

THE PRIVATE SECURITY SECTOR PROVIDENT FUND
(**"the fund"**)

MANDATE TO CLAIMS COMMITTEE

CONSTITUTION

- 1 The board of the fund may, in terms of rule 12.13 of the registered rules of the fund, establish a committee with such delegated authority as the board may determine. The board of the fund has resolved to establish a committee in respect of matters relating to all claims, more specifically .however not limited to death, disability, funeral, withdrawal and retirement claims of the fund, and this is the mandate to that subcommittee.

- 2 Subject to the authority of the board, the purpose of the Claims committee ("the CLC") are:-
 - 2.1 to carry out the responsibilities delegated to it by the board as described in this mandate;
 - 2.2 to carry out such investigative work relating to the claims of the fund as, within the cost parameters agreed with the board and furthers the governance purposes of the fund;
 - 2.3 to report at each board meeting on how the CLC has exercised its responsibilities since the previous board meeting;
 - 2.4 to report to the board on any matter relating to the claims of the fund as the CLC may consider relevant for the board or which the board may have requested the CLC to investigate.

COMPOSITION

3. The members of the CLC comprise such persons as the board may from time to time determine; provided that-
 - 3.1 the members of the CLC must at all times comprise 2 (two) trustees;
 - 3.2 members of the committee must, where possible having regard to the composition of the board, be drawn from members and employers trustees provided that the board may delegate any person to the CLC on ex officio status;

- 3.3 a member of the CLC must be a trustee;
- 3.4 the principal officer is ex officio a member of the CLC but without voting rights, and must attend all meetings;
- 3.5 the chairperson of the CLC must be a trustee;
- 3.6 the quorum of the CLC meeting must be at least 2 (two) members of the committee i.e. one member trustee and one employer trustee.

PROCESS

- 4 The following provisions apply to the process to be followed by the CLC in carrying out this mandate –
 - 4.1 the CLC must meet at least once per month, and such meeting may be by way of telephone conference;
 - 4.2 the notice of the meetings of the CLC and all necessary documents must be given at least 7 (seven) days before the meeting;
 - 4.3 the chairperson or CLC may, subject to the approval of the chairperson of the board, convene an ad-hoc meeting within cost parameters to attend to any urgent matter that have to be dealt with prior or between the meetings of the CLC;
 - 4.4 minutes of the meetings of the CLC must be provided to all concerned 14 (fourteen) days after each meeting;
 - 4.5 only CLC trustees may exercise a vote in respect of any decision to be made by the CLC; and any such decision to be effective must be by majority if there is more than 2 (two) trustee on the CLC.
 - 4.6 decisions must be made by the CLC by way of a resolution in writing;
 - 4.7 unless there is urgent business to be attended to, the appropriate person from the administrator as per instruction from the Chairperson of the CLC must be notified 7 (seven) days prior to each meeting of the CLC in order that they may attend provided that the Chairperson of the CLC may at any time determine that the CLC may have an in committee session at which only those entitled to vote may attend together with such other person or persons as the Chairperson may decide;
 - 4.8 the Chairperson of the CLC or the CLC may require any other service provider or person to attend any meeting of the CLC in order to assist it with its responsibilities;
 - 4.9 minutes of each CLC meeting must be maintained and submitted to the board for noting at the first board meeting following such CLC meeting;

- 4.10 the chairperson of the board may at any time enquire from the chairperson of the CLC regarding the operation of the CLC, and may also attend any CLC meeting.

RESPONSIBILITIES DELEGATED TO THE CLC

5. subject to ratification by the board, the board delegates the following responsibilities and powers to the CLC:-
- 5.1 to decide on behalf of the board, a member's claim for a disability benefit and repudiated funeral claims;
 - 5.2 to propose to the board, and on terms agreed by the CLC, one or more beneficiary funds for the purposes of allocating any death benefit in terms of section 37C(2) of the Act, and to review from time to time the performance and costs of any beneficiary fund to which the fund pays any death benefit on a regular basis;
 - 5.3 to propose to the board the appointment of such service provider/s to the fund as the CLC considers necessary to provide such services to investigate, trace make recommendations in respect of all claims and benefits due, calculate or pay any death benefit or, to process applications by members for disability benefits;
 - 5.4 as directed by the board, to establish the terms of the contractual arrangement with the fund's service provider which does not fall within the responsibility of any other committee of the board, for approval by the board;
 - 5.5 to review the arrangements for the provision of funeral benefits, and monitoring the performance of the funeral benefit service provider; and to monitor the transition of any funeral benefit service from one funeral benefit service provider to another;
 - 5.6 to establish review and manage from time to time —
 - 5.6.1 the death, disability, withdrawal, retirement, funeral claims processes;
 - 5.6.2 beneficiary nomination forms;
 - 5.6.3 benefit claim forms for death, disability, withdrawal, retirement, funeral; and
 - 5.6.4 any other documentation necessary for death, disability, withdrawal, retirement, funeral.
 - 5.7 to review any areas of risk concerning the manner of allocating and paying death and disability benefits and determining whether a member qualifies for; and if so, how these should be managed;
 - 5.8 to monitor the service delivery of any service provider appointed in terms of 5.5 above as well as the fund's benefit administrator in respect of its services relating to the processing of benefit payments;
 - 5.9 to report any actual, potential or perceived conflict of interest relating to any service provider which reports to the CLC;

- 5.10 to approve for payment the invoices of any service provider appointed in terms of the Claims Committees mandate; .
- 5.11 any ad-hoc serves required, that will cumulatively exceed R10 000, must be ratified by the Board;
- 5.12 if the CLC is authorised to act in any way, to report on the matter in such a manner as is appropriate at each meeting of the board of the fund until the conclusion of that matter;
- 5.13 to do anything lawful which is within the jurisdiction or mandate of the CLC or is in the best interest of the Fund.

INVESTIGATORY POWERS

- 6. The CLC has the power to investigate any matter relating to its responsibilities in paragraph 5 above, or its responsibilities in respect of managing the risks of the fund (see paragraph 7 below), provided that to the extent that such investigation entails the employment of a service provider at the cost of the fund or the incurring of any disbursement at the cost of the fund: then the consent of the board thereto must first be obtained.

RISK MANAGEMENT

- 7. The CLC is responsible for identifying annually, or more frequently if required, such risks relating generally to the administration of the fund and specifically in respect of the responsibilities referred to in paragraph 4 above, as well as putting in place such risk management strategy as the CLC considers appropriate.

The CLC must advise the board of this risk management process and also specifically when it becomes aware of any material risk to the fund which relates to the liquidity of the fund.

REPORTING OBLIGATION

- 8. The CLC must report at each board meeting, or more frequently as the chairperson of the board may request for the purpose of fulfilling the boards' functions, its responsibilities in respect of paragraph 5 above, as well as any investigation undertaken in terms of paragraph 6 above.

AMENDMENT

9. It is recorded that this mandate may be amended at any time by the board. It is recorded that this mandate may be amended at any time by the Committee by way of a proposal for approval by the board.

This mandate was adopted by the board at a meeting of the board at Johannesburg on the 2nd of April 2019.



Chairperson of the Board

2 April 2019
Date



Principal Officer

2 April 2019
Date