Lower Kenilworth Improvement District

Bounded by the Railway line, Kenilworth Rd, Rosmead Ave and Wetton Rd

NPC Reg. No. 2020/593529/08 |

CODE OF CONDUCT FOR BOARD MEMBERS

1. DEFINITIONS

In this Code of Conduct, words or expressions shall bear the meaning assigned to them and, unless the context indicates otherwise -

"**By-Law**" means the City of Cape Town City Improvement District By-Law, 2023;

"**Board**" means the board of directors of the management body of a City Improvement District, as contemplated in section 66 of the Companies Act, 71 of 2008;

"**Business plan**" means a motivation report, implementation plan and term budget as contemplated in section 5(9)(b)(i) of the By-law, read together with schedule 1 thereto;

"**Chairperson**" means the chairperson of the board;

"**City**" means the City of Cape Town, a municipality established by the City of Cape Town Establishment Notice No. 479 of 22 September 2000, issued in terms of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998), or any structure or employee of the City acting in terms of delegated authority;

"**City Improvement District**" or "**CID**" means a contiguous geographic area, designated by the Council for the levying of an additional rate on rateable properties within its boundaries to finance improvements and upgrades of the public spaces within the district, operated by a management body, as contemplated in section 22 of the Municipal Property Rates Act (MPRA), and which may be further categorised as a Residential Improvement District, Mixed-Use Improvement District or Business Improvement District*;*

"**Companies Act**" means the Companies Act, 2008 (Act No. 71 of 2008), as amended or replaced;

"**Company**" (also referred to as the "*CID company*"), means a non-profit company incorporated in accordance with the provisions of the Companies Act and as required under section 8(2) of the By-Law, for purposes of implementing the provisions of the business plan of a CID;

"**Conflict of Interest**" means a conflict between the official duties and the private or personal interests of directors, sufficient to influence, or reasonably

appear to influence, the objective exercise of their official duties and responsibilities, irrespective of whether or not the CID company suffers harm as a result of the conflict;

"**Confidential information**" means all information, written, oral, visual or electronic, whether or not it is marked as such, which is made available, directly or indirectly through any means of communication by directors, councillors, City officials, employees or any third party, which is, or which should reasonably be expected to be confidential given the nature of the information;

"**Constitution**" means the Constitution of the Republic of South Africa, 1996;

"**Council**" means the Municipal Council of the City;

"**Director**" means a member of the board of a CID company, as contemplated in section 66 of the Companies Act, or an alternate director of a CID company, and includes any person occupying the position of a director or alternate director, by whatever name designated;

"Knowing", **"Knowingly"** or **"Knows"**, when used with respect to a person, bears the same meaning as assigned to these terms under section 1 of the Companies Act;

"**Management Body**" means the management body of a CID to be established in accordance with section 8 of the By-Law;

"**Memorandum of Incorporation**" ("*MOI*") means the document, as amended from time to time, that sets out rights, duties and responsibilities of shareholders, directors and others within and in relation to a CID company, and other matters as contemplated in sections 1 and 15 of the Companies Act;

"**PAIA**" means the Promotion of Access to Information Act, 2000 (Act No. 2 of 2000);

"**Policy**" means the Policy for the determination of CIDs, or any other policy adopted by the Council in relation to CIDs, as in force from time to time;

"**Potential Conflict of Interest**" means a situation where a director has private interests which are such that a conflict of interest would arise if the director were to become involved in relevant (i.e. conflicting) official responsibilities in future;

"**Private interest**" means: (i) a pecuniary interest which involves an actual or potential financial gain for the director himself or herself; and (ii) non-pecuniary interests of a director in the form of otherwise legitimate private-capacity activity, personal affiliations and associations, and interests of related persons, if those interests could reasonably be considered likely to influence the director's performance of his/her official duties;

"**Related person**" has the meaning assigned to in section 2 of the Companies Act, 2008 (Act No. 71 of 2008).

2. INTRODUCTION

2.1. Status of the Code

This policy is binding on all directors of the CID company. Any breach of this code must result in disciplinary action.

2.2. Purpose of the Code

2.2.1. The Code is established to govern the roles and responsibilities of board members of a CID company, as well as to provide guidelines on the legal, management and ethical standards expected of them.

2.2.2. The Code finds application when a person acts in his/her capacity as a board member of a CID company, including participation in meetings of the board (including its committees), and any other time or occasion that he or she represents the board.

2.2.3. Board members must familiarise themselves with the provisions of this Code and, at all times, conduct themselves in compliance with its provisions.

2.3. Interpretation of the Code

Any director who is doubtful about the application of this rule or the propriety of any political activity must request guidance from the Chairperson in writing.

3. GENERAL

3.1. Use of Public Funds

3.1.1. Directors must ensure that public funds paid over to the CID company are applied only pursuant to the provisions of the company's business plan, and that such funds, as well as publicly funded assets under the company's management or control, are properly safeguarded and accounted for.

3.1.2. Directors must take appropriate steps to ensure that the CID company employs its resources efficiently, responsibly and in a manner that gives effect to the procurement principles enshrined in section 217 of the Constitution, and to all binding public procurement law.

3.2. Gifts and Preferential Treatment

3.2.1. Directors shall not offer or accept any gifts, hospitality, preferential treatment or other benefits that might affect, or could reasonably appear to affect, the recipient's objectivity and ability to make independent judgments.

3.2.2. If a director is unsure as to whether the prohibition in clause 3.2.1 above applies to a particular gift, hospitality, preferential treatment or other benefit, the director must obtain written approval from the board before offering or accepting same.

3.2.3. Subject to the provisions of clause 3.2.1 above, a director may offer or accept any gifts, hospitality or other benefits in the ordinary course of the CID company's activities:

3.2.3.1. Which either individually or in aggregate does not exceed R500.00 over a 12-month period; or

3.2.3.2. In respect of which the director has obtained prior written approval of the board, up to a maximum of R2,000.00 over a 12-month period.

3.2.4. Directors are obliged to record any gifts, hospitality or other benefits gifts, rewards, meals and entertainment above the value of R200.00 in the CID's Gift and Hospitality Register.

4. UNAUTHORISED USE AND DISCLOSURE OF INFORMATION

4.1. Directors shall not disclose – either during or after their term of office - any information collected or held by the CID company that is not in the public domain, and is confidential, commercially or operationally sensitive, or falls within any person's reasonable expectation of privacy, unless authorised by the board.

4.2. Clause 4.1 above does not detract from any person's right to access to information under PAIA or the Companies Act.

4.3. Directors shall not use information acquired in the course of their official duties in order to further their direct or indirect personal or private financial interests.

4.4. Directors must return documentation obtained during their term of office to the Chairperson, or indicate to him or her that all such documentation in their possession has been disposed of appropriately. Former directors who require access to any board documents pertaining to their term of office may approach the Chairperson for this purpose.

5. POLITICAL ACTIVITIES

5.1. Directors may not occupy a salaried political party position or hold a leadership position in any political party.

5.2. Subject to clause 5.1 above, directors may engage in lawful political activities, provided they:

5.2.1. Are compatible with their CID responsibilities;

5.2.2. Exercise proper discretion, particularly in respect of the activities of the CID company; and

5.2.3. Refrain from making party-political speeches in public, or engage in political activities on matters directly affecting the CID company.

5.3. Directors must advise the Chairperson in writing before undertaking any political activity which could give rise to a potential conflict of interest.

6. CONFLICT OF INTEREST

6.1. General

6.1.1. Directors are duty bound to act in the interests of the CID company and must avoid conflicts of interest.

6.1.2. A director, related persons, or the director's friends, associates or associated organisations, may not benefit from the discharge of that director's official duties or deliberations.

6.2. Disclosure of Private Interests

6.2.1. Upon appointment, each director must declare in writing to the Chairperson his/her private interests which could give rise to a potential conflict of interest.

6.2.2. Directors must declare in writing to the Chairperson any new private interests as contemplated in clause 6.2.1 above that arise or of which they become aware of during the course of his/her board membership. Such declaration must be effected within one (1) month of acquiring or becoming aware of the interest.

6.2.3. Details of disclosed private interests under clause 6.2.2 must be kept by the Chairperson in a confidential register designated for this purpose, which must be updated by the Chairperson on an annual basis. Directors must advise the Chairperson in writing of any interim changes in their interests or that of a related person within one (1) month thereof. Access to the register is limited to the Chairperson and Chief Executive Officer of the CID company.

6.2.4. Directors shall declare whether or not they have any private interests in the subject-matter of a board meeting which could give rise to a potential conflict of interest before the commencement of such meeting in writing to the chairperson in such format as the latter may require.

6.2.5. All disclosure forms contemplated in clause 6.2.4 shall be kept in the register referred to in clause 6.2.3 above.

6.2.6. The minutes of every board meeting shall record whether or not there has been compliance with clause 6.2.4.

6.3. Examples of Conflicts of Interest

Examples of conflicts of interests include, but are not limited to, situations where:

6.3.1. A director is a shareholder or member of a corporate entity, or proprietor of a business, which tenders for and/or enters into a contract with the CID company to perform services or deliver goods.

6.3.2. A related person, friend or business associate of a director is a shareholder or member of a corporate entity, or proprietor of a business, which tenders for and/or enters into a contract with the CID company to perform services or deliver goods.

6.3.3. A related person, friend or business associate of a director applies or is considered for appointment as an employee of the CID company.

6.3.4. A decision to expend funds will not benefit CID residents in general, but rather result in a monetary or non-monetary benefit to a director, or to a related person, friend, business associate of a director, or to an organisation or entity of which the director is a member.

6.3.5. A director has received a gift, hospitality, preferential treatment or other benefits from a person or entity who tenders for the supply of goods or services to the CID, where this might affect, or could reasonably appear to affect, the director's objectivity and ability to make independent judgments.

6.3.6. The CID company considers extending the boundaries of the CID in circumstances where the extension will result in a monetary or non-monetary benefit to a director, or to a related person, friend, business associate of a director, or to an organisation or entity of which the director is a member, where such benefit is not acquired in common with other residents of the proposed extension area.

6.4. Director's Participation in Decision-Making Process

6.4.1. In the event a particular matter gives rise to a potential conflict of interest, the implicated director must write in advance to the Chairperson outlining the facts giving rise to the potential conflict of interest.

6.4.2. Where a director has declared a potential conflict of interest as contemplated in clause 6.4.1, the implicated director must recuse himself or herself from the consideration and deliberation (both formal and informal) of, or voting on, the matter giving rise to the potential conflict of interest.

6.4.3. The prohibition contemplated in clause 6.4.2 above does not apply if the board, having received full disclosure from the relevant director, has determined that the relevant interest does not in fact give rise to a conflict of interest (including where no reasonable person could consider the relevant interest to give rise to a conflict of interest). A decision that an interest is insufficient to give rise to a conflict of interest and that the relevant director may participate must formally be recorded in the minutes of the board meeting.

6.4.4. Where a particular matter implicates the interests of the Chairperson (or related persons), the Chairperson must authorise the Deputy Chairperson or another director to chair the relevant board meeting and recuse himself/ herself from any deliberations or decisions pertaining to such interests.

6.5. Documentation/ Records

6.5.1. Any documentation pertaining to a matter in respect of which a director has a potential conflict of interest may not be made available to that director before a final decision has been taken. Once a decision has been taken, the board may notify the relevant director thereof and provide him with relevant documentation, provided such documentation does not contain trade secrets or sensitive commercial information of persons in competition with the interests of the director (or related person).

6.5.2. Where a director receives documentation relating to his/her private interests, the director must return the documents to the Chairperson as soon as possible.

7. PROCUREMENT

7.1. Directors are duty bound to ensure that the requirements for public procurement, including the principles of section 217 of the Constitution (where applicable), are adhered to.

7.2. Directors must acquaint themselves with section 217 of the Constitution and all law, regulations and policies that govern public procurement.

7.3. As a general principle, the CID company must adopt a competitive tendering process when procuring goods and services.

Full name	Date	Signature
Peter Charles Linnegar	20 March 2026	
Alex Peter Nelson	20 March 2026	
Monique Leanne Willis	20 March 2026	
Marius Marais Pieters	20 March 2026	