



Code of Professional Conduct



DEFINITIONS

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| Board: | means the Board of Directors of the IoDSA; |
| Code: | means the IoDSA's Code of Professional Conduct, as determined from time to time ⁱ ; |
| Conduct: | means, without derogating from the generality of the term, an act(s) or omission(s) by a Member; |
| IoDSA: | means the Institute of Directors in Southern Africa NPC; |
| IoDSA's Rules and Regulations: | means the suite of rules, policies, regulations and similar documentation established under or through IoDSA's Memorandum of Incorporation or through a decision of the IoDSA's Board or executive and shall include, but not be limited to, regulations relating to membership, professional designations or certifications, Member conduct and disciplinary procedures, continuing professional development and the like, as determined from time to time; |
| Member: | means a Member of the IoDSA, irrespective of their category of membership, affiliation or professional designation or certification, but excludes Alumni members; |
| Member in good standing: | means a member that has met all the obligations for membership renewal; |
| Misconduct | means any act or omission, whether intentional or unintentional, which are contrary to one or more of the provisions of the Code or IoDSA Rules and Regulations, as determined from time to time; |
| Organisation: | means, without derogating from the generality of the term, the organisation(s) irrespective of juristic form, to which the Member owns or is appointed, assigned, employed or contracted from time to time; |
| Profession: | means the profession of a "director" or "governing body member" (as defined in the Companies Act of 2008 or King IV™ report) or similar role within an organisation, irrespective of the actual designation of such role. |

INTRODUCTION

The IoDSA's Code provides a proactive approach to promoting sound governance and responsible conduct by Members of the IoDSA who, through their membership of the IoDSA, have undertaken to perform their role and execute their responsibilities in an ethical and professional manner, as provided for in the Code.

This Code is a dynamic document, and it is anticipated that as the IoDSA advances as an organisation, and as directorship as a profession develops further, that this Code will also be revised and updated in response to such developments.

SCOPE AND APPLICATION

This Code applies to Members of the IoDSA, as defined, by virtue of their membership to the IoDSA, and breaches of the Code will be managed in accordance with the IoDSA's Disciplinary Regulations as determined by the IoDSA Board, from time to time.

STRUCTURE OF THE CODE

The Code comprises:

- **Ethical principles:**

The Code defines six ethical principles providing Members with guidance for values-based decision-making and conduct. These ethical principles are an important reference point for Members and should form the basis for the ethical and effective performance of their day to day conduct within the execution of their roles and responsibilities.

- **Conduct principles:**

In accordance with established and trusted global governance standards, the Code provides conduct principles to inform Members' performance of their role in three key areas. These principles embody the responsibilities and obligations that Members commit to:

- towards their Organisation(s);
- towards the Profession; and
- towards the IoDSA.

The content of the Code avoids strict specificity so as to prevent inadvertent limitation of the application of the ethical and conduct principles contained therein. In interpreting the Code, both the ethical and conduct principles must be applied to advance and promote the spirit and letter of the Code.

ETHICAL PRINCIPLES (ICRAFT)

1. Integrity

A Member shall perform their role and execute their day to day responsibilities in an open and honest manner and will avoid conflicts of interest, and where conflict cannot be avoided, declare and manage it in a candid manner.

A Member shall not engage in any unlawful or unethical activity or be a party to any transaction or relationship which bring themselves, their organisation(s), the Profession or the IoDSA and/or its members into disrepute.

2. Competence

A Member shall attain and maintain an appropriate level of knowledge and skill to enable themselves to effectively execute their role and responsibilities.

A Member shall continually improve upon their proficiency and effectiveness so as to the benefit their Organisation(s), its stakeholders and the Profession as a whole.

3. Responsibility

A Member shall act with due care, skill and diligence in the performance of their role and the execution of their responsibilities and will be accountable for their actions and decisions.

A Member shall be diligent in the performance of their role and the execution of their responsibilities, devote sufficient time and consideration to their duties, and contribute effectively to their Organisation(s).

Members will not accept more appointments than they can reasonably and effectively manage.

4. Accountability

A Member shall remain accountable at all times for their role and the execution of their responsibilities, even when these were delegated.

5. Fairness

A Member shall act with independence of mind, based on fair, rational and objective criteria, in the execution of their role and responsibilities and shall equitably consider the legitimate and best interest of their Organisation(s) in decision-making and strategy.

6. Transparency

A Member shall commit to being appropriately transparent in the manner in which they exercise their governance roles and responsibilities.

CONDUCT PRINCIPLES

1. A Member's responsibilities and obligations towards their Organisation(s):

In meeting their responsibilities and obligations towards their Organisation(s), a Member shall:

- (a) at all times act with integrity in the performance of their role and the execution of their responsibilities;
- (b) use their best endeavors to ensure that the legitimate interests of the Organisation's stakeholders receive due and proper consideration in the decision-making, strategy and actions of the Organisation(s);
- (c) use their best endeavors to ensure that they, and their Organisation(s) abide by, and comply with, both the spirit and the letter of laws, regulations and codes of best practice relevant to their office and their Organisation(s) and that they and their Organisation(s) act ethically beyond mere legal compliance;
- (d) exercise prudent, fair and reasonable judgement in the evaluation of risk and opportunity pertaining to their Organisation(s), and ensure that they make informed decisions based on sound reasoning;
- (e) avoid actual or perceived conflicts of interest, and where conflict cannot be avoided, ensure that it is managed in an appropriate manner;

- (f) be honest and transparent in all decisions and communications and adopt a stakeholder-inclusive approach to organisational decision-making;
- (g) promote and advance an ethical organisational culture within, and responsible corporate citizenship approach for and on behalf of, their Organisation(s);
- (h) use their best endeavors to ensure that their Organisation's reporting and communication with its stakeholders is timely, accurate and complete;
- (i) while balancing the need for transparency with considerations of confidentiality, ensure that they at all times only use confidential information for a legitimate purpose, during and after their engagement with the Organisation(s); and
- (j) devote sufficient time and consideration to their duties, and ensure that they contribute effectively to their Organisation(s) by not accepting more appointments than they can reasonably manage effectively.

2. A Member's responsibilities and obligations towards the Profession:

In meeting their responsibilities and obligations towards the Profession, a Member shall:

- (a) observe both the letter and the spirit of the Code so as to promote and advance the Profession in South Africa;
- (b) endeavour to promote and advance the professionalisation of directorship in South Africa, in support of the growth and development of the Profession as a whole;
- (c) not engage in conduct that adversely reflects on the reputation and integrity of the Profession;
- (d) endeavour to report, and do so in good faith and in the manner prescribed by the IoDSA Rules and Regulations, known or suspected misconduct of another Member; and
- (e) ensure their ongoing compliance with applicable laws and regulatory requirements and not conduct themselves or their affairs in a manner that may give rise to a civil judgment, regulatory action, provisional or final sequestration, removal from an office of trust or a criminal conviction.

3. A Member's responsibilities and obligations towards the IoDSA:

In meeting their responsibilities and obligations towards the IoDSA, a Member shall:

- (a) abide by, and comply with, all IoDSA Rules and Regulations, as determined from time to time;
- (b) when they are also members, affiliates or associates of another organisation, institute, regulatory or controlling body, or association, ensure adherence to such entities' rules, regulations and codes, and inform the IoDSA, at the earliest possible time, of any administrative, punitive or disciplinary action taken against them by such an entity;
- (c) comply with the IoDSA requirements for using the IoDSA's intellectual property and applying its member designations and post-nominals;
- (d) not engage, or incite or encourage others to engage, in conduct that adversely reflects on the reputation of the IoDSA or which brings the IoDSA and/or its members into disrepute;
- (e) not directly or indirectly disrupt or discredit, or incite or encourage others to disrupt or discredit,

the IoDSA in its activities and initiatives to promote and advance the Profession and/or good corporate governance in South Africa; and

- (f) not misstate any authority to represent the IoDSA or conduct themselves in a manner so as to lead others to believe that they are representing the IoDSA in an official capacity or as an agent, unless they have been duly authorised to do so by an authorised representative of the IoDSA.

ⁱ IoDSA Code of Professional Conduct approved on 30 April 2019; Implementation immediate