

**MEU RETIREMENT FUND**  
**POLICY ON SERVICE PROVIDERS**

**1. PREAMBLE**

The Board of Fund has delegated some of its responsibilities regarding the management of the Fund to service providers. Such delegation does however not relieve the Board of Fund from its accountability for the responsibilities so delegated, as the Board Members can be held responsible for the actions of mandated service providers.

**2. APPOINTMENT AND ASSESSMENT**

2.1 The Board of Fund will ensure that:

- Clear written policy and control processes for the delegation of its duties, outsourcing of its functions, as well as the selection process to be followed in the evaluation and appointment of service providers, are put in place; and
- Regular assessments of the performance of all the Fund's service providers in terms of service agreements, mandates, performance contracts, etcetera, are conducted; provided that such assessments will be conducted at least once in every 5(five) years.

2.2 The Board of Fund will consider the following factors during the formal selection and ongoing assessment process of the Fund's service providers:

- Skills and competencies of the service provider, for example, does the service provider have a succession plan in place for the key people in its service delivery;
- Track record of the service provider in terms of fulfilment of mandates, breaches etcetera;
- Fee-structure of the service provider and how it is linked to performance and time standards/delivery on its mandates;
- The internal policies, practices and procedures of a service provider, for example its policy on conflict of interest, or its external audit process;

- Independent reference checks with past and present clients of a service provider;
- Benchmarking against set standards as set out in the service agreements, mandates, performance contracts, etcetera;
- Whether professional indemnity cover is in place and whether it includes the risks with which the Board of Fund is concerned; and
- Proof of the necessary registration and/or approval by the relevant authorities, where applicable.

### **3. MANDATES**

The Board of Fund will ensure that:

- 3.1 The functions delegated to service providers are set out in written mandates and contains sufficient detail to ensure that the service provider understands what is expected by the Board of Fund;
- 3.2 The written mandate makes provision for a reasonable right of recourse in the event that there is any breach of the delegated functions by the service provider;
- 3.3 No service provider is entitled, other than with the agreement of the Board of Fund, to derive any benefit from the Fund's assets and resources or its association with the Fund, other than those terms contractually agreed to by the parties in the signed mandates;
- 3.4 Each service provider must disclose any known, potential or possibly perceived conflicts of interest; and
- 3.5 Each service provider of the Fund has adequate malpractice cover in the form of professional indemnity and fidelity guarantee insurance in place so that the Fund's right of recourse against that service provider, where required to be invoked, is safeguarded.

### **4. REVIEWS**

- 4.1 The Board of Fund will ensure that regular reviews of the services and fees of the Fund's service providers are conducted to ensure that they remain appropriate.
- 4.2 The Board of Fund will also ensure that regular reviews of the continuous registration and/or approval of service providers by the relevant authorities, where applicable, are conducted.

**5. REPORTING BY SERVICE PROVIDERS**

To ensure that the Fund is administered and managed properly as delegated by the Board of Fund, the Fund's service providers will provide a written report to the Board of Fund on a quarterly/monthly/annual basis, as applicable, for example, administration reports, reports on the performance of the Fund's investments, etcetera.

**6. CONFLICTS OF INTEREST**

6.1 When selecting and appointing service providers on behalf of the Fund, the Board of Fund will be alert to possible conflicts of interest in the acceptance of advice, where for instance a consultant is also an employee of the investment administrator of the Fund. These conflicts of interest will be pro-actively identified and disclosed.

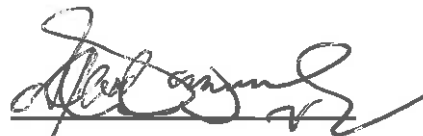
6.2 The Board of Fund will monitor and at all times attempt to resolve actual, potential or perceived conflicts of interest amongst the Fund's service providers, timeously and efficiently.

This policy will be reviewed every 3 years.

The date of approval by the Board of Fund of this Policy is 3 MAY 2017

  
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**CHAIRPERSON**

  
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**TRUSTEE**

  
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