

# Conflict of Interest Policy

## AREA OF APPLICABILITY

ACROSS AIRPORTS COMPANY SOUTH AFRICA SOC LIMITED AND ITS SUBSIDIARIES

## DIVISION

Governance and Assurance

Next Revision Date:

**27<sup>th</sup> September 2022**

**Control Disclosure**

**Confidential**

## Conflict of Interest Policy

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## **Conflict of Interest Policy**

### **1. Scope**

This policy applies to all permanent or non-permanent employees, students who work from time to time and directors of Airports Company South Africa SOC Limited and its subsidiaries. In the event of a conflict between other policies dealing with the issue of conflicts of interest and this policy, this policy will take precedence as far as conflicts of interest are concerned. This policy supersedes all other conflict of interest policies.

### **2. Objective**

The objective of this policy is to set out principles to manage conflict of interest effectively for the company, its subsidiaries and all stakeholders, in order to uphold good corporate governance and organisational integrity. This policy is primarily concerned with safeguarding the organization's reputation by effectively managing conflict of interest.

### **3. Definitions and Abbreviations**

#### **3.1 Definitions**

##### **Company/Organisation/Business/Group**

Airports Company South Africa SOC Limited

##### **Conflict of Interest**

A Conflict of Interest is any situation, including financial interest, ownership interest, or any relationship with a third party, in which a director, employee or a Company representative has, whether actual or potential which may:

- Influence or impair his or her objectivity in fulfilling Company duties and responsibilities;
- Prevent him or her from acting in the best interest of the Company; and
- Result in actions that can be construed (actual or perceived) as nepotism or favouritism.

##### **Personal Financial Interest**

A direct material interest of a financial, monetary, or economic nature or an interest to which a monetary value shall be attributed, including, but not limited to, salary, consulting fees, payments, equity interests (e.g., shares, share options or other ownership interests), dividends, royalties, rent, capital gains and intellectual property (e.g., patents, copyrights and royalties from such rights). The term does not include the individual's salary from the Company as defined in the Companies Act.

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### Related and inter-related person(s)

(1) When used in respect of two (2) persons, means persons who are connected to one another in any manner contemplated below:

- a) an individual is related to another individual if they—
  - are married, or live together in a relationship similar to a marriage; or
  - are separated by no more than two degrees of natural or adopted consanguinity or affinity;
- b) an individual is related to a juristic person if the individual directly or indirectly controls the juristic person, as determined in accordance with the definition of control as set out in subsection (2) below; and
- c) a juristic person is related to another juristic person if—
  - either of them directly or indirectly controls the other, or the business of the other, as determined in accordance with subsection (2) below;
  - either is a subsidiary of the other; or
  - a person directly or indirectly controls each of them, or the business of each of them, as determined in accordance with subsection (2) below

### Inter-related:

When used in respect of three or more persons, means persons who are related to one another in a linked series of relationships, such that two of the persons are related in a manner contemplated in subsection 1 above, and one of them is related to the third in any such manner, and so forth in an unbroken series.

### Control:

(2) For the purpose of subsection (1) above, a person controls a juristic person, or its business, if;

- a) in the case of a juristic person that is a company; —
  - that juristic person is a subsidiary of that first person, as determined in accordance with the Companies Act<sup>1</sup>; or
  - that first person together with any related or inter-related person, is—
    - directly or indirectly able to exercise or control the exercise of a majority of the voting rights associated with securities of that company, whether pursuant to a shareholder agreement or otherwise; or
    - has the right to appoint or elect, or control the appointment or election of, directors of that company who control a majority of the votes at a meeting of the board;

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- a) in the case of a juristic person that is a close corporation, that first person owns the majority of the members' interest, or controls directly, or has the right to control, the majority of members' votes in the close corporation;
- b) in the case of a juristic person that is a trust, that first person has the ability to control the majority of the votes of the trustees or to appoint the majority of the trustees, or to appoint or change the majority of the beneficiaries of the trust; or
- c) that first person has the ability to materially influence the policy of the juristic person in a manner comparable to a person who, in ordinary commercial practice, would be able to exercise an element of control referred to in paragraph (a), (b) or (c) of subsection (2).

### **Perceived Conflict of Interest**

A perceived conflict of interest is where it may be perceived, or it may appear, that private interests may improperly influence the performance of duties, whether or not this is in fact the case.

### **Potential Conflict of Interest**

A potential conflict of interest is where someone has private interests which are such that a conflict of interest could arise if the person were to become involved in relevant (i.e. conflicting) official responsibilities in the future.

### **Prescribed officer**

Means a person who, within a company, performs any function that has been designated by the minister in terms of section 66 10) of the Companies Act:

- (1) it is a person who, despite not being a director of a particular company, if that person(a) exercises general executive control over the management of the whole or a significant portion of the business and activities of the company; or,  
(b) regularly participates to a material degree in the exercise of general executive control over and management of the whole, or a significant portion, of the business activities of the company.
- (2) the above definition applies irrespective of any particular title given by the company
  - (a) to an office held by the person in the company; or
  - (b) to a function performed by that person for the company

### **Private Work**

Includes private interest, and means any employment or commercial activity, or any other interests embarked on by an employee outside the scope of his/her Airports Company South Africa SOC Limited employment.

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### 3.2 Abbreviations

Abbreviation	Description
SOC	State Owned Company

## 4. Policy General

This policy serves as a commitment of Airports Company South Africa SOC Limited's leadership and its subsidiaries towards ethical behavior and conducting affairs of the organisation based upon the desire to promote Airports Company South Africa SOC Limited mission and values.

The policy aims to encourage all employees and relevant stakeholders to demonstrate and commit to act honestly, fairly, with due care, skill and diligence and in compliance with requirements for disclosure of interest prescribed in sections 50(3) (a) of the Public Finance Management Act 1 of 1999 and section 75 (4) of the Companies Act 71 of 2008. To this end directors, employees and other relevant parties shall ensure that there is at all times due regard to the interest and integrity of the Company and its stakeholders. All employees and directors shall therefore avoid situations where their personal interests shall be, or shall appear to be in conflict with the interests of the Company. The guiding principle is that all employees and directors shall disclose any conflict or potential conflict of interest.

The obligation of disclosure and of avoiding conflicts of interest applies not only to situations directly involving an employee or director but also to situations involving any related or interrelated persons which shall have to be disclosed if they involve the employee or director directly. which shall have to be disclosed if they involve the employee or director directly.

Directors shall exercise the powers and perform the functions of a director in good faith and for a proper purpose; in the best interests of the company; and with the degree of care, skill and diligence that may reasonably be expected of a person carrying out the same functions in relation to the company as those carried out by that director and having the general knowledge, skill and experience of that director.

### 4.1 Main Principles of Conduct

Airport Company South Africa SOC Limited accept and promote the following principles as guidelines:

- a) All employees of the Company shall disclose all their private interests/ personal financial interest status on the company's system application annually by the 31<sup>st</sup> March and when changes occur since their last disclosure;

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- b) All stakeholder shall declare conflicts of interest, directorships, memberships, details of any related or inter-related persons or other associate that does business with the organization, and all material personal interests, whether a conflict exists or not;
- c) Employees with no private interests shall complete the “declaration of nil” form indicating that they have no interest/s to declare/disclose;
- d) Board members shall declare any possible conflicts of interests before the commencement of board meetings;
- e) Every employee or internal stakeholder who is involved or participating in a supply chain process shall declare possible conflicts of interest before participating in a supply chain process or meeting;
- f) All employees serving on Human Resources interview panels shall declare possible conflicts of interests before commencement of interviews;
- g) Declarations shall be completed online through the self-service system, except for declarations provided for in clause 4.1. (c), (d), and (e) in-terms of which a manual declaration form shall be completed;
- h) Failure to comply with the obligations set out in this policy amounts to a breach of this policy and amounts to misconduct in terms of the company disciplinary code, then disciplinary process shall be followed;
- i) Line Managers or higher relevant authority must either approve or reject the employee’s declaration after determining whether conflict exists or not.

### **4.2 The Key Outcome of Principles**

The principles of this policy will produce the following outcomes, and which will also be part of the Conflict of Interest procedure:

- Management and Resolving Conflicts of Interest across the organisation;
- Introduces measures to resolve or manage the conflict of interest;
- Redeployment of conflicted employee to a non-conflicting project;
- Declaration of all conflicts of interest by every employee, leadership including subsidiaries within the organisations;
- Management to act proactively to address any potential conflicts of interest and risks associated with Politically exposed persons;

The obligation is to declare all conflicts of interest, directorships, memberships, details of any related or inter-related persons or other associate that does business with the organization, and all material personal interests, whether a conflict exists or not.

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In order for the organization to realize these main principles and the outcomes, the principles shall be imbedded within the Conflict Management Processes to guide the organization in dealing and management of conflict of interest.

### 5. Process for Monitoring

The effective implementation and monitoring of this Conflict of Interest Policy shall be done through relevant committees. Internal audits shall be conducted accordingly to determine conformance and implementation. This policy shall be reviewed accordingly to reflect the environmental changes or regulation requirement in order to ensure that is relevant and current to the organisation.

MONITORING CONTROLS	PURPOSE	RESPONSIBLE	FREQUENCY
Transformation and Sustainability Committee	Provide expert and aligns strategic direction and execution on transformation and sustainability issues to ensure commitment and achievement of balanced and integrated economic, social and environmental performance.	Chief Operating Officer	Quarterly
Social and Ethics Committee	Assist the Board with the oversight of All Social and ethical matters relating to the company.	Chairperson of the Social and Ethics (Board Member)	Quarterly
Internal Audit	Provide the Board, Executive and Audit committee an independent oversight with regards to conformance to this policy.	Chief audit Executive	Annually

**Note:** This policy shall be reviewed in three-years cycle and if there is a need to review the policy before three-years cycle lapses due to any circumstances being legal requirements, changes in the businesses, the need to reflect current practices or activities, the policy shall be unlocked for review accordingly.

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### 6. Accountabilities and Responsibilities

The overall accountability for development and implementation of this policy lies with the Chief Executive Officer with the support from Group Executive: Governance and Assurance and Group Manager: Compliance and Ethics as a responsible persons for actual development and implementation of this policy. However, in the absence of the CEO or Group Executive, a delegated person shall assume responsibility as per delegation of authority.

RESPONSIBLE	ACCOUNTABLE	CONSULTANT	INFORMED
<b>Group Executive: Governance and Assurance</b>	<b>Chief Executive Officer</b>	<b>Group Manager: Compliance &amp; Ethics Development</b>	<b>Employees &amp; Managers</b>
Has overall responsibility for actual, development, implementation and adherence of this policy	Has overall accountability for development and implementation of this policy	Consulted at the time of an exception and adherence of this policy.	Has overall responsibility for adherence, implementation and performance of a given task.

### 7. Verification

This policy shall be verified in accordance with [Verification Policy Document - Z001 002M](#)

### 8. Non-Conformance and Non-Compliance

Any deviation from this policy shall be identified and registered with corrective and preventative measures for continual improvement in accordance with [Non-Conformance and Non Compliance Policy Document - Z001 001M](#)

### 9. Related Policy Document

Document Control Procedure - Z001 006M  
 Record Keeping Requirements Procedure - Z001 008M  
 Code of Ethics - J060MAN  
 Employee Manual - H0100MAN  
 Anti-Corruption Management Plan as Amended  
 Supply Chain Management Procedures Manual (Latest Version)  
 Gift Policy - J060 001P  
 Board Members of Third Party Companies Policy - J030 003P

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### 10. Related Legislation:

Prevention and Combating of Corrupt Practices Act 12 of 2004  
 Protected Disclosures Act 26 of 2000  
 Companies Act 71 of 2008  
 Public Finance Management Act no 1 of 1999  
 Quality Management System ISO 9001:2015

### 11. Change Control

This policy shall only be changed with the authorisation of the Chief Executive Officer and in accordance with [Change Control Policy Document - Z001 003M](#)

### 12. Records

Record Name	Storage Location	Record Number	Responsible Person	Retention Time
Conflict of Interest Policy	Master in Corporate Policy Document Store	J060 004P	Policy Assurance Officer	Three (3) years

### 13. Revision History

Date last revised	Revision Status	Compiler	Summary of changes
New document	Version: 1	<b>Acting Group Manager:</b> Compliance and Ethics <b>NAME AND SURNAME</b> Phumelele Zwane	First Issue
26 September 2019	Version: 2	<b>Acting Group Manager:</b> Compliance and Ethics <b>NAME AND SURNAME</b> Phumelele Zwane	Alignment with the Operating Model and Best Practice, Legislation. Refer to the Change Control Form.

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### 14. Endorsement (See Master in Corporate Policy Document Store)