



COMMUNICATION POLICY

1. Introduction and goals

This document is a formal statement of the main principles underlying the communication strategy of the Phumula Retirement Fund ('the Fund'). This Policy acknowledges that the pieces of legislation and best practice guidance listed below are available and the Fund will adhere to these as far as possible. However, the Fund's communication strategy is predominantly outcomes based and not rules based.

1. **Section 7D(c)** of the Pension Funds Act, which provides that the Board of Trustees must "ensure that adequate and appropriate information is communicated to members of the fund informing them of their rights, benefits and duties in terms of the rules of the fund".
2. **Minimum communication requirements** as set out in the Financial Sector Conduct Authority's Pension Fund Circulars 86 and 90 or any update thereof.
3. **PF Circular 130** insofar as this Pension Fund Circular pertains to Fund communication to deferred pensioners and pensioners. This will also be applied to Paid-Up members.
4. **Treating Customers Fairly** as set out in the roadmap published on 31 March 2011, and subsequent guidelines released by the Financial Sector Conduct Authority, for regulating the market conduct of Financial Service Providers and the regulation of financial services.
 - The Fund is confident that the Fund is managed and administered in such a way that the fair treatment of members and beneficiaries is central to the Fund's culture
 - The Fund's products and services should be developed and administered to meet the needs and expectations of its members, with the ultimate goal of providing appropriate retirement income
 - Members and beneficiaries receive clear and appropriate information regarding the Fund, retirement benefits and the operations of the Fund before joining (where applicable), on joining, and regularly during their membership of the Fund
 - Where the Board [or Sub-Committees] and/or members of the Fund receive advice, the advice is suitable and takes account of their respective circumstances
 - The Fund provides products and benefits which perform in a manner that meets the needs and reasonable expectations of its members and are in line with what members have been led to expect
 - The Fund and members do not face unreasonable barriers to submit a claim or make a complaint or to change products or switch providers where the rules of the Fund allow for such choices.
5. **Complaints Management Requirements** as envisaged by the Financial Sector Conduct Authority to ensure effective protection of Fund members.

6. **Disclosure and accountability requirements** as set out in the King IV Report on Corporate Governance for South Africa 2017¹ (Part 6: Sector supplement for retirement funds).

The goals set out below have been established by the Trustees to assist the Fund to improve on the credibility of the delivery of benefits and administration to members. Furthermore, these goals aim to entrench the values that the Trustees would like members to attribute to the Fund.

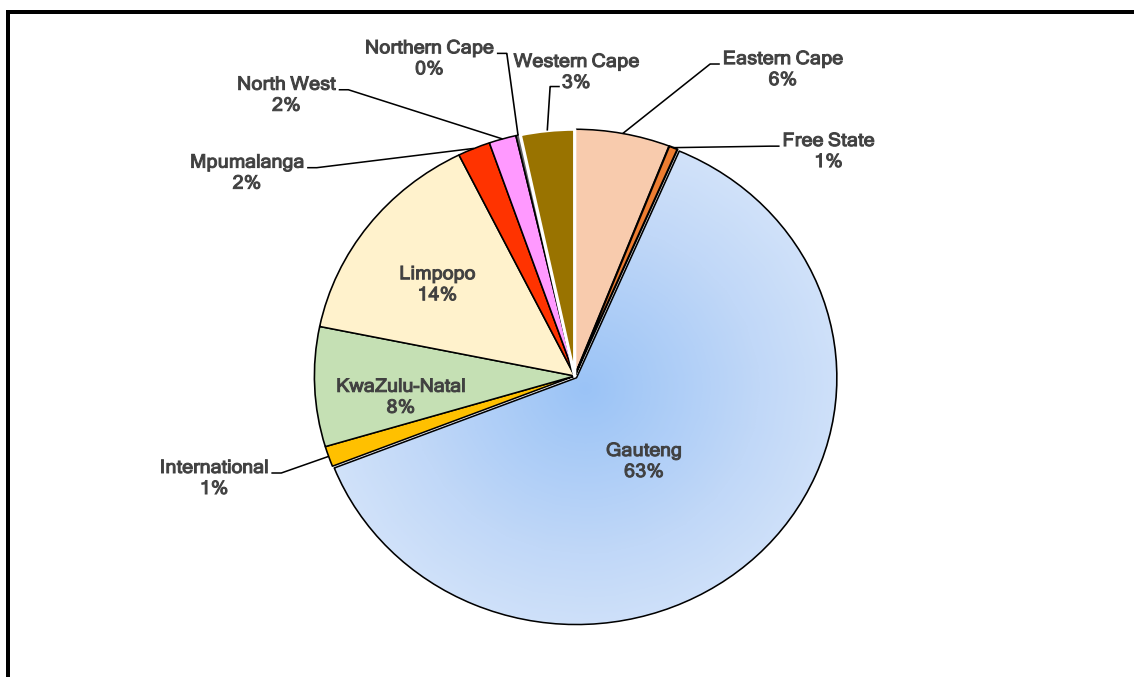
1. To ensure that communication to stakeholders is adequate, appropriate, and cost-effective and allows stakeholders to understand the information and to make informed decisions.
2. To communicate with stakeholders in a manner using language/media appropriate and meaningful to their membership profile in so far as this is cost effective and practical.
3. To deal effectively, timeously, and where possible proactively with members' queries and complaints regarding the Fund's administration and claims management, with a view to minimising future complaints.

2. Membership profile

The Trustees understand that a key issue to ensuring that the Fund's communication programme is "adequate and appropriate" is to make certain that the communication is pitched at the correct level. The communication material compiled as part of this communication strategy will be based on the Fund's membership profile.

The average age and gender split of the Fund's membership is not relevant, as the Fund is a paid up Fund and is closed to new members. The Fund had 1,276 Deferred members and 5,174 Pensioners (excluding suspended pensioners) as at 30 June 2024.

Deferred members are located in Johannesburg. Pensioners are located as follows across South Africa (as at 30 June 2024):



In order for members to better understand and relate to the material provided, the Trustees have concluded that all communication material to be produced for the membership must:

- Use simple language
- Fully and plainly explain all financial concepts included in the material, avoiding the use of industry jargon
- Use uncomplicated and short sentence construction
- Be conducted in an informal as opposed to a formal tone
- Include pictures to illustrate the concepts being communicated, and increase the visual appeal of the material as far as this is possible and cost effective for a closed and paid up fund
- Be made available in English, in order to contain costs in a closed and paid up fund environment. However, the Trustees may consider translating key communication into any of the 11 official languages if deemed necessary or upon request.

3. Communication structure

Communication is paper based except where email addresses are available in respect of members. Under these circumstances communication will be done via email.

Pensioners will receive communication with their payslips, which may be sent by email, SMS or post (if specifically requested by the Pensioner). Urgent short messages are also sent to Pensioners by SMS. For example, notification of their 13th cheque payments.

Ad-hoc communication is sent out to Deferred members where deemed necessary. This is done through whatever means available to the Fund as the Fund does not have a link to a participating employer who can assist with the distribution of communication.

All members are encouraged to provide their contact details to the Fund and to notify the Fund when there are any changes, to ensure that they receive Fund communication.

The following written communication will be distributed during the year:

- Annual benefit statements and combined projection statements with the City of Johannesburg Pension Fund will be provided within six months of the financial year end
- Pensioner payslips will be emailed and sent by SMS monthly where email addresses and cell phone numbers are available. Hard copies will be distributed only on request
- Tax certificates will be sent to Pensioners annually
- Certificate of existence and proof of education documentation will be sent to the necessary Pensioners annually
- An annual notice will be sent to Pensioners advising them of the pension increase
- The Trustees' Report will be distributed annually
- Quotations will be provided when a Deferred member exits the Fund, or earlier if requested, that explains the benefits available
- An invitation to attend retirement workshops for Deferred members aged fifty-five and older
- A membership certificate within two months of the member becoming a Paid-up member
- Responses to individual member queries and complaints will be sent out when required.

In addition, the following communication sessions will be available to Deferred members:

- Retirement workshops held once every two months at the Pension Fund Office for members aged fifty-five and older. The Pension Fund Office will proactively contact Deferred members who should attend, where these members have been identified.
- One-on-one explanatory retirement benefit counselling sessions with Cadiant Partners Consulting Services, the Fund's consultants and actuaries, for all members who are close to retirement, or who are considering withdrawing from the Fund, and who have been provided with the retirement quotation or withdrawal document. These may be held virtually.

Communication to death benefit beneficiaries is undertaken by the City of Johannesburg Pension Fund where the member passed away prior to 1 July 2021. In the communication to the beneficiaries, it is noted that the benefit is in respect of both the Fund and the City of Johannesburg Pension Fund.

Where members pass away after 1 July 2021, the Fund undertakes its own death claim investigations. Communication is undertaken by various parties on behalf of the Fund, including the Fund's administrator and death claims service provider.

The Fund has implemented a Complaints Policy to assist members in submitting queries should they require further assistance. In addition, the process for lodging a complaint is detailed in the policy.

4. Crisis/extreme event management

The Fund recognises that incidents may arise that require the Fund to distribute immediate communication without prior review and authorisation from the Board of Trustees. For example, an adverse report in the press.

The Fund's Principal Officer and Chairman are mandated to manage any crisis incidents that affect the Fund, both directly or indirectly. The Principal Officer and Chairman will determine if an event is categorised as a crisis by considering the following factors:

- a) The nature and extent of the incident
- b) The degree of risk, or possible risk, to the Fund and/or its members
- c) The Fund's duty of disclosure to its members.

If the incident is categorised as a crisis, the following process will be followed:

- Step 1: The crisis will be investigated by the Principal Officer and Chairman as soon as practically possible after the crisis occurring.
- Step 2: Contact will be made with the service provider/s affected, if any.
- Step 3: Communication will be sent to affected members via all communication channels. The communication will include information regarding the crisis, the risks that the Fund and/or its members may face, and the steps that are being taken to manage the crisis.
- Step 4: Pension Fund Office employees will be available to assist with any member queries, both telephonic and walk-ins. Communication, if any, with the media will be managed by the Principal Officer and/or the Chairman.

Step 5: A preliminary report of the crisis will be provided electronically to the Board of Trustees as soon as practically possible after the crisis occurring. A full report will then be included in the next Board of Trustees' agenda for discussion.

Step 6: Once the crisis has been managed, the Board of Trustees will mandate the Risk and Audit Sub-Committee to investigate the cause of the crisis and possible preventative measures that can be implemented to prevent similar incidents from reoccurring in the future. This will be recorded in the Fund's risk matrix to ensure regular review.

The Fund's Extreme Event Management and Procedures Policy, contained in the Fund's Governance Manual, will override the above process in the event of an extreme event requiring the potential closure of the Pension Fund Office.

5. Fund website

In February 2018 the Fund launched its website www.phumulafund.co.za to improve communication channels with its members.

The website allows easy access to Fund documentation, including:

- Fund Rules and Rule Amendments
- Annual Trustees' Report
- Governance documents, which includes the Fund's Investment Policy Statement
- Nomination of beneficiary forms.

In addition, members can access their personal membership information and latest benefit details with the City of Johannesburg Pension Fund by using the link to the City of Johannesburg Pension Fund's administrator's website. This allows members to easily view their information and notify the Fund or its administrator of any changes to their details. This feature is controlled through a login and password, which ensures that membership information remains confidential at all times.

The website also offers a contact platform allowing members to easily submit queries directly to the Fund. Alternatively, queries can be directed in terms of the Fund's Complaints Policy.

6. Fund Facebook Group

The Fund opened a Facebook Group in January 2021. Unfortunately, the Group failed to meet the required objectives and was subsequently closed.

7. Budget

Due to cost considerations associated with a closed and paid up fund, the Fund's total spend on communication will be limited to:

- The cost of compiling (and possibly reviewing) this communication strategy by independent communication specialists
- The cost of translating communication into any of the 11 official languages (if this is deemed necessary and appropriate)
- The cost of compiling the Fund's annual Trustees' Report and/or other communication which is required

- The cost of running retirement benefit counselling sessions at the Pension Fund Office
- The cost of running one-on-one retirement benefit counselling sessions with Cadiant Partners Consulting Services
- The cost of hosting and maintaining the Fund's website
- The cost of sending ad-hoc bulk emails and/or SMSs to members as necessary.

8. Review and assessment of this Communication Policy

This Communication Policy was originally established in May 2012. The most recent update is June 2024. This Policy should be reviewed on an annual basis.

This Policy is not a static document and is appropriate as it relates to the Fund's membership and liabilities at the current time. A fundamental change in the Fund's size or liability profile will necessitate a review of this Policy. Changes to this document will be approved by the Trustees and communicated to the affected parties.

This Policy was reviewed and approved by the Board of Trustees at their meeting of 8 August 2024.

Signed by:
Frances Fung
ACAE99388115475

Chairman

Signed by:
Graham Linden
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Principal Officer

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Jane Eagle
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Trustee

Name: Jane Eagle