



KIDDS BEACH RATEPAYERS AND RESIDENTS' ASSOCIATION (the Association)

GOVERNANCE AND ETHICS POLICY: EXCO MEMBERS

Approved by the Executive Committee on: 12 February 2026

Effective: 13 February 2026

1. Introduction

This policy must be read with the Constitution of the Association ("the Constitution") and the Rules of the incorporated Homeowners Association ("the HOA Rules"). Terminology in this policy has the meaning as defined in the Constitution and the HOA Rules as amended from time to time.

2. Purpose

The purpose of this Governance and Ethics Policy is to establish clear principles, standards, and rules of conduct for members of the Executive Committee (EXCO) of the Kidds Beach Ratepayers and Residents Association (KBRRA), a non-profit organisation (NPO). The policy aims to promote ethical leadership, accountability, transparency, and good governance in line with South African law and recognised best practice for non-profit and community-based organisations.

3. Legal and Policy Framework

This Policy is informed by and must be read together with: -

- 3.1 The Constitution of the Kidds Beach Ratepayers and Residents Association;
- 3.2 The Nonprofit Organisations Act, 1997 (Act 71 of 1997);
- 3.3 The King IV Report on Corporate Governance for South Africa, 2016 (as applicable to non-profit organisations);
- 3.4 Applicable BCM by-laws, including those of Buffalo City Metropolitan Municipality (BCM);
- 3.5 Any other policies adopted by KBRRA, including Financial Management, Conflict of Interest, and Code of Conduct policies.

4. King IV Governance Principles

This Policy gives effect to the principles and recommended practices of the King IV Report on Corporate Governance for South Africa, as applied to a voluntary, community-based non-profit organisation.

4.1 Ethical and Effective Leadership (King IV Principle 1)

- EXCO members are required to lead ethically, with integrity, competence, responsibility, accountability, fairness, and transparency;
- This is operationalised through Sections 5 (Governance Principles), 6 (Ethical Conduct), and 7 (Conflict of Interest).



4.2 Governing Body Role and Responsibilities (King IV Principles 2 and 6)

- EXCO acts as the governing body of KBRRA between General Meetings;
- Collective decision-making, fiduciary responsibility, and oversight are addressed in Sections 5, 8, and 10.

4.3 Strategy, Performance, and Value Creation (King IV Principle 4)

- EXCO decisions must advance the objectives of KBRRA and the long-term interests of its members and community;
- Resources must be applied responsibly to create sustainable social value.

4.4 Stakeholder Inclusivity (King IV Principle 16)

- EXCO must balance the legitimate and reasonable needs of members, residents, municipal authorities, and other stakeholders;
- Engagement obligations are set out in Section 11.

4.5 Governance of Risk and Compliance (King IV Principles 11 & 13)

- Conflicts of interest, ethical risks, and reputational risks must be identified, disclosed, and managed;
- Compliance with applicable laws, municipal requirements, and internal policies is mandatory.

4.6 Remuneration and Benefits (King IV Principle 14 – as applicable)

- EXCO members serve on a voluntary basis unless otherwise approved in accordance with the Constitution;
- No member may derive improper financial benefit from their position.

4.7 Transparency and Accountability (King IV Principle 5)

- Accurate records, financial oversight, and disclosure to members are required;
- Breaches of this Policy are addressed through fair and transparent disciplinary processes.

5. **Application**

This Policy applies to:

- All elected and co-opted members of the EXCO;
- Any person acting in an EXCO capacity or delegated authority; - Subcommittee chairpersons where governance or fiduciary responsibilities are exercised.

6. **Governance Principles**

EXCO members shall always adhere to the following governance principles:

6.1 Fiduciary Responsibility

- Act in good faith and in the best interests of KBRRA;
- Exercise due care, skill, and diligence;
- Ensure that Association resources are used solely to advance its objectives.



6.2 Accountability

- Be accountable to the members of KBRRA;
- Accept collective responsibility for EXCO decisions;
- Ensure proper oversight of finances, projects, and compliance.

6.3 Transparency

- Ensure openness in decision-making processes;
- Maintain accurate records of meetings and resolutions;
- Disclose material information to members where appropriate.

6.4 Independence and Objectivity

- Avoid undue influence by personal, political, or commercial interests;
- Make decisions based on objective assessment and merit.

7. **Ethical Conduct**

7.1 General Conduct

EXCO members shall: - Act honestly, ethically, and with integrity; - Treat fellow EXCO members, members of the Association, municipal officials, service providers, and the public with respect and fairness; - Uphold the reputation and credibility of KBRRA at all times.

7.2 Abuse of Position

EXCO members may not: - Use their position for personal gain; - Seek preferential treatment for themselves, family members, or associates; - Represent personal opinions as official positions without mandate.

8. **Conflict of Interest**

8.1 Definition

A conflict of interest arises when an EXCO member's personal, financial, or other interests interfere or may reasonably be perceived to interfere with their duties to KBRRA.

8.2 Disclosure

- All EXCO members must declare actual, potential, or perceived conflicts of interest;
- Disclosures must be made at the start of each meeting or as soon as the conflict arises;
- A Register of Interests shall be maintained by the Secretary.

8.3 Management of Conflicts

- An EXCO member with a conflict shall recuse themselves from discussion and decision-making on the relevant matter;
- The recusal must be minuted;
- Failure to disclose a conflict constitutes a serious breach of this Policy.



9. Confidential and Information Management

9.1 Confidential Information

EXCO members shall: -

- Respect the confidentiality of sensitive information;
- Not disclose confidential information without proper authority;
- Continue to observe confidentiality obligations after leaving office.

9.2 Records and Documentation

- Records must be accurate, complete, and securely maintained;
- No records may be altered or destroyed unlawfully.

10. Financial Ethics and Oversight

EXCO members shall: -

- Ensure compliance with approved financial management policies;
- Avoid unauthorised expenditure or commitments;
- Exercise proper oversight over procurement, contracts, and service providers;
- Ensure that no EXCO member derives improper financial benefit from KBRRA activities.

11. Collective Decision-making and dissent

- EXCO decisions are collective and binding once adopted;
- Members may record dissenting views, but shall support lawful decisions publicly;
- Internal disputes must be addressed through proper governance processes.

12. Engagement with Stakeholders

EXCO members shall:

- Engage constructively with residents, members, municipal authorities, and other stakeholders;
- Communicate accurately and responsibly;
- Avoid inflammatory, misleading, or unauthorised public statements.

13. Breaches and Disciplinary Measures

13.1 Reporting of Breaches

- Any alleged breach of this Policy must be reported to the Chairperson or Secretary;
- Reports may be made confidentially and in good faith.

13.2 Investigation and Sanctions

- Alleged breaches shall be investigated fairly and promptly;
- Sanctions may include:
 - Formal warning;
 - Suspension from EXCO duties;
 - Recommendation for removal in accordance with the Constitution;



- Referral to authorities where required by law.

14. Induction, Training and Awareness

- All EXCO members must receive induction on this Policy;
- Periodic training on governance and ethics should be provided;
- Members must confirm understanding and commitment in writing.

15. Review and Amendment

- This Policy shall be reviewed at least every three (3) years or as required;
- Amendments require approval by EXCO.

This policy was approved by the Executive Committee at a meeting held on 12 February 2026

SIGNED:

DATE: 13 February 2026

A handwritten signature in purple ink, appearing to be 'A. G.', is written over a faint circular stamp.

Chairperson KBRRRA



ANNEXURE A:

Declaration of Interest Form

Kidds Beach Ratepayers and Residents Association (KBRRA)

This Declaration of Interest Form must be completed by all members of the Executive Committee (EXCO) on appointment or election, and thereafter annually, or whenever a material change in interests occurs.

1. PERSONAL DETAILS

Full Name: _____

ID Number: _____

EXCO Position: _____

Date of Appointment / Election: _____

2. FINANCIAL INTERESTS

Please disclose any direct or indirect financial interests that may give rise to a conflict of interest with the affairs of KBRRA.

Name of Entity / Individual	Nature of Interest (e.g. Director, Shareholder, Consultant)	Percentage / Value (if applicable)	Relationship (if indirect)

3. BUSINESS, PROFESSIONAL, OR CONTRACTUAL RELATIONSHIPS

Please disclose any business, professional, or contractual relationships with: - KBRRA; - Service providers to KBRRA; or - Entities that may seek to do business with KBRRA.



4. PROPERTY AND DEVELOPMENT INTERESTS

Please disclose any property ownership, development interests, or land-use applications within Kidds Beach or the Buffalo City Metropolitan Municipality area that may intersect with the activities of KBRRA.

5. GIFTS, HOSPITALITY, OR OTHER BENEFITS

Please disclose any gifts, hospitality, or other benefits received or offered that could reasonably be perceived to influence decision-making.

6. DECLARATION

I hereby declare that: - The information provided above is true, complete, and accurate; - I undertake to disclose any future actual, potential, or perceived conflicts of interest as soon as they arise; - I understand that failure to disclose a conflict of interest may result in disciplinary action, including removal from office in accordance with the Constitution of KBRRA.

Signature: _____

Date: _____

7. FOR OFFICE USE ONLY

Declaration Received By (Secretary): _____

Date Received: _____

Recorded in Register of Interests: Yes No