



FAIRHEADS

THE FAIRFUND TRUST
GOVERNANCE STATEMENT

1. REGISTRATION

Fairheads Benefit Services (Pty) Ltd (“FBS”), the administrator, is a duly incorporated company registered in accordance with the company laws of South Africa with registration number 1992/004041/07, situated at 15th Floor, 2 Long Street, Cape Town. FBS also has offices in Johannesburg and Durban. FBS is a licensed administrator in terms of section 13B of the Pension Funds Act (regulated by the Registrar of Pension Funds) as well as an authorised financial services provider, FSP 18428 (regulated by the Financial Services Board). **The Fairfund Trust** is registered with the Master of the High Court with Masters reference T 1012/91.

2. BOARD COMPOSITION, QUORUM AND ACCOUNTABILITY

The control and management of the trust vest in the trustees represented by Robyn Cowie (Chairperson) and Richard Krepelka in their capacities as nominees of Fairheads Benefit Services. Tashia Jithoo, in her capacity as nominee trustee of Hunter Law Employee Benefits (Pty) Ltd, is the independent trustee.

The trustees are required to meet as often as is necessary to conduct the business of the trust, but no less than twice in a calendar year. A quorum is constituted by the majority of trustees.

The trustees have a fiduciary responsibility to manage the trust and are responsible and accountable for the good governance of the trust. The trustees are required to comply with “fit and proper” requirements and they are required to have personal character qualities of honesty and integrity as well as competency and operational ability.

To ensure compliance in this regard, the trustees are required to sign declarations and disclosures in which they will be required to declare any potential or real conflicts of interests.

It should be noted that the board of FBS directors undergo the same level of compliance monitoring to ensure that they comply with the “fit and proper” requirements as well.



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3. THE TRUSTEES OF THE FAIRFUND TRUST

RICHARD KREPELKA

Qualified Chartered Accountant B.Com (Hons) CA (SA)

Richard has over 21 years experience in the **fiduciary** industry and has specialized in the development of umbrella trusts and beneficiary funds in Southern Africa (employee benefit trusts). He is currently the Chairman of the Fairheads Group and of Fairheads Benefit Services, which currently administers in excess of R5 billion, serving over 100 000 beneficiaries. He acts as trustee to a number of umbrella trusts and beneficiary funds. He is Chairperson of the Employee Benefit Trust Sub-Committee of The Fiduciary Institute of South Africa.

ROBYN NICOLA COWIE

B.A. LLB

Robyn graduated from the University of Cape Town with a B.A. LLB in 1988. She served articles with Shepstone & Wylie Tomlinson Attorneys in Natal from 1990 to 1991 and was admitted as an attorney to the High Court of South Africa in 1992. She then worked as an attorney at Shepstone & Wylie Tomlinson Attorneys in Pietermaritzburg for a year and in December 1992 commenced employment with Fairheads International Trust Company (SA) (Pty) Ltd as a Trust Officer. In 1996 she was appointed as a Director of Fairheads International Trust company SA (Pty) Ltd. Robyn is a corporate trustee of at least 5 umbrella trusts and beneficiary funds. Her responsibilities also include acting as trustee of many high net worth private clients' *intervivos* and testamentary trusts and advising individuals. Her other responsibilities include the drafting of wills, trust documents, estate, tax and financial planning, executorships and curatorships. Robyn is currently the Legal Director of Fairheads Benefit Services (Pty) Ltd, and is the Chairperson of a number of trusts and beneficiary funds.

TASHIA JITHOO (Independent Trustee)

BA (Honours) LLB (summa cum laude) LLM

Tashia qualified with a BA(Hons) and LLB (summa cum laude) from University of KwaZulu Natal, Durban and an LLM from the University of Michigan, USA. Before qualifying as an attorney, she worked as a researcher for Judge Richard Goldstone (then of the Constitutional Court), an intern at the London-based Centre for



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Advice on Individual Rights in Europe and a candidate attorney at Bowman Gilfillan Inc attorneys. After working as an associate at Bowman Gilfillan Inc, she spent a year researching and writing determinations for the pension funds adjudicator in Cape Town and then moved to Edward Nathan for 18 months. In 2006, she joined Hunter Law and opened its Cape Town office. Tashia has a growing Cape Town practice but is also consulted by retirement funds and other clients from other parts of the country and from Namibia. She has authored and co-authored several articles on complex pension law issues, is a co-author of a text-book *The Pension Funds Act: A Commentary* published by Hunter Law, is an 'independent trustee' of several retirement funds and a trainer of retirement fund boards. Formerly the president of the Pension Lawyers Association, in 2009 Tashia was appointed a member of the statutory Pension Funds Advisory Committee which is tasked with advising the Minister of Finance on issues related to retirement funding in South Africa. She is also a trained mediator and is able to assist clients to try to resolve disputes by mediation rather than by litigation.

4. THE AUDITORS

Although there is no legal requirement to have the trust audited, Fairheads has a policy that each trust is subject to an independent audit annually. KPMG are the appointed auditors of the Fairfund Trust. We confirm that the trust has had an unqualified audit report since inception.

5. INVESTMENT POLICY STATEMENT AND INVESTMENT MANAGERS

An Investment Policy Statement approved by the trustees provides a framework for the investment of assets in the trust and includes an initial asset allocation model. The choice of the investment manager for any investment product remains with the trustees. The assets of the trust are managed by Tri-linear Investment Managers, Stanlib and Allan Gray. An independent asset consultant has been appointed by the trustees.

6. PI AND FIDELITY COVER

Fairheads International Holdings of which Fairheads Benefit Services is a subsidiary company carries comprehensive cover in terms of Bankers Blanket Bond / Computer Crime and Professional Indemnity as well as Directors and Officers liability. The Fairfund Trust is not required in law to carry fidelity cover. The trustees have decided that the trust should carry a reasonable amount of cover, which has been put in place.



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7. DETAILS OF RISK CONTROLS IN PLACE

FBS has a Risk Management Policy in place. The Compliance Officer and the Internal Auditor are engaged in continuous risk assessment and risk profiling in terms of the overall company policy and procedures. An independent compliance report is submitted to the Financial Services Board annually.

In addition, FBS has the following risk policies and procedures in place:

- Internal Rules pertaining to the reporting of suspicious and unusual transactions
- Conflicts of Interest Policy
- IT Security Policy
- Declarations and disclosures
- Gift Register
- Disaster Recovery Plan
- Complaints Resolution Policy

8. INDEPENDENCE AND CORPORATE GOVERNANCE

FBS is monitored on an ongoing basis by Darlene Stoffels the Compliance Officer in terms of compliance with its policies, agreements and service level standards. William Lourens the Internal Auditor is engaged in the management of risk and internal controls. William Lourens is a member of the ACFE (Association of Certified Fraud Examiners) and a member of the IIIA (International Institute of Internal Auditors). Darlene Stoffels is a Certified Compliance Professional and an accredited member of the Compliance Institute of South Africa. Darlene is also reading towards her LLB degree.

Fairheads also has an Internal Audit, Risk and Compliance Management Committee which meets on a quarterly basis.