

## Introduction

Non-profit organisations' boards of directors are being highly scrutinised in the same vein as for-profit corporations and often to the same degree of accountability.

With so many important decisions to make, HPP considers it important to have an agreed code of conduct and governance.

A code of conduct, also called a statement of values or code of ethics, is a policy that outlines the principles and standards that all HPP board members and employees must follow. This code of conduct reflects HPP's mission and values and connects us to professional behaviour standards.

This code of conduct is intended to reflect HPP's values of excellence, integrity, honesty, transparency, equity, and confidentiality.

Board members have a duty to continually act in compliance with the Companies Act 71 of 2008 and in the best interests of HPP.

## The reasons why HPP Board members need a Code of Conduct

A code of conduct guides the behaviour of board members, and it serves as a set of principles to guide our decision-making and other activities. Our code of conduct policy will ensure that board members are accountable for the decisions and choices we make.

By adopting a code of conduct, we, as a board, are sending a clear message to stakeholders, employees, service providers and volunteers. The message is that the HPP board members are committed to ethical behaviour and are willing to set the tone at the top for everyone else in the organisation.

A code of conduct helps us earn the public's trust. When communicating our code of conduct transparently, it gives a clear message to anyone partnering us an awareness of our values and how we handle violations of the policy.

## Elements of HPP Code of Conduct

## Setting the Tone at the Top

Board directors set the standard by which everyone else should emulate. This is commonly known as “setting the tone at the top.”

All eyes are on the board when it comes to ethical leadership. When board members uphold the highest ethics standards, it fosters a climate of integrity and others in the organisation will follow suit.

Our code of conduct for board members essentially summarises the policies and priorities that are integral to HPP. These elements are core to the code of conduct policy. The code of conduct for board members will be included in new board member orientation packets. Board members will be assessed against the code of conduct in the annual board evaluation process.

- Managing conflicts of interest
- Respecting partnering organisations and stakeholders
- Protecting assets
- Addressing the HPP culture
- Setting expectations for attendance
- Handling of sexual harassment, general harassment and discrimination
- Incorporating a whistleblower’s policy
- Stating the nonprofit’s privacy policy
- Stating the standards for diversity, equity, and inclusion
- Outlining disciplinary actions that may be taken

The Companies Act of 2008 specifies that directors must:

- Act in good faith and for a proper purpose.
- Act in the best interests of the company (NPC) with the utmost care, skill, and diligence.
- Avoid conflicts of interest or declare any such conflicts.
- Not use their position for personal gain or to the detriment of the company.
- Exercise their powers and perform their functions with care and skill, and in the best interests of the company.
- Avoid trading under insolvent circumstances.
- Keep proper accounting records and prepare financial statements.
- Attend and participate in board meetings and make informed decisions.
- Act in accordance with the company's Memorandum of Incorporation and any other applicable laws or regulations.

## Fraud and Dishonesty

Fraud and dishonesty is defined as any intentional act or omission designed to deceive others, resulting in them suffering a loss and/or the perpetrator achieving a gain at the victim’s expense. The HPP board of directors has adopted a “no fraud and dishonesty tolerance” policy. In addition to the

board, volunteers, management, and staff at all levels of the organisation have responsibility for preventing, detecting and reporting fraud and dishonesty.

In addition to the definition of fraud set out above, this policy covers any dishonest or fraudulent act, including but not limited to:

- Misappropriation of funds, securities, supplies or other assets.
- Impropriety in the handling of or reporting on money or financial transactions of whatsoever nature.
- Profiteering as a result of insider knowledge of company plans or activities.
- Disclosing confidential and proprietary information to outside parties.
- Intentional, false representation, misrepresentation or concealment of a material fact for the purpose of inducing another to act upon it to procure an advantage, benefit or gain.
- Accepting or seeking anything of material value from contractors, vendors or persons providing services/materials to HPP.
- Destruction, removal, or unauthorised use of any HPP property including but not limited to supplies records, furniture, fixtures, and/or equipment. Of whatsoever nature.
- Any similar or related irregularity that in the opinion of the board constitutes a fraudulent or dishonest act.

Each HPP member of staff will be required to familiarise themselves with the types of improprieties that might occur within his or her area of responsibility and be alert for any indication of any irregularity. An employee, volunteer, consultant, vendor, contractor, or outside agency doing business with HPP is required to immediately report any irregularity that is detected or suspected. Any employee or person who suspects dishonest or fraudulent activity shall not attempt to personally conduct investigations or interviews related to any suspected fraudulent act but shall instead immediately report their suspicions and all available evidence to the chairman who will duly appoint investigator(s). Investigations will be coordinated by the chairman's appointees and legal advisors plus other affected groups, both internal and external. Suspected fraudulent activities may result in criminal charges.

## Specific Areas in the Code of Conduct for Directors

### Directorship

As a director, I agree to:

- Understand my legal duties as a director.
- Assume individual and collective responsibility for HPP.
- Apply commercial judgement in HPP's interest.
- Ensure that HPP complies with the law.
- Maintain the financial viability of HPP.
- Devote sufficient time and attention to my role.
- Acquire first-hand knowledge of HPP, its operations and its key people.

- Attend as many board meetings as possible and participate fully in deliberations.
- Avoid over-extending myself by accepting too many positions or other business obligations.

## Integrity and Honesty

As a director, I agree to:

- Act honestly, in good faith and in the best interest of HPP.
- Place the interests of HPP above my personal interests.
- Be open and transparent to the rest of the board in respect of my personal interests and activities.
- Exercise independent judgment.
- Take reasonable steps to be satisfied as to the soundness of all board decisions.
- Avoid conflicts of interest wherever possible and make full and prior disclosure of any conflict, or potential conflict, to the rest of the board.
- Express disagreement on matters of concern with other board members, including the Chairman and Chief Executive Officer.
- Recognise that resignation or dismissal from the board may sometimes be the ultimate consequence of sustained disagreement on a matter of conscience or judgement.
- Adhere to collective responsibility for agreed board decisions.

## Responsible Business

As a director, I agree to:

- Ensure that HPP behaves in a socially responsible manner.
- Evaluate board decisions in a broad social context and be conscious of the impact on society and the environment.
- Encourage the board to define a business purpose which articulates why HPP exists and the problems it is seeking to solve.
- Gain a clear understanding of my HPP's approach to environmental impact.
- Ensure that suppliers are paid in a timely manner, particularly SMEs.
- Exercise due diligence over working conditions in HPP.
- Insist on a zero-tolerance approach to bribery in HPP and in its business partners and intermediaries.

## Inclusion and Diversity

As a director, I agree to:

- Promote an inclusive approach to board composition and business practice.
- Advocate the benefits of inclusion and diversity in enhancing decision making, attracting talent and building societal trust.

- Avoid working with businesses and suppliers that do not value an inclusive business approach.

## Stakeholders

As a director, I agree to:

- Give due regard to the interests of all stakeholders with a legitimate interest in the success of HPP.
- Assist with building the goodwill and commitment of stakeholders towards HPP.
- Help develop strong lines of communication and mutual understanding with relevant stakeholders.
- Understand the expectations of stakeholders and endeavour to take account of them when making decisions.
- Engage with stakeholders on the general strategies being adopted for HPP and on other matters of importance.
- Ensure that all stakeholders are treated fairly and with respect.
- Avoid prioritising the short-term interests of certain stakeholders over the interests of other stakeholders.

## Confidentiality

As a director, I agree to:

- Hold and maintain any confidential information pertaining to HPP obtained by me by whatever means whether in my role as a director, or otherwise as strictly confidential to HPP unless that disclosure has been authorised by the board or is required by law.
- Not make improper use of any information pertaining to HPP obtained by me by whatever means acquired by virtue of my role as a director or otherwise, unless that disclosure has been authorised by the board or is required by law.

## Personal Conduct

As a director, I agree to:

- Exhibit the highest standard of personal conduct, both inside and outside of board meetings
- Always consider the impact of my behaviour on employees and other stakeholders.
- Avoid behaviour that might affect the reputation of my organisation, or which contradicts its values.
- Treat others with respect, dignity and consideration, including colleagues, employees and other stakeholders.

## Reporting Code Conduct Violations

Perceived violations of this code of conduct must be immediately reported (both verbally and in writing) to both the chairman and deputy chairman of the board.

The chairman and deputy chairman will make themselves available to receive reports of violations and instigate a fair and speedy investigation. All HPP board members will be kept informed of the matter at hand and the process followed.

Depending on the seriousness of the allegation, the alleged offending member will face the board to explain his/her actions. A majority decision will then decide the appropriate disciplinary action.

If necessary, an independent legal resource will adjudicate the outcome or deal with any appeals which may arise.

### Commitment by Board Member

I have read and understand the provisions of the code of conduct policy and agree to act on and abide by its principles.

SIGNED \_\_\_\_\_

FULL NAME. \_\_\_\_\_

WITNESS \_\_\_\_\_

DATE \_\_\_\_\_