



**The Rand Mutual Assurance Group**





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### **THE RAND MUTUAL CODE OF ETHICS**

#### **COMMUNICATION OF THE CODE OF ETHICS**

To ensure that all RMA employees (including management) are aware of the existence of the Code and are conversant with its contents, the following steps will be taken:

1. The contents of the Code shall be communicated to all new employees at the time of their commencement of employment (induction).
2. The contents of the Code shall be communicated to all existing employees through attendance at mandatory presentations.
3. All employees will be required to sign an acknowledgement of the receipt of a copy of the Code as well as an undertaking of compliance therewith.

#### **SANCTIONS FOR NON-COMPLIANCE**

Violations of the Code may result in disciplinary actions, termination of employment and criminal or civil proceedings.

Non-compliance by non-executive directors and members of the Board's sub-committee's could result in them being removed from the Board and or the sub-committees in which they serve.

RMA may institute criminal and/or civil proceedings (where appropriate) against anyone transgressing the Code of Ethics.

## **OUTLINE OF THE CODE**

RMA is committed to strong, ethical and fair business dealings, and promotes a corporate culture which is non-sectarian and non-political and which is socially and environmentally responsible. It does this by subscribing to the following values and principles:

- Fairness and integrity in all business dealings, including the ethical handling of actual or apparent conflicts of interests between personal and professional relationships.
- Having respect for the human rights and dignity of all employees.
- Accepting diverse cultures, religions, race, gender and sexual orientation.
- Honesty, transparency and accountability.
- Adherence to sound standards of corporate governance and applicable laws.

In pursuing these values, RMA expects that employees, officers and directors alike will adhere to and be bound by this policy and uphold the following standards:

- Always behaving in a way which is beyond reproach when representing the company, and taking responsibility for their actions
- Acting with integrity in all dealings with fellow officers, directors, or employees, suppliers, customers, shareholders and other stakeholders
- Obeying all applicable governmental laws, rules and regulations and not committing criminal offences.
- Avoiding conflicts of interests and declaring them when they arise.
- Not using corporate information for any purpose other than that for which it was intended, and keeping information confidential.
- Refraining from engaging in practices or pursuing private interests which could conflict with those of RMA or which could result in RMA suffering loss or damage as a result.

If staff breaches this Code of Ethics they may face disciplinary action, which could result in termination of employment or position in accordance with the company's disciplinary codes and procedures.

In addition, certain transgressions may also be criminal in nature and could expose the perpetrator to civil and or criminal prosecution.

RMA is committed to ensuring that all public communications and any documents RMA files with, or submits to any regulatory body, has disclosure which is full, fair, accurate, 01/2013/22-09-2012/019

timely and understandable. Employees responsible for preparing these materials are required to exercise a high level of care and to report to the Compliance Officer if they believe that any disclosure has not been complete or correct.

### **Conflicts of Interest**

Staff are required to avoid situations where personal interests may, or may appear to, conflict with those of the company. These could arise amongst others in the following situations:

- Where staff have an interest in any entity either by being a shareholder, member or director, owner or partner. This does not apply to immaterial investments in shares held on a registered stock exchange.
- Doing business on behalf of RMA with a current or potential supplier, customer or competitor of RMA in which a spouse or immediate family member has an interest.
- Accepting preferential discounts from suppliers, customers or other business associates of RMA.
- Entering into business arrangements with a third party to the detriment of RMA.
- Contracting with third parties, such as customers, suppliers, vendors or competitors of RMA in their private capacity or other than as a representative of RMA.
- Engaging in activities in their private capacity or other than as a representative of RMA which may impact adversely on the ability to fulfil obligations to RMA whether as an employee, officer or director.
- When staff, or a family member receives improper personal benefits as a result of their position in RMA.

Staff are required to discuss such a situation or any relationship which may give rise to such a situation with their supervisor, a senior manager, and General Manager: HR and Training or the Chief Executive before taking further action. In turn each supervisor, senior manager and General Manager: HR and Training is required to keep and maintain a written record of any such declaration of conflicts of interest and to make these available to the Company Secretary who will, in turn, maintain a written record thereof. In addition, staff are required to declare and keep current, through the General Manager: Human Resources and Training or the Company Secretary, the details of all other business interests in the form of a written declaration of interests.

Prior written approval is also required from a senior manager or the Company Secretary for all transactions with RMA which may result in the receipt of a direct or indirect benefit for staff or their immediate family.

Furthermore, employees are not permitted to hold a position or engage in work with an entity external to RMA without the approval of the Chief Executive.

Directors, officers, EXCO and heads of control functions are required to declare to the board; any potential or actual conflicts of interest and are urged to take independent professional advice at the company's cost on this and any other area of concern to them in the fulfilment of their duties as such.

### **CONFIDENTIAL INFORMATION**

- Staff are expected to treat all information pertaining to RMA which is not in the public domain, in the strictest confidence. This confidentiality continues to bind staff after the termination of services with RMA.
- Staff may not disclose or use such information which is not available to the public for any purpose whatsoever, other than the business purpose for which it was disclosed in the fulfilment of duties to RMA.
- If any uncertainty exists as to the confidentiality of any information, staff must seek a written ruling from a senior manager or, ultimately the Chief Executive.
- Subject to the provisions of the Promotion of Access to Information Act 2 of 2000, and/or any other applicable legal requirement, confidential information about employees should not be disclosed to any external party without that employee's consent.
- Staff are not permitted to speak, or present on the affairs of, or on matters or subjects relating to RMA without the written consent of a member of the RMA Executive Committee unless if required to do so in terms of a regulatory requirement.

## **GIFTS AND BUSINESS COURTESIES**

- Staff are not permitted to give or accept, directly or indirectly, gifts and business courtesies which may be used for obtaining reward or favourable treatment, or that might create the appearance of an impropriety. This ruling extends to immediate family members including spouses.
- Cash payments, discounts or vouchers, no matter how small, may not be accepted in a personal capacity in any circumstances from current or potential RMA customers, suppliers, vendors or other contractors.
- Novelty or advertising items of a nominal value, which are widely distributed by the donor, are, however, acceptable e.g. calendars, pens, diaries, ties etc.

## **ENTERTAINMENT**

- Although RMA recognises that entertainment plays a role in business relationships, staff are urged not to provide or accept entertainment which could appear to influence their integrity in relation to business decisions and relationships.
- The cost of entertainment must be within the limits of good taste and the principles espoused in this document.
- The payment or reimbursement of travel and/ or living expenses may not be accepted from actual or potential suppliers, customers or vendors without the written authorisation from a senior manager or the Chief Executive.
- Acceptance of invitations to events valued at over R500 requires prior written clearance from the relevant EXCO member. If clearance is not forthcoming, staff are required to decline the invitation politely and explain RMA's policy in this regard.

## **USE OF COMPANY SERVICES AND PROPERTY**

- Company services and property which are not a service benefit may not be used for private purposes without the written approval of a senior manager or the Chief Executive.
- Staff are required to respect RMA's property and to avoid waste and any unnecessary use of such assets. Group property may be used only for the

purposes intended and may not be used for other purposes or to assist third parties without the consent of a senior manager or the Chief Executive.

- Employees, officers and directors owe a duty to RMA to advance its legitimate interests when the opportunity arises to do so. Except as otherwise permitted in this Code of Ethics, employees, officers and directors, may not (a) take for themselves opportunities that are discovered through the use of RMA's property, information or position; (b) use RMA's property, information, or position for personal gain; or (c) compete with RMA.

### **EMPLOYEES' ACCOUNTABILITY**

- Staff are not permitted to give, offer, authorise or accept, directly or indirectly, anything of value (such as a bribe or kickback) which is given for the purpose of obtaining an improper advantage or that might create the appearance of impropriety.
- Bribery attempts from third parties must be communicated to a senior manager or the Chief Executive. Dealings with the party concerned must be terminated immediately.
- Staff may not use their position to obtain a personal benefit or advantage of any kind whatsoever from a third party.

### **TIME KEEPING AND LEAVE**

- Laxity, dishonesty and abuse in relation to required working hours will be viewed in a serious light and could result in disciplinary action.
- Unauthorised leave and abuse of sick leave may also result in disciplinary action.

### **PAYMENT ERRORS**

Any overpayment or irregular payment of monies to which staff or any third party are not entitled must be reported to a senior manager or the Chief Executive without delay.

In addition:

- Payment errors to employees or third parties must be reported without delay to a senior manager or the Chief Executive. These payments could be reflected on a payslip, bank record or any other form. Taking advantage of payment errors or not reporting them is regarded as a serious and dismissible offence.

## **BUSINESS TRANSACTIONS**

- Purchase contracts and tender awards must be made on the basis of quality, service, price and availability, within the parameters of RMA policy and any applicable laws.
- All approved suppliers must be of good standing and have an opportunity to compete for RMA business.
- RMA purchasing power may not be used for personal or any related benefits. It is unethical to seek concessions or benefits from suppliers, customers or vendors for personal benefit.
- Confidential information about RMA may not be revealed to a supplier or potential supplier without the prior authorisation from a senior manager who must, in turn, be guided by the Chief Executive.
- Directors, officers or employees who work in financial divisions whose estates are sequestrated or who are declared insolvent must disclose this fact to the Compliance Officer, at the earliest possible opportunity .Any director, officer or employee who is removed from an office of trust on account of misconduct, or has been or is at any time in the future, convicted of a theft, fraud, forgery or an offence involving dishonesty, must disclose this fact to the Compliance Officer, at the earliest possible opportunity .
- Staff must account for all monies, cheques, documents and property of RMA which come into their possession in the course of employment or by position as a staff member, officer or director of RMA.
- Payments for goods and services must only be made on presentation of an original invoice, authorised by the relevant supervisor, after receipt has been verified. Exceptions must be authorised by a senior manager or the Chief Executive.

## **COMPLIANCE WITH LAWS:**

- Employees must at all time be aware of and comply with all legislation and RMA's guidelines and policies which may have an effect on the work environment and daily activities.
- Any violation of the applicable legislation, guidelines and/ or policies shall not be tolerated by RMA; neither will any illegal acts such as bribery and corruption be tolerated or condoned.



- Where prior consent is a requirement for the completion of an action, such consent should be obtained (preferably in writing) by following the prescribed procedures.
- Any non-compliance with the Code of Ethics by RMA executives and non-executive directors and members of sub-committees of RMA will be referred to the Chairperson of the RMA Board, who will deal with such non-compliance.

### **EMPLOYMENT EQUITY**

- RMA is committed to comply at all times with the provisions of the Employment Equity Act, 1998 (Act no. 55 of 1998), as a system of opportunity for all, including training, development and promotion.

### **ENVIRONMENTAL AND SAFETY RESPONSIBILITY**

- RMA is committed to ensure a safe working environment for all its employees.
- Pollution control and waste management shall be conducted in a safe and responsible manner by RMA.

RMA's employees can assist RMA in achieving its commitment in this regard by:

- Complying with RMA's health and safety rules and policies and relevant regulations,
- Taking appropriate measures to prevent workplace related injuries and illness; and
- Co-operating with general public, government and other stakeholders and interested groups and parties to develop regulatory and public policies to protect and promote public health and safety as well as the environment.

### **POLITICAL AND RELIGIOUS ACTIVITY**

- RMA is aware of the fact that The Constitution of the Republic of South Africa acknowledges the freedom of association and political rights as basic human rights, and agrees with and supports these rights. However, these rights are not absolute and may be limited in certain circumstances.
- RMA therefore encourages its employees to participate actively in the political and religious arena in line with their own respective personal beliefs provided it is within reasonable limits RMA will refrain from influencing or interfering in any such participation, provided it is outside of official working hours and the workplace.

- The workplace shall under no circumstances be used by employees or management to force the political viewpoint of management or an individual employee on other employees.
- RMA's funds, goods and/or services shall under no circumstances be used in support of political parties and/or candidates. RMA's facilities may also not be made available to political parties and or candidates as venues for political meetings or for the distribution of political material.

## **PEACEFUL LABOUR RELATIONS**

RMA is committed to peace and stability in its workforce. Both RMA and employees shall:

- Respect the freedom of association in terms of the Labour Relations Act, 66 of 1995 and the Constitution of South Africa.
- Not recruit any employee for membership of a union during their respective working hours.
- Tolerate other employees' freedom to choose union membership of their own choice.
- Not carry or harbour any dangerous weapons of any nature on company property or at accommodation owned by the company. Breaching this undertaking may mean that the matter may be reported to the South African Police Service or the respective country's police service.
- Commit to fairness in dealings and treatment of one another.
- Commit to honest, open and transparent communication.
- Respect the rule of law, including but not limited to:
  - The preservation of life, property and work rules;
  - Not participating in any intimidation or violence of any nature anywhere in the workplace or surrounding communities; and
  - Ensuring the safety of fellow employees.
- Ensure the uninterrupted day to day company process.
- Accept accountability for own actions and words.
- Commit to the inclusivity of all stakeholders at the company.

- Not participate in any activities of whatever nature that may lead to the disturbance of work and labour relations.
- Commit to effective dispute resolution in terms of the law and company procedures.
- Acknowledge the sanctity of existing and future collective agreements and bargaining processes.

### **REPORTING UNETHICAL BEHAVIOUR**

- RMA does not condone behaviour which is inconsistent with this Code of Ethics. If staff become aware of any such behaviour they are required to report it to a senior manager, the Chief Executive, Ethics Officer or Tip-offs Anonymous.
- RMA will not tolerate any form of retribution or victimisation against those who speak out against violations against this Code and staff are urged to report any instances of victimisation to a senior manager, the Chief Executive, Ethics Officer or Tip-offs Anonymous.
- RMA subscribes to Tip-offs Anonymous. Employees who suspect unethical behaviour on the part of either their co worker or any RMA stakeholder should report such unethical behaviour. This can be done via the Tip-offs Anonymous toll free phone number that is displayed on the RMA website and posters that are strategically placed in all offices, and also appears as a footer on RMA e-mails.

### **COMPLIANCE OFFICER**

The Compliance Officer will be responsible for ensuring that all parties to whom the Code of Ethics apply (See "SCOPE" clause above) sign an "Acknowledgement of Receipt and an undertaking to comply with RMA Code of Ethics" agreement.

The Compliance Officer will also take appropriate action in the event of non compliance by any RMA employee, with the Code of Ethics.