role on a particular Committee, request the Employee to resign from that Committee; or
- (c) request the Employee to resign from the Fund if the conflict is so fundamental that it cannot be managed in any other way.

12.8 PART H: Record of Proceedings: Employees

12.8.1 Conflict of interests situations reported to, taken into account or otherwise considered by a Committee shall be recorded, with adequate particulars, in the minutes of the Committee meeting as the case may be. The minutes shall state:

- (a) the names of the Employees who disclosed or otherwise were found to have a financial interest in connection with an actual, perceived or potential conflict of interest;
- (b) the nature and extent of the conflict of interest;
- (c) the actions taken to determine whether the conflict of interest was present;
- (d) the decision as to whether the conflict of interests exists;
- (e) the names of the persons who were present for discussions; and
- (f) the content of the discussion.

13. CHAPTER 5: GUIDELINES ON THE ACCEPTANCE OF HOSPITALITY AND GIFTS: EMPLOYEES

The Guidelines on the acceptance of hospitality and gifts is aimed at enhancing a culture of openness and transparency in the Fund.

13.1 PART A: General Standard of Conduct: Employees

13.1.1 In accordance with a Employee's obligation to act in the best interest of the Fund, its members and beneficiaries, Employees are prohibited from demanding, soliciting, accepting or receiving, or from agreeing to solicit, accept or receive any rewards, favours or financial interests directly or indirectly, other than in terms of the procedures prescribed in the Policy and the GIPF Code of Conduct.

13.1.2 Any Employee who receives hospitality and/or gifts with a monetary value in excess of N\$1000.00 or such interest from a single source which accumulatively exceeds the value of N\$1000.00 per year or favours by virtue of his/her involvement with the Fund will be subject to the following conditions:

13.1.2.1 An Employee must disclose the acceptance or receipt of any hospitality and gifts as soon as practicably possible, but no later than ten (10) days of receiving such interest or favour on the form attached hereto as **Annex D ("Employee Hospitality and Gifts Declaration Form")**.

13.1.2.2 An Employee may not accept or receive more than three (3) hospitality and/or gifts from the same third party, including entertainment, per annum (excluding food and drink provided after or during meetings).

13.1.2.3 An immaterial financial interest received directly by the Employee must be declared but need not be approved, subject thereto that the acceptance or receipt of the interest does not impair the independence or objectivity of the Employee acting in his or her official capacity on behalf of the Fund.

13.1.2.4 The acceptance or receipt of any hospitality and gifts may not take place in circumstances that amount to a conflict of interests on the part of the Employee, as is defined in the Policy.

13.1.2.5 The acceptance or receipt of any hospitality and gifts may not take place in circumstances that amount to corruption.

13.1.2.6 In respect of Training, it is preferred that all costs for training, travel and

accommodation be paid for by the Fund, however, in instances where training is offered for free by a service provider, the Fund should at least bear the costs relating to the training (e.g. travel and accommodation costs) but excluding those of the actual training.

13.1.2.7 Where a service provider intends to provide training or to present topics relevant to the retirement fund industry at no costs, which may also include refreshments and beverages, such an event must be open for registration to the general public or to a general category of persons.

13.1.2.8 Any Employee who is offered a free trip, event, training, capacity building and networking opportunities and/or travel and accommodation funded by a service provider or potential service provider must disclose the offer to the persons responsible for recommending and approving the training, who shall make a determination as to whether or not an actual, potential or perceived conflict exists and make recommendations on how to cure it. The actual costs of such training, whether paid by the Fund or offered for free by the service provider must still be reasonably justifiable (in accordance with the travel provisions contained the GIPF Remuneration Policy).

13.1.2.9 Attendance of advisory committee meetings on behalf of the Fund, at the expense of the investment vehicle of the Fund is invested in, will not be seen as a conflict.

13.1.2.10 In the event of doubt an Employee must disclose any and all hospitality and gifts received. Such disclosure should be made on the **Employee Hospitality and Gifts Declaration Form**

13.2 PART B: Prohibited Hospitality and Gifts: Employees

13.2.1 The acceptance of cash (bank notes or equivalent, including gift cards/vouchers) is specifically prohibited.

13.2.2 Any gifts from suppliers during the tender and onboarding process are prohibited.

13.2.3 Travelling and accommodation for attending events on behalf of service providers and/or endorsing/promoting the service provider or its products/services is prohibited. Travelling and accommodation includes the use of service provider holiday homes, game farms, etc.

14 PART C: Acceptance of the Conflicts of Interest Management Policy: Employees

Each new Employee must be provided with a copy of the Policy and is required to review the Policy and to certify in writing that he or she has reviewed the Policy, understands the content and agrees to be bound by it.

15 PART D: Compliance and Enforcement: Employees

- 15.1 Non-compliance with this Policy and the procedures described in it by any Employee constitutes a breach of the GIPF Code of Conduct and will be subject to appropriate disciplinary action in addition to civil or criminal consequences, if any.
- 15.2 If the CEO has reasonable cause to believe an Employee has failed to disclose actual or potential conflicts of interest, it shall inform the individual concerned of the basis for such belief and afford him/her an opportunity to explain the alleged failure to disclose. If, after hearing the individual's response and after making further investigation as warranted by the circumstances, the CEO may determine that the individual has failed to disclose an actual or possible conflict of interest, and shall thus take the necessary action as deemed appropriate.
- 15.3 If a transaction or arrangement in which an Employee had a conflict of interest was not in the best interests of and fair and reasonable to the Fund at the time it was undertaken, the CEO in his/her discretion, may void the contract and/or require such Employee to restore the Fund to the financial position it would have been in if such Employee had been acting in compliance with the Policy. Where the latter remedy is employed, such Employee shall be required to make payments of cash or property to the Fund in amounts equal to the value of the excess benefit he or she received plus interest.
- 15.4 A complaint or allegation of an Employee's potential violation of the Policy must be in writing and submitted to the Respective General Manager. In the event of a complaint concerning a General Manager, the Employee must notify the CEO of the alleged violation.
- 15.5 If the complaint involves the CEO, the complaint must be submitted to the Chairperson of the Fund, who must determine the appropriate course of action together with the Board in accordance with applicable policies of the Fund.
- 15.6 The CEO may have Legal Counsel review the claim and related information.
- 15.7 No retaliatory action will be taken against the reporting person for any such report involving another person made in good faith.

- 15.8 The General Manager, CEO, Chairperson or any other Trustee, as applicable, must present recommendations to the Board or CEO for resolution of the matter. The Board has final decision-making authority with respect to CEO and General Manager violations of the Policy, and such decision shall be binding on the CEO or General Manager.
- 15.9 If the CEO finds an Employee violation occurred, the CEO may issue a resolution of reprimand, censure, or other appropriate measure, including a request for resignation or dismissal.

16 PART E: Responsibilities: Trustees and Employees

- 16.1 The Legal, Governance and Compliance Committee is responsible for implementing the Policy and for taking reasonable steps to ensure that all Trustees are aware of the contents thereof. The responsibility for ensuring that appropriate standards and processes are in place to manage conflicts of interest effectively rests with the Board of the Fund.
- 16.2 The Governance Division is responsible for the distribution of Declaration Forms and the Gifts Register to Trustees, Employees and Service Providers and shall have access to those declarations.
- 16.3 The Governance Division is also responsible for reporting on disclosures, conducting trend analyses and attending to enquiries as well as monitoring compliance with the Policy.
- 16.4 Management is responsible for reviewing and approving the Disclosure Forms of their respective subordinates.

17 CHAPTER 6: MANAGEMENT OF CONFLICTS OF INTEREST: SERVICE PROVIDERS

17.1 PART A: General Standard of Conduct: Service providers

- 17.1.1 All service providers to GIPF must conduct themselves in a professional manner at all times and always act with integrity. They are expected to adhere to the standard of utmost good faith towards the Fund, its members and their beneficiaries.
- 17.1.2 All service providers to GIPF have a professional responsibility to advise the Fund if any circumstances arise in which they feel they are conflicted. Failure to do so constitutes a breach of this Policy.
- 17.1.3 The service provider must-
- 17.1.4 Disclose any actual/existing, potential or perceived conflicts;
- 17.1.5 Observe their own professional body's code of conduct (if applicable);
- 17.1.6 Develop and implement processes and procedures on conflicts management and disclosure, where the service provider is not regulated or required to comply with a professional code of conduct.
- 17.1.7 Where there is a potential for conflict, the service provider should not advise or provide services to the Fund participating employers, asset managers or third parties simultaneously and will only be able to act for one party.
- 17.1.8 Each of the Fund's service providers is required to notify the CEO if any circumstances arise in which they feel they are conflicted.
- 17.1.9 Where service providers have a number of roles that they fulfil, those roles must be fully disclosed to the CEO.
- 17.1.10 Service Providers must make full disclosure and notify the CEO when advising the Fund to invest in its own products or fund or associate or use investment managers that use the services of the Service Provider that are similar to those provided to the Fund.
- 17.1.11 The Company Secretary will record all service providers' conflicts in a Conflicts Register and report to the Board. Nevertheless, the Board should not only rely on this and should look out for potential service providers conflicts themselves.
- 17.1.12 Where there is likely to be a conflict of interest in giving advice or providing services, the Trustees and Management should consider carefully whether it is appropriate to appoint the

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service provider in the first place. It may also be necessary to consider carefully whether they should take steps to remove a service provider who has already been appointed.

17.1.13 Service providers are prohibited from giving to GIPF Trustees or Employees, commissions, gifts, hospitality or favours for bringing business to portfolio companies or funds or managers.

17.1.14 Service Providers are prohibited from giving any GIPF Trustee or employee more than three (3) gifts annually.

17.1.15 Gifts from Service Providers to Trustees or Employees in excess of N\$1000.00 require approval from the appropriate structures as contained in 'PART A' and 'PART B' of this Policy, and therefore might not be accepted if such approval is not granted.

18 PART B: Duty to Disclose Conflict of Interests: Service Providers

18.1 All Service Providers as described in 9.2 below, must be provided with a copy of this Policy and are required to review the Policy and to certify in writing that they have reviewed the Policy, understand the content and agree to be bound by it.

18.2 The Fund's Auditor, Valuator, Investment Consultant and any other service provider who will have a continuous engagement period exceeding six months and/or will have access to sensitive or confidential information of the Fund as set out in the GIPF Information Security (IS) Policy (2017) must complete the Questionnaire attached hereto as **Annexure E ("the Service Provider Questionnaire")**. The GIPF IS Security Policy classifies the following information as sensitive and confidential and may only be disclosed with the permission of the CEO: member data; privileged information; litigation information; personal information; personnel information; Board information; governance information; investment information; risk information; contractual information; procurement information; any other information that the Fund deems to be sensitive and confidential.

18.3 The Service Provider Questionnaire must be completed upon the initial engagement with the Fund and should be updated annually thereafter, whether the service provider has any interest to declare or not.

18.4 Service providers are required to update the Service Provider Questionnaire when facts and circumstances relating to a previously disclosed interest or activity change materially during the financial year, thereby introducing a new undisclosed interest.

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- 18.5 Information relating to disclosures by Service Providers is classified as sensitive and confidential and will be managed as such by the Fund.

19 PART C: Management of Implemented Consulting and Intra-Adviser Risks

- 19.1 Trustees and management must manage potential conflicts of implemented consulting where consultants/service providers have a number of roles that they fulfil when providing services to the Fund. Although these arrangements offer the benefit of an 'all-in-one' service, there is a risk that the Fund may be disadvantaged.
- 19.2 Trustees and management should ensure that disclosure of related party engagements is required in the contractual agreements with the implemented consultants/service providers.
- 19.3 Where Trustees or Management are of the view that any advice or work provided by the consultant may be compromised, the Trustees and Management should consider further measures to manage the conflict, including dialogue with other service providers, putting the referred service out to tender again, undertaking a comparison of the referred products to other suitable market alternatives and considering other alternatives before the referred party is appointed or the product is selected.
- 19.4 The Board and Management may also subject a service provider's work to an independent review; or limit the service provider's recommendations to unrelated parties; or take any steps deemed necessary to mitigate or cure the conflict.
- 19.5 Trustees and management should also manage the risks of intra-adviser relationships where a service provider refers the services or products of related parties to their clients, for which there may be some form of financial or non-financial consideration. Trustees should manage the risk by evaluating the nature of the interest and whether the independence of any advice or service received is compromised.

20 PART D: Curing Conflicts: Service Providers

- 20.1 The Board/CEO have an obligation to cure conflicts.
- 20.2 The Board has final decision-making authority in respect of service providers appointed by the Board.

20.3 The CEO has final decision-making authority in respect of service providers appointed by management.

20.4 The following principles apply to Service Providers:

20.4.1 If the conflict relates to an individual, the Board/CEO (whichever is applicable in terms of 20.2 and 20.3 above) may request that the firm for which such an individual works for, allocate another individual to deal with the particular matter;

20.4.2 Where there are specific concerns, for example where a service provider acts for both the Trustee, an employer or a third party, the Board/CEO (whichever is applicable in terms of 20.2 and 20.3 above) may ask that service provider to produce an agreed set of conflict protocols that generally guide the actions of the service providers.

20.4.3 Where a conflict is serious and ongoing the Board/CEO (whichever is applicable in terms of 20.2 and 20.3 above) may cancel the contract with the conflicted Service Provider. Where a service provider acts for both an employer or third party and the Fund, any conflict protocol put in place will include provisions that, if a Service Provider has to resign from acting for one or other of the Fund, the employer or third party for reasons of conflict, the Service Provider will resign from acting for the employer or third party and or the Fund.

21 PART E: Acceptance of the Policy: Service Providers

Each Service Provider as described in section 18.2 above must be provided with a copy of the Policy and is required to review the Policy and to certify in writing that he or she has reviewed the Policy, understands the content and agrees to be bound by it.

22 PART F: Responsibilities: Service Providers

22.1 Trustees and Management should-

22.1.1 Actively manage their relations with service providers to ensure that such service providers are able to provide independent advice;

22.1.2 Require service providers to declare their interests as well as any actual/existing, perceived or potential conflicts in respect of their engagement on a timely basis;

22.1.3 Consider in advance whether conflicts make it undesirable for a particular service provider to be appointed or continue to act for the Fund;

22.1.4 Evaluate the nature of the conflict, where a conflict has been declared, and determine an appropriate course of action;

22.1.5 Make enquiries into the service provider's own procedures for managing conflicts and if none

exists, may request the service provider to develop and implement such procedures;

22.1.6 Manage actual, potential and perceived conflicts of interest between the Fund and service providers when identifying training, capacity building and networking opportunities as prescribed in the Board Training Guidelines (2019).

22.2 Trustees are, in terms of the Pension Funds Act (1956), required to appoint an Auditor and Valuator for the Fund and may also appoint an Investment Consultant in Terms of the Fund Rules. Trustees should be confident that such service providers provide advice that is independent and must require that any potential or actual conflicts are disclosed by the service provider on a timely basis.

22.3 Since GIPF appoints its own service providers, the details on the identification and management of conflicts of interest should be addressed and/or supplemented in the contractual agreements with those service providers.

23 PART G: Compliance and Enforcement

23.1 Non-compliance with this Policy and the procedures described in it by any Service Provider constitutes a breach of this Policy and will be subject to appropriate action as determined by the Fund in addition to civil or criminal consequences, if any.

23.2 If the Board/CEO (whichever is applicable in terms of 20.2 and 20.3 above) has reasonable cause to believe a Service Provider has failed to disclose actual or potential conflicts of interest, it shall inform the Service Provider concerned of the basis for such belief and afford the Service Provider an opportunity to explain the alleged failure to disclose. If, after hearing the Service Provider's response and after making further investigation as warranted by the circumstances, the Board/CEO (whichever is applicable in terms of 20.2 and 20.3 above) may determine that the Service provider has failed to disclose an actual or possible conflict of interest, and shall thus take the necessary action as deemed appropriate by the Board.

23.3 If a transaction or arrangement in which a Service Provider had a conflict of interest was not in the best interests of and fair and reasonable to the Fund at the time it was undertaken, the Board/CEO (whichever is applicable in terms of 20.2 and 20.3 above) in its discretion, may void the contract and/or require such Service Provider to restore the Fund to the financial position it would have been in if such Service Provider had been acting in compliance with the Policy. Where the latter remedy is employed, such Service Provider shall be required to make payments of cash or property to the Fund in amounts equal to the value of the excess benefit he or she received plus interest.

- 23.4 A complaint or allegation of a Service Provider's potential violation of the Policy must be in writing and submitted to the CEO.
- 23.5 The CEO may have Legal Counsel review the claim and related information.
- 23.6 No retaliatory action will be taken against the reporting person for any such report involving another person made in good faith.
- 23.7 If breach of this Policy is in respect of a Service Provider appointed by the Board, the Chairperson, CEO or any other Trustee, as applicable, must present recommendations to the Board for resolution of the matter. The Board has final decision-making authority with respect to Service Provider violations of the Policy, where such Service Provider was appointed by the Board, and such decision shall be binding on the Service Provider.
- 23.8 The CEO has authority to investigate, review, assess and cure conflicts in respect of service providers appointed by the Board before reporting or making recommendations to the Board.
- 23.9 The CEO has final decision-making authority with respect to violations of the Policy by Service Providers appointed by Management, and such decision shall be binding on the Service Provider.
- 23.10 If the Board/CEO finds a Service Provider violation occurred, the Board/CEO (as per the authority outlined above) may issue a resolution of reprimand, censure, or other appropriate measure, including a cancellation of contract.

24 Repeals and Amendments

This Policy repeals the Conflicts of Interest Management Policy signed on 30 March 2017.

25 Policy Review

This Policy shall be reviewed every three years or whenever necessary.

26 Effective Date

This Policy shall be effective from _____.

END

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