

## AfriSam (South Africa) (Pty) Ltd

Department Name: Legal, Governance, Risk & Compliance

### CONFLICT OF INTEREST POLICY

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## 1. Background

### 1.1. What is the purpose of this document?

This document explains AfriSam (South Africa) (Pty) Ltd's and its associated companies' ("**AfriSam**") policy on conflicts of interest and sets out the procedures that must be followed to mitigate the risk in this regard.

### 1.2. Why is this document important?

The policy and procedures set out in this document are important because it will help us to ensure that we:

- conduct our business professionally and with integrity;
- ensure compliance with the specific requirements of the Companies Act, 2008;
- always act in the best interest of our business; and
- avoid outside activities and interests from infringing on our business obligations.

### 1.3. Who must comply with this policy and procedures?

This policy is applicable to all AfriSam employees, directors and officers, as well as consultants, suppliers, customers, contractors and other providers of goods or services to AfriSam (Affected Persons) and must comply with this policy and its procedures. Throughout this policy, where references are made to employees, such references must be interpreted as referring to other categories of Affected Persons, to the extent applicable.

### 1.4. Why is it important to comply with this policy and procedures?

A breach of this policy and its procedures may result in the following for AfriSam:

- a criminal offence (either under South African law or foreign law);
- financial penalties; and
- severe harm to our reputation.

A breach of this policy and its procedures may result in the following for the individuals involved:

- disciplinary action, which could lead to dismissal;

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- criminal action and jail sentences;
  - actions to ensure redress for any losses incurred by AfriSam as a result of the breach.

### 1.5. Who must be consulted if you have questions?

You should contact the Legal, Governance, Risk and Compliance Department if you have any questions about this document.

## 2. Our Policy

We know that conflicts of interest and commitment can arise from an individual's engagement with the world outside of AfriSam and although the mere existence of such a conflict does not necessarily imply wrongdoing on anyone's part, we strongly discourage our employees from having any conflicts of interest.

It is important that potential and actual conflicts are properly managed to protect the interests of AfriSam.

To ensure that we effectively mitigate our risk in this regard, we are committed to the following:

- We declare all conflicts of interest and commitment.
- We declare all personal financial and business interests.
- We only use AfriSam resources for authorised business purposes.

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*Note! We reserve our right to terminate our contractual relationship with any party with whom we transact, if they breach this policy.*

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**Chief Executive Officer: AfriSam (South Africa) (Pty) Ltd**

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

## 3. Understanding our Policy

### 3.1 Policy: We disclose and declare conflicts of interest and commitment

<p><b><i>What is a conflict of interest?</i></b></p>	<p>A conflict of interest arises when you are, or may be in a position, to <b>influence AfriSam’s business and/or other decisions</b> in ways that could lead to any form of personal gain for you or your immediate family or give improper advantage to others.</p> <p><b>Examples:</b> It could be a conflict of interest if you or any of your immediate family:</p> <ul style="list-style-type: none"> <li>• have a direct personal interest in, or derive benefits from transactions to which AfriSam is also a party;</li> <li>• have a direct personal interest in, or derive benefits from a business that competes with AfriSam;</li> <li>• hold memberships on boards of directors, committees, advisory groups (or similar bodies) of governmental, non-profit or for-profit entities which are stakeholders of AfriSam;</li> <li>• hold a material shareholding or interest in a competing company or a company that is an actual or potential material customer or supplier of AfriSam;</li> <li>• hold a material shareholding or interest in an advisory firm that provides material services to AfriSam.</li> </ul>
<p><b><i>Who is your immediate family?</i></b></p>	<p>Immediate family refers to your:</p> <ul style="list-style-type: none"> <li>• children and spouses of children</li> <li>• brothers, sisters, and their spouses</li> <li>• parents</li> <li>• spouse, and the parents of his/her spouse</li> <li>• life partners</li> </ul>
<p><b><i>Note!</i></b></p>	<p>Conflicts of interest may be actual or perceived.</p> <p>The <b>perception</b> of a conflict of interest is influenced by whether an independent observer might question whether the individuals’ professional actions were motivated or influenced by a potential personal financial or other gain.</p> <p>Even when no conflict actually exists, the appearance of conflict of interest may be present. Such apparent conflicts can do as much damage as actual ones and should thus be avoided.</p>
<p><b><i>When and how should you declare conflicts of interest?</i></b></p>	<p><b>Follow the procedures set-out in section 4 of this document.</b></p>

### 3.2 Policy: We disclose and declare personal and financial interest

<p><b><i>What is a personal and financial interest?</i></b></p>	<p>A personal and financial interest is any relationship (other than your employment at AfriSam) in which you engage, and which could result in a <b>conflict of interest with AfriSam</b> or a <b>financial gain</b> for you or your immediate family.</p> <p>This includes:</p> <ul style="list-style-type: none"> <li>• consulting, part-time or other employment, managerial, and fiduciary relationships;</li> <li>• investments; and</li> <li>• relationships with businesses with whom AfriSam transacts.</li> </ul>
<p><b><i>Who at AfriSam must declare personal and financial interests?</i></b></p>	<p>The Companies Act<sup>1</sup> requires Directors and Prescribed Officers of AfriSam to make an annual general declaration of <b>all outside interests, i.e., all personal and financial interests</b>.</p> <p>AfriSam also requires all employees to make annual disclosures about their outside interests.</p>
<p><b><i>Who are Prescribed Officers of AfriSam?</i></b></p>	<p>A <b>Prescribed Officer</b> is a person who,</p> <ul style="list-style-type: none"> <li>• despite not being a director AfriSam, exercises general executive control and management over the whole, or a significant portion of the business activities of AfriSam; or</li> <li>• regularly participates, to a material degree, in the exercise of general executive control and management over the whole, or a significant portion, of the business and activities of AfriSam.</li> </ul>

<sup>1</sup> Section 75(4) of the Companies Act, No 71 of 2008 as amended

	<p>This is the case irrespective of any particular title given by the company to the office held by the individual in the company or the function performed by the individual in the company.</p>
<p><b>Note!</b></p>	<p>Declarations of <b>personal or financial interests</b>, as required and defined by the Companies Act, by Directors and Prescribed Officers cannot be “approved”, thereby allowing the director or prescribed officer to still participate in deliberations, decision-making and actions related to the disclosed interest. In respect of other types of conflicts or potential conflicts, approval may however be considered.</p>

<p><b><i>When and how must personal and financial interests be declared?</i></b></p>	<p>These interests must be declared <b>upfront and on an annual basis by following the procedures set-out in section 4 of this document.</b></p> <p>In addition, declarations of conflict of interest and any personal or financial interest, must also be done:</p> <ul style="list-style-type: none"> <li>• by all attendees at every board and board committee meeting, to formally declare (and recorded in the minutes as such) that none of them, nor their related parties have any personal or financial interests in any matter on the agenda;</li> <li>• in any matter that is to be decided by written resolution by informing the group company secretary;</li> <li>• where a director, prescribed officer or any of their related parties acquire a personal financial interest post approval or conclusion of an agreement that had been considered at a meeting, or for which the director or prescribed officer’s approval had been required at the time.</li> </ul>
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### 3.3 Policy: We only use AfriSam resources for business purposes

<p><b>What is an AfriSam resource?</b></p>	<p>AfriSam resources include:</p> <ul style="list-style-type: none"> <li>• our employees and their time;</li> <li>• physical assets, e.g., our facilities and equipment; and</li> <li>• our intellectual property and information.</li> </ul>
<p><b>What is a “business purpose”?</b></p>	<p>Our resources (including the time of our employees) may only be used for AfriSam activities and purposes, except when other uses are specifically authorised by AfriSam.</p>
<p><b>What would constitute inappropriate use of AfriSam resources?</b></p>	<p>Inappropriate use of resources includes the following:</p> <ul style="list-style-type: none"> <li>• AfriSam employees who use AfriSam time and/or resources or information (confidential or otherwise) to promote, support or conduct any alternative business interests or private work activity to the disadvantage of AfriSam.</li> </ul> <p>AfriSam employees who use AfriSam equipment, including but not limited to, premises, laptops, tablets, mobile phones and AfriSam email facilities to promote, support or conduct any alternative business interests or private work activity.</p>
<p><b>Why are certain “outside activities” a problem?</b></p>	<p>An outside activity can create a <b>conflict of commitment</b>.</p> <p>A conflict of commitment occurs when your commitment to external activities adversely affects or may affect your <b>capacity</b> to meet your duties or responsibilities to AfriSam as an employee or your conditions of employment.</p> <p>Any non-AfriSam related activity that requires so much of your <b>time or energy</b> that you are unable to exercise the duties that AfriSam requires from you in terms of your conditions of employment, creates a potential conflict of commitment. This includes activities such as:</p> <ul style="list-style-type: none"> <li>• Hobbies;</li> <li>• sport, religious or political activities;</li> <li>• cultural events;</li> <li>• part-time work.</li> </ul>
<p><b>When are “outside activities” not allowed</b></p>	<p>These activities are not allowed if they:</p> <ul style="list-style-type: none"> <li>• interfere or compete with your duties and responsibilities to AfriSam,</li> <li>• negatively affect the reputation of AfriSam; and/or</li> <li>• negatively impact your performance and productivity at work.</li> </ul>



## 4. Procedures

### 4.1 Procedure: Declaring a conflict - Directors and Prescribed Officers

<p><i>How must a conflict of interest be declared?</i></p>	<p><b>Annually when requested to do so, or when declared status changes do the following:</b></p> <p><b>Step 1:</b> Complete the online Conflict of Business Interest Declaration or the Declaration of Conflict of Business Interest Form that you can obtain on the AfriSam Intranet.</p> <p><b>Step 2:</b> Submit the declaration. The electronic form will workflow to the Social &amp; Ethics Committee for approval (via the office of the Company Secretary).</p> <p><b>Step 3:</b> Confirmation of approval / notification will be provided via email.</p>
<p><i>What are the criteria for approval?</i></p>	<p><b>Personal and financial conflicts cannot be approved.</b> Directors and Prescribed Officers may not participate in deliberations, decision-making or actions related to the disclosed interest.</p> <p><b>Other conflicts to be approved by the Social and Ethics Committee:</b></p> <ul style="list-style-type: none"> <li>• Impact is judged to be immaterial or minimal and there is no risk of damage: approval may be recorded.</li> <li>• Attached any conditions to the approval on the form if relevant.</li> <li>• All responses must be communicated to the relevant party in writing.</li> </ul> <p><b>External Board appointments:</b></p> <ul style="list-style-type: none"> <li>• Chairman of AfriSam Board to review and consider appointment before acceptance.</li> </ul>

## 4.2 Procedure: Declaring a conflict - Employees

<p><i>How must a conflict of interest be declared?</i></p>	<p><b>Annually when requested to do so, or when declared status changes do the following:</b></p> <p><b>Step 1:</b> Complete the online Conflict of Interest of Interest Declaration or the Declaration of Conflict of Business Interest Form that you can obtain on the AfriSam Intranet.</p> <p><b>Step 2:</b> Submit the declaration. The electronic form will workflow to EXCO and or the Social &amp; Ethics Committee for approval (via the office of the Company Secretary).</p> <p><b>Step 3:</b> Confirmation of approval will be provided via email.</p>
<p><i>What are the criteria for approvals?</i></p>	<p><b>Disclosures made by senior managers:</b></p> <ul style="list-style-type: none"> <li>• Approval required from EXCO and the Social and Ethics Committee</li> <li>• Impact is judged to be immaterial or minimal and there is no risk of damage: approval may be recorded.</li> <li>• Attached any conditions to the approval on the form if relevant.</li> <li>• A single written request for review will be submitted to EXCO for consideration and to the Social and Ethics Committee for approval.</li> </ul> <p><b>Disclosures made by other employees:</b></p> <ul style="list-style-type: none"> <li>• Approval required from EXCO</li> <li>• Impact is judged to be immaterial or minimal and there is no risk of damage: approval may be recorded.</li> <li>• Attached any conditions to the approval on the form if relevant.</li> <li>• A single written request for review will be submitted to the Social and Ethics Committee for noting.</li> </ul>

### 4.3 Procedure: Declaring a conflict during a meeting

<p><i>How must a conflict be declared at a meeting?</i></p> <p><b>Note!</b></p>	<p><b>Before the meeting begins, do the following:</b></p> <p><b>Step 1:</b> Identify the issue on the agenda relevant to the conflict.</p> <p><b>Step 2:</b> Disclose any material insights in the matter and any observations or pertinent insights if requested by the other participants;</p> <p><b>Step 3:</b> Leave the meeting immediately after making the disclosure and for the duration of the discussion;</p> <p><b>Step 4:</b> Not execute any document relating to the matter, unless the members specifically request or direct you to do so; and</p> <p><b>Step 5:</b> Ensure that the disclosure and abstention is clearly indicated in the minutes of the meeting.</p> <p>The person will be regarded as present for quorum purposes but will not be counted for voting purposes.</p>
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### 4.4 Procedure: Reporting of non-compliance with this policy

<p><i>How must breaches of this policy be reported?</i></p> <p><i>How must breaches of this policy be reported anonymously?</i></p>	<p>Any misconduct and/or report of irregular activity as defined by this policy must be reported immediately in writing to the AfriSam Fraud and Corruption Investigator.</p> <p>Name: Fraud and Corruption Investigator</p> <p>Cell: 083 252 1279</p> <p>E-mail: <a href="mailto:report.fraudandcorruption@za.afrisam.com">report.fraudandcorruption@za.afrisam.com</a></p> <p>and the</p> <ul style="list-style-type: none"> <li>• Chief Executive Officer; and /or</li> <li>• The Legal, Governance, Risk and Compliance Department.</li> </ul> <p><b>Please refer to the AfriSam Whistleblowing Policy for further information.</b></p>
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## 5. Important

<p><b><i>Who is ultimately responsible for compliance with this policy?</i></b></p>	<p>The Chief Executive Officer and the Legal, Governance, Risk and Compliance Department of AfriSam are responsible for ensuring that this policy and procedures are:</p> <ul style="list-style-type: none"> <li>• communicated and understood;</li> <li>• observed and complied with;</li> </ul> <p>and must foster an open environment for employees to discuss possible violations.</p>
<p><b><i>Governance Framework and Control</i></b></p>	<p>The policy is registered under the AfriSam Policy Framework as a controlled document under review of the AfriSam board and any changes to the document are controlled by the Legal, Governance, Risk and Compliance Department and implemented by AfriSam management to ensure the effective application thereof.</p>
<p><b><i>What other documents should you read?</i></b></p>	<p>This policy should be read and implemented in conjunction with and consideration of the following relevant policies and documentation:</p> <ul style="list-style-type: none"> <li>• AfriSam Code of Conduct and Business Ethics</li> <li>• AfriSam Procedure Governing Gifts and Courtesies</li> <li>• AfriSam Whistleblowing Policy</li> <li>• AfriSam Anti-Bribery and Corruption Policy</li> <li>• AfriSam Anti-Fraud and Irregular Conduct Policy</li> </ul>