

POLICIES



Ekurhuleni Housing Company

Directors Code of Conduct
& Ethics



HEADING

POLICY HISTORY

Document Title:	Directors Code of Conduct & Ethics
Document Author:	Company Secretary & Head Legal Services
Document Owner:	Company Secretary/Chief Executive Officer
Electronic Location:	

Description of Content:

This Policy regulates the Ethical conduct of Directors

Final Version:	001	Date:	20 April 2025
Review	Every 3 years	Date:	30 May 2028
Number of pages:	13	(Including cover pages, table of contents and Annexures)	

Functional Acceptance Status by Document Owner Executive
(Tick relevant option)

Signature of Executive Owner: 

1: Full Acceptance	<input checked="" type="checkbox"/>	2: Partial Acceptance	<input type="checkbox"/>	3: Conditional Acceptance	<input type="checkbox"/>
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For 2 and 3, describe the exclusions, criteria and dates of conditions

Acceptance Approval Status by **MANCO**

(Tick relevant option)

Signature of MANCO Chair: 

1: Full Acceptance	<input checked="" type="checkbox"/>	2: Partial Acceptance	<input type="checkbox"/>	3: Conditional Acceptance	<input type="checkbox"/>
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For 2 and 3, describe the exclusions, criteria and dates of conditions

Approval Status by Board

(Tick relevant option)

Signature of Board Chair: 

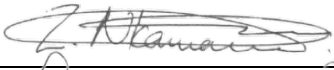

10/02/2026

1: Full Approval	<input type="checkbox"/>	2: Partial Approval	<input type="checkbox"/>	3: Conditional Approval	<input type="checkbox"/>
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For 2 and 3, describe the exclusions, criteria and dates of conditions

DOCUMENT CONTROL INFORMATION

A. EVIDENCE OF REVIEW / APPROVAL RECORD OF THE POLICY (INTERNAL TO ORIGINATING BRANCH/DEPARTMENT)

Policy Owner	Company Secretary & Head Legal Services	
Policy Writers	Company Secretary & Head Legal Services and Alcari Consulting	
Policy Number	Information Security Policy: Version 1.0	
	2025 Version 1.0	Initial Draft
MANCO Chairperson	Signature: 	20 April 2025
Board Chairperson	Signature: 	10/02/2026

ABBREVIATIONS:

EKURHULENI HOUSING COMPANY	EHC
EKURHULENI MUNICIPALITY	CITY OR MUNICIPALITY

A. INTRODUCTION

WHEREAS appropriate ethical behaviour in providing services to our community is essential to creating and maintaining a healthy, fair and just environment of value and benefit to all; and

WHEREAS the Directors Code of Conduct and Ethics seeks to confirm EHC's position to uphold its values and principles through high standards of ethics and integrity; and

WHEREAS the Directors Code of Conduct and Ethics prescribes the appropriate processes for action in the event of non-compliance with ethical standards and principles,

NOW THEREFORE EHC has adopted the **Directors Code of Conduct and Ethics** set out hereunder: -

B. REGULATORY FRAMEWORK

The Policy is to be read in context with the legislation and standards, amongst others being:

1. Protection of Personal Information Act, No 4 of 2013
2. Prevention and Combating of Corrupt Activities Act No. 12 of 2004
3. Financial Intelligence Centre Act No. 38 of 2001
4. Prevention of Organized Crime Act No. 121 of 1998

C. POLICY REVIEW

This Code must be reviewed in three yearly intervals (unless it is required sooner) and amended in order to take account of changes in applicable laws and regulations and changes in the business of EHC.

D. POLICY AMENDMENTS

No amendment(s) may be made to any section of this Policy without such amendment(s) first being: -

Consulted with the Directors and duly approved and signed by the Board.

E. POLICY MONITORING

The Company Secretary shall play a monitoring role to in ensuring Compliance to this Policy.

F. POLICY APPROVAL

This Policy becomes effective from date of approval by the EHC Board of Directors.

G. APPLICATION OF POLICY

This Policy applies to all the Directors of the Company.

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1. PURPOSE

The purpose of this Code is to promote and encourage ethical behaviour within Ekurhuleni Housing Company (EHC or the Company) and to prevent, report on and deal with instances of unethical behaviour. To this end, this Code sets out the ethical standards, rules and guidelines with which the Board of EHC should comply.

2. POLICY STATEMENT

EHC is committed to a culture of ethical behaviour and integrity in the conduct of its business.

This Code is based on the ethical values of responsibility, accountability, fairness and transparency that underpin good corporate governance.

The ethical standards set out in this Code must be integrated into EHC's business strategies and operations.

3. APPLICATION OF THE CODE

This Code applies to all the Directors of the Company.

4. COMPLIANCE WITH LAWS, REGULATIONS AND THE CODE

It is EHC's policy to comply with all the applicable laws and regulations of South Africa.

Directors should familiarise themselves and comply with EHC's Legal Compliance Policy.

Directors should accordingly endeavour to ensure that their conduct does not constitute or is not perceived to constitute a contravention of any applicable law. Any such contravention will not be tolerated.

To this end, all Directors should comply with the Code. Accordingly, EHC must:

- Ensure that the provisions of this Code are communicated to all the Directors; and
- Educate and train EHC Directors on the ethical standards to which it commits itself in terms of this Code.

It is the responsibility of the Chief Executive Officer to ensure that all new EHC Board members are made aware of this Code and that any education and training is provided, within the available resources. Further, EHC should ensure that new Directors acknowledge in writing that they will comply with this Code and that they have received a copy of this Code.

5. INTEGRITY AND RESPONSIBILITY OF DIRECTORS

Directors must commit at all times to;

- Be truthful
- Be respectful during conflict
- Practice accountability
- Not abuse their positions

- Offer respect to everyone
- Be forthcoming with important information
- Respect the property of the Company
- Value diversity.

6. CONFLICT OF INTEREST

Directors must perform their duties and functions honestly and in the best interests of the Company and should not place themselves in a position which would result in a conflict or perceived conflict between their personal interests and the interests of the EHC provided that in certain instances, such conflicts of interest may exist or arise, in which event such conflicts must be disclosed and dealt with in accordance with the relevant laws, rules, regulations or policies of the EHC, as the case may be.

6.1 Outside activities, employment and Directorships

6.1.1 Although Directors are encouraged to participate in religious, charitable, educational and civic activities within their communities, they must avoid participating in any activities which would:

- (a) Consume their time, attention and energy to such an extent that their ability to carry out their responsibilities or perform their functions for EHC is adversely affected; or
- (b) Result in a conflict of interest as contemplated in the first paragraph above.

6.2 Gifts, hospitality and favours

6.2.1 Conflicts of interest may arise where Directors are offered gifts, hospitality or other favours which may, or could be perceived to influence their judgement in relation to business transactions concluded by the EHC.

6.2.2 No director must accept gifts, hospitality or other favours from suppliers of goods or services or from any person with whom EHC has a business relationship in return for any kind of preferential treatment, business, contract or favour offered by such Directors acting on behalf of EHC.

6.2.3 However, acceptance of the following will not be considered to be a contravention of this paragraph:

- (a) Advertising items of limited commercial value (R350) such as pens, diaries or calendars;
- (b) and minor gifts of limited commercial value of R350.

6.2.4 Gifts registers must be kept at EHC's office(s).

6.3 Relationships with suppliers, customers and contractors

6.3.1 EHC recognizes that its Directors' relationships with suppliers, customers and contractors may give rise to actual or perceived conflicts of interest.

6.3.2 In this regard, Directors must ensure that they act independently and are seen to be independent from any business entity which has a business relationship with EHC or which provides goods or services to or purchase products from EHC.

7. PROTECTION OF ASSETS

7.1 Administration of funds and assets

7.1.1 EHC has developed and implemented policies and procedures to safeguard its assets and to prevent fraud and dishonesty.

7.1.2 All Directors who deal with any funds of EHC must, at all times follow procedures prescribed by EHC for administering such funds.

7.1.3 Directors must, at all times, ensure that EHC's funds and assets are used for legitimate business purposes in accordance with EHC's policies and procedures.

7.1.4 If any Director becomes aware of any information to the effect that any funds or assets of EHC may have been used in a fraudulent or improper manner, they must immediately report this to EHC in accordance with the procedure set out in breach chapter of this Code.

7.2 Records

Books and records of EHC must reflect all business transactions in an accurate and timely manner. Undisclosed or unrecorded revenues, expenses, assets or liabilities are not permitted and, in this regard, the Board must ensure that there is proper recording keeping and safeguarding of those records in accordance with applicable legislation.

8. CONFIDENTIAL INFORMATION

8.1 Safeguarding and maintaining the confidentiality of information

Directors must observe the following principles in regard to safeguarding and maintaining the confidentiality of information:

8.1.1 Safeguarding Information

Information must be retained for so long as it is required by EHC or by law and such information must be protected and kept confidential.

8.1.2 Access to Information

Information in respect of:

8.1.2.1 Any confidential product, plan or business transaction of EHC or

8.1.2.2 Personal information of any person must not be disclosed unless written approval for disclosure has been obtained from the persons concerned.

8.1.3 Unauthorized disclosure of information

A Director may not without permission disclose any privileged or confidential information obtained as a Director of the company to an unauthorized person.

8.1.3.1 For the purpose of this item 'privileged or confidential information' includes any information -

- a) determined by the Company or any structure or functionary of the Municipality to be privileged or confidential;
- b) discussed in closed session by the Board or a committee of the Board;
- c) disclosure of which would violate a person's right to privacy; or
- d) declared to be privileged, confidential or secret in terms of any law.

8.1.3.2 This item does not derogate from a person's right of access to information in terms of national legislation.

8.2 POPI Act

The provisions of the POPI Act must be complied with at all times especially as it relates to employees, Directors and tenant information that is of a personal nature. The legal compliance policy sets out the policy position as well as the procedure for ensuring that compliance is realised. The process consists of a 6 monthly sample size internal audit of compliance as well as external assurance by way of an audit conducted by the external auditors.

9. PRACTICES DURING THE PERIOD OF APPOINTMENT

9.1 Anti-bribery and anti-corruption

9.1.1 No Director shall engage in or tolerate any corrupt or dishonest practice such as bribery. It is unacceptable to directly or indirectly offer, pay, solicit or accept bribes in any form.

9.1.2 No Director shall directly or indirectly request, accept, offer or grant a personal advantage in connection with a business transaction or other activity, especially in the negotiation or performance of obligations under a contract, regardless of whether the other party or potential party to the contract is an individual, a company or a government department or government-related or controlled entity.

10.1.3 No Director shall make or accept any payment or "kickback", or offer or accept an improper financial advantage to or from, as the case may be, an official of a government department or government-related or controlled entity for the purpose of obtaining a permit, authority, services or any tender, contract or business.

10.1.4 Every Director must report any suspected commission of an act of bribery or corruption in terms of section 34(1) of the Prevention and Combating of Corrupt Activities Act No. 12 of 2004 in accordance with the procedure set out in the breach chapter of this Code.

10.1.5 The Directors should familiarise themselves and comply with the anti-bribery and anti-corruption provisions of the Prevention and Combating of Corrupt Activities Act No. 12 of 2004 and any other applicable law not specifically mentioned in this Code.

10.2 Anti-money laundering

10.2.1 Any participation in money laundering activities will not be tolerated.

10.2.2 The Directors' should familiarise themselves and comply with the applicable anti-money laundering provisions of the Financial Intelligence Centre Act No. 38 of 2001, the Prevention of Organised Crime Act No. 121 of 1998 and other applicable laws.

10.3 Facilitation payments

10.3.1 No Director may receive facilitation payments in relation to the sale, purchase or other transaction to which EHC is a party.

10.3.2 The Directors' should familiarise themselves and comply with the provisions of the Prevention and Combating of Corrupt Activities Act No. 12 of 2004 and other applicable laws which regulate facilitation payments.

10.4 Use of resources

10.4.1 EHC is committed to conserving resources used in its business operations.

10.4.2 Directors should use their best efforts to make efficient use of EHC's resources.

11. OBLIGATIONS RELATIVE TO FAIR DEALINGS WITH ALL STAKEHOLDERS

11.1 Prompt communications

11.1.1 EHC strives to achieve complete, accurate and timely communications with all of its stakeholders.

11.1.2 A prompt, courteous and accurate response must be provided to all reasonable requests for information made by stakeholders of EHC. Any complaints should be dealt with in accordance with the procedures established by EHC and any applicable laws.

11.2 Media relations

11.2.1 EHC's policy on dealing with the media and the general public requires that these issues be dealt with by the EHC Chief Executive Officer or the Chairperson of the Board.

11.2.2 EHC may be requested, from time to time, to express its views to the media on issues pertaining to its business. The Directors who are approached by the media must refrain from making any statements and must immediately bring this matter to the attention of the Chief Executive Officer or the Chairperson of the Board.

11.2.3 Directors, when dealing with anyone outside EHC including public officials, may not compromise the integrity or damage the reputation of any individual, business, or government body, or that of EHC.

12. BREACH OF THIS CODE

- Any contravention of this Code is a serious matter and may result in termination of appointment and may in certain circumstances, result in civil or criminal proceedings being brought against the Director concerned.
- Any suspected or alleged contravention of this Code that is under investigation must be treated with the utmost confidentiality.

If a Director becomes aware that their actions have, or may have contravened or may contravene this Code, they must report this to the Executive Mayor, the Company Secretary or the City Manager.

If a Director is aware of, or suspects, that another Director has contravened this Code, they must not confront the individual concerned but must utilise either one of the procedures below:

- Promptly and confidentially report such contravention or suspected contravention to the Executive Mayor, the Company Secretary or the City Manager; or
- If the Director does not feel comfortable in reporting such contravention or suspected contravention of this Code as set out above, such Director should utilize EHC's whistleblowing channels.

13. THE IMPLEMENTATION OF THIS CODE

EHC must:

- Monitor and enforce this Code;
- Communicate and consult with Directors regarding standards of ethical behaviour and compliance procedures; and
- Enforce discipline in regard to breaches of guidelines relating to unethical behaviour.

14. REPORTING AND EXTERNAL ASSURANCE

Management must prepare a written report on the ethics performance of EHC and submit such report to the HC-REMSE Committee for its consideration. The HC-REMSE Committee will report on ethics performance to the board of Directors of the Company. Such report must include, but not be limited to, the following information:

- The extent to which the provisions of this Code have been integrated into EHC business strategies and day-to-day operations, including the steps which EHC has taken to familiarise the Directors with the provisions of this Code and other applicable policies;
- The steps which EHC has taken to implement the Code;

- An evaluation of the adequacy and the effectiveness of EHC policies referred to in this Code; and
- Any recommendations regarding the improvement of EHC ethical culture.
- As part of its integrated reporting, the Board must report to the stakeholders in the Integrated Annual Report on the ethics performance of EHC in terms of material non-compliance with this Code.
- The effectiveness of the systems and processes underpinning EHC's ethics performance and the information provided.

15. EQUALITY

EHC will ensure that in implementing this Policy it will not unfairly discriminate against any individual, household or group on the grounds of sex or marital status, on race grounds, or on the grounds of disability, age, sexual orientation, language or social origin, other personal attributes, including beliefs or opinions such as religious beliefs or political opinions.

*******End*******

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