

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

MANDATE TO THE LEGAL, RISK & COMPLIANCE
COMMITTEE

CONSTITUTION

1. The board of the fund ("the board") 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 has resolved to establish a committee in respect of matters relating to the legal, Legal, Risk and Compliance issues of the fund, and this is the mandate to that committee.
2. subject to the authority of the board, the purpose of the Legal, Risk and Compliance committee ("the LRC") are -
 - 2.1 to carry out the responsibilities and exercise such powers as are delegated to it by the board as described in this mandate;
 - 2.2 to carry out such investigative work relating to the legal, Legal, Risk and Compliance issues of the fund as, within the cost parameters agreed with the board furthers the governance purposes of the fund;
 - 2.3 to report at each board meeting on how the LRC committee has exercised its responsibilities since the previous board meeting;
 - 2.4 to report to the board on any matter relating to the Legal, Legal, Risk and Compliance issues of the fund as the LRC committee may consider relevant for the board or which the board may have requested the LRC committee to investigate.

COMPOSITION

3. The members of the LRC committee comprise such persons as the board may from time to time determine; provided that -
 - 3.1 the members of the LRC must at all times comprise 3 (three) trustees;
 - 3.2 members of the committee must, where possible having regard to the composition of the board, be drawn from members and employer trustees;
 - 3.3 the board may delegate any person to the LRC on ex officio status;
 - 3.4 a member of the LRC must be a trustee;
 - 3.5 the quorum of the LRC meeting must be at least 2 (two) members of the committee;
 - 3.6 the chairperson must be a trustee;
 - 3.7 the principal officer is ex officio a member of the LRCLRC committee but without voting rights and must attend all meetings.

PROCESS

4. The following provisions apply to the process to be followed by the LRCLRC committee in carrying out this mandate:-
 - 4.1 the LRC must meet 6 times a year (once every two months), and such meeting may be by way of telephone conference. Ad-hoc meetings may only be called with the approval of the chairperson of the board;
 - 4.2 the notice of the meetings of the LRC and all necessary documents must be given at least 7 (seven) days before the meeting;
 - 4.3 minutes of the meetings of the LRC must be provided to all concerned 14 (fourteen) days after each meeting;
 - 4.4 the chairperson or LRC 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 LRC;

- 4.5 only LRC trustees may exercise a vote in respect of any decision to be made by the LRC; and any such decision to be effective must be by majority if there is more than 2 (two) trustee on the LRC;
- 4.6 decisions must be made by the LRC committee by way of a resolution in writing;
- 4.7 unless there is an urgent business to be attended to, the appropriate person from the administrator as per instruction from the Chairperson of the LRC must be notified 7 (seven) days of each meeting of the LRC in order that they may attend; provided that the chairperson of the LRC or the LRC may at any time determine that the LRC 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 LRC or the LRC may require any other service provider or person to attend any meeting of the LRC in order to assist it with its responsibilities;
- 4.9 minutes of each LRC committee meeting must be maintained and submitted to the board for noting at the first board meeting following such LRC committee meeting;
- 4.10 the chairperson of the board may at any time enquire from the chairperson of the LRC committee regarding the operation of the LRC committee, and may also attend any LRC committee meeting.

RESPONSIBILITIES DELEGATED TO THE COMMITTEE

5. Responsibilities related to Legal, Risk and Compliance:-
 - 5.1 Subject to ratification by the board, the board delegates the following responsibilities and powers to the LRC committee:-
 - 5.2 To review , from a legal and compliance aspect, any contractual arrangement between the fund and any other party after the content of such a contractual arrangement has been settled by any other subcommittee of

the board , and reviewing from time to time at the request of any such subcommittee the legal and compliance aspect of any such contractual arrangement.

- 5.3 to facilitate the designing, implementing and monitoring of the process of risk management and the integrating of the risk management process into day-to-day activities of the fund, which will assist the fund to understand the applicability of the various pieces of legislation, regulations to it and PF Circulars;
- 5.4 To recommend the approval of, or to suggest any changes in connection with, any proposed amendment to any rule of the fund.
- 5.5 to oversee the compliance management processes of the fund as set out in the PSSPF Risk Management Framework;
- 5.6 To provide the board with advice in connection with any dispute with or complaint by any complainant , and if appropriate in the view of the committee to respond to any such complaint (including any response to the pension funds adjudicator)
- 5.7 to ensure that the implementation of compliance risk management plans and the meeting of the specific requirements are monitored;
- 5.8 To represent the board in respect of any legal advice or assistance sought either from counsel or any other legal adviser, other than the appointed legal adviser to the fund, subject to authorisation by the board.
- 5.9 to report instances of non-compliance, corrective action taken to rectify non-compliance, and follow-up on non-compliant issues to the board on a regular basis;
- 5.10 To advise the board in connection with any changes to the law affecting the fund as reported to the fund.
- 5.11 to facilitate the provision of training to trustees on the compliance function and process, on the content of the acts, regulations and industry codes;
- 5.12 To monitor the fund's compliance with the sectorial determination, as amended from time to time, made by the minister of labour in terms of section 51 of the basic conditions of employment act, no,75 of 1995, establishing conditions of employment for employees in the private security sector , south Africa.

- 5.13 To note on behalf of the board any appeal to the FSCA appeal board by the fund against any decision of the registrar of the pension funds, and where authorised by the board to pursue any such appeal.
- 5.14 To institute such legal process as the committee considers appropriate against any employer which fails to comply with its lawful obligation to the fund.
- 5.15 To provide the oversight function of the board in respect of any queries from the registrar of pension funds or SARS if such queries are not dealt with by or administered by any other subcommittee of the fund.
- 5.16 To manage the risk that the fund may not comply with any legislative or regulatory requirement by obtaining and assessing a certificate of compliance from the relevant service provider.
- 5.17 To approve for payment the invoices of any service provider appointed in terms of this committee's mandate.
- 5.18 To review and monitor adherence to the fund's code of conduct.
- 5.19 As directed by the board, to establish the terms of contractual arrangements with any related service provider which does not fall within the responsibility of any subcommittee of the board, for approval by the board.
- 5.20 To report any actual , potential or perceived conflict of interest relating to any service provider which reports to this committee.
- 5.21 To monitor the service delivery of any service provider appointed in terms of this committee's mandate as well as the fund's benefit administrator.
- 5.22 to facilitate the maintenance of compliance risk support software;
- 5.23 to set the risk management strategy and policy in liaison with the board;
- 5.24 to facilitate the communication of the fund's risk management strategy and policy to all stakeholders;
- 5.25 to be responsible for the quality, integrity and reliability of the Fund's risk management process;
- 5.26 to provide an objective oversight and review of the information presented by the various committees on risks and risk management
- 5.27 to conduct the continued identification and evaluation of actual and potential risks, including opportunities, as they pertain to the Fund as a whole;
- 5.28 to review and respond to reviewing of all Legal, Risk and Compliance requests of the Fund to develop and implement compliance risk

- management plans for all regulatory and business requirements applicable to the fund, based on the risk rating assigned to the regulatory requirement;
- 5.29 to report any actual, potential or perceived conflict of interest relating to the fund's administrator, actuary or auditor or any other service provider which reports to the LRC;
- 5.30 to do an annual review of the performance of the fund's benefit administrator, and to report thereon to the board;
- 5.31 to do anything lawful which is within the jurisdiction or mandate of the AC or is in the best interest of the Fund or that of its members.

6. Responsibilities in relation to Legal Issues:-

- 6.1 to review, from a legal and compliance aspect, any contractual arrangement between the fund and any other party after the content of such contractual arrangement has been settled by any other committee of the board, and reviewing from time to time at the request of any such committee the legal and compliance aspect of any such contractual arrangement;
- 6.2 to provide the board with advice in connection with any dispute with or complaint by any complainant, and if appropriate in the view of the LRC to respond to any such complaint (including any response to the Pension Funds Adjudicator);
- 6.3 to represent the board in respect of any legal advice or assistance sought either from counsel or any other legal adviser, other than the appointed legal adviser to the fund, subject to authorisation by the board ;
- 6.4 to advise the board in connection with any changes to the law affecting the fund as reported to the fund;
- 6.5 to monitor the fund's compliance with the requirements of the law unless such compliance is monitored by another committee;
- 6.6 to monitor the fund's compliance with any sectoral determination (as amended from time to time) made by the Minister of Labour in terms of Section 51 of the Basic Conditions of Employment Act, No. 75 of 1995,

establishing conditions of employment for employees in the Private Security Sector, South Africa;

- 6.7 to note on behalf of the board any appeal to the Financial Services Conduct Authority Appeal Board or other similar body by the fund against any decision of the FSCA, and where authorised by the board to pursue any such appeal;
- 6.8 where authorised by the board, to conduct such litigation or arbitration on behalf of the fund against any person in respect of any claim by the fund against that person, or in respect of any claim against the fund by any person;
- 6.9 to institute such legal process as the LRC considers appropriate against any employer which fails to comply with its lawful obligation to the fund;
- 6.10 to provide the oversight function of the board in respect of any queries from the FSCA or South African Revenue Services if such queries are not dealt with by or administered by any other committee of the fund;
- 6.11 to manage the risk that the fund may not comply with any legislative or regulatory requirement by obtaining and assessing a certificate of compliance from the relevant service providers;
- 6.12 to implement or carry out any instruction given to it by the board;
- 6.13 to approve for payment the invoices of any service provider appointed in terms of the LRC mandate. Any ad-hoc services required, that will cumulatively exceed R10 000 per month must be ratified by the board;
- 6.14 to review and monitor adherence to the fund's Code of Conduct;
- 6.15 as directed by the board, to establish the terms of the contractual arrangement with any related service provider which does not fall within the responsibility of any other committee of the board, for approval by the board;
- 6.16 to report any actual, potential or perceived conflict of interest relating to any service provider which reports to the LRC;
- 6.17 to monitor the service delivery of any service provider appointed in terms of the LRC mandate as well as the fund's benefit administrator;

- 6.18 to do anything lawful which is within the jurisdiction or mandate of the LRC or is in the best interest of the fund.

INVESTIGATORY POWERS

7. The LRC committee 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

8. The LRC 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 5 above, as well as putting in place such risk management strategy as the LRC committee considers appropriate. The LRC committee 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 investments of that fund.

REPORTING OBLIGATION

9. The LRC must report at each board meeting or more frequently as the chairperson of the board may require its responsibilities in respect of paragraph 5 above, as well as any investigation undertaken in terms of paragraph 6 above. This is the committee of the board and reference to chairperson of the board must be discuss

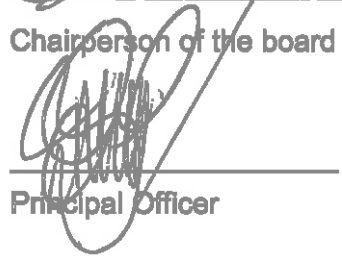
AMENDMENT

10. It is recorded that this mandate may be amended at any time 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



Principal Officer

2 April 2019
Date

2 April 2019
Date