



BOARD OF DIRECTORS CONFLICT OF INTEREST POLICY

1. INTRODUCTION AND PURPOSE

The Board of Directors of the Trans-Caledon Tunnel Authority (TCTA) is committed to always maintaining the highest standards of business conduct and ethics in all the business activities of the organisation.

In the conduct of their responsibilities and duties, Directors may encounter circumstances under which conflicts of interest, potential conflicts, or a perceived conflict of interest may arise between their fiduciary responsibilities towards TCTA and other outside interests.

The purpose of this document is to outline the policy in respect of the declaration and the management of conflicts of interest, where such conflicts may arise, with the aim of protecting TCTA, as well as its Directors, from any risks that may arise therefrom.

2. APPLICATION AND SCOPE

The Board Conflict of Interest Policy (the Policy) is subject to the provisions of the Notice of Establishment (the NoE), the Public Finance Management Act No. 1 of 1999 (the PFMA), the King IV Report on Corporate Governance™ for South Africa 2016 (King IV), the JSE Limited Debt Listings Requirements (JSE DLR) and any other applicable law or regulatory provision, as deemed appropriate.

The Policy shall apply to the TCTA Board of Directors (the Board) collectively and to the Directors, individually. Reference to the Director, shall for purposes of this policy, include any co-opted specialist that is appointed by the Board to serve on any of its Committees.

Directors shall formally indicate their understanding and acceptance of this policy and its provisions prior to assuming their duty as Directors.

3. DEFINITIONS

“Conflict of interest”, will be deemed to be any circumstances in which the private and/or family interests of a Director influence, or may be reasonably perceived to influence, the independent, objective and impartial performance of the duties of a Director.

“Director”, includes a person who is a member of a committee of the board, irrespective of whether the person is also a member of the board.

“Family member”, is regarded as a spouse, parent, child or spouse of a child, brother, sister, or spouse of a brother or sister, of a Director.

“Spouse”, includes a person who is in a marital relationship with the individual at any time of the relevant transaction, including but not limited to the individual’s spouse in terms of a same-sex, heterosexual or customary union or any marital union acknowledged by any religion or custom.

“Children”, includes any stepchild, adopted child or illegitimate child, who has not yet attained the age of majority and extends to being a guardian of a child

“Material financial interest”, is a financial interest of any kind, which, in view of all the circumstances, is substantial enough that it would, or reasonably could, affect a Director’s judgment with respect to transactions to which TCTA is a party. This includes all forms of compensation.

“Gift and/or Benefit” means items, goods, services, information, or money in whatever form from which the recipient may derive a benefit, as well as any other gratuity. Gifts shall include, but will not be limited to the following, cash, gratuity, free accommodation, free fully paid holidays, gift vouchers, general gifts, corporate merchandise, promotional products and entertainment.

4. DIRECTORS’ RESPONSIBILITIES

Directors must avoid any conflict between their own interests and the interests of TCTA. In particular, Directors may not engage in any activity, whether directly or indirectly, which is or might be construed to be in conflict with or prejudicial to the interests of TCTA. This obligation means that Directors may not place themselves in a position in which they have a personal interest conflicting with or may possibly conflict with their fiduciary obligations to TCTA.

A conflict of interest can arise in various forms and situations: direct or indirect; professional or family related. It is therefore not possible to provide a comprehensive and exhaustive list of circumstances under which a conflict of interest may arise. In all instances, the onus rests upon each Director to exercise judgement in identifying any potential conflict of interest, and if any doubt may arise, such Director must seek clarity from the Board Chairperson or the Company Secretary.

4.1 General Declaration of Interests

At first appointment, once annually, or at any time when circumstances change, each Director shall disclose, at a minimum, the following details, and any further information that might be of relevance:

- a) Directorships of Companies,
- b) Official positions held in Trusts, Commissions or public sector bodies;
- c) Shareholdings in Companies;
- d) Leadership positions, membership of advisory boards of any governmental or non-governmental organisations;
- e) Employment either full-time, temporary, or part-time;
- f) Involvement of any family member, including directorships, shareholding, or employment in influential positions in any entity with which TCTA has any business relationship; and

- g) Current relationship with Prominent Influential Persons (PIP); this is in line with the obligation to conduct customer due diligence, the Law on Prevention of Money Laundering and Financing of Terrorism imposes. The PIP Declaration is included as **Annexure B**.

Each Director shall additionally confirm that no actual or perceived conflict of interest may arise from any interests declared by the Director and/or family member. If any actual or perceived conflict of interest arises, this shall be dealt with pursuant to the provisions of paragraph 5 below. The General Declaration of Interest Form is included as **Annexure A**.

4.2 Specific Declaration of Interest

Prior to the commencement of every Board/Board Committee meeting, Directors shall declare any potential or actual conflict of interest that may arise from any matter being considered by the Board/Board Committee. In such instances, the relevant Director shall:

- a) Disclose the interest and any material information relating to the matter; and
- b) Recuse him/herself from the meeting for the discussion of the relevant agenda item.

Declarations made by any Director in this regard are to be recorded by the Company Secretary in the minutes of the meeting.

In instances where written resolutions are circulated, or where opinions or recommendations are sought from any Director in which he/she may have an actual or perceived conflict of interest, such Director shall declare such interest and recuse him/herself from any decision regarding the matter.

4.3 Register of Conflicts

The register of conflicts shall be maintained by the Company Secretary and the Directors' personal financial interests will be made available on the website annually when the year-end results of TCTA are published.

5. MANAGEMENT AND RESOLUTION OF CONFLICTS OF INTEREST

5.1 Resolution of Conflicts of Interest

Generally, a conflict of interest will arise where a Director's ability to perform his or her duties effectively and impartially is, or could be seen by others to be impaired by an external appointment, relationship, business or activity. Potentially another conflictual situation may arise where a director commits an act or omits to do something that favours him/herself or external parties at the expense of TCTA.

Directors should, as a general rule, seek to avoid the occurrence of any conflicts of interest in the execution of their duties and responsibilities. In the event that such conflicts occur, it is not sufficient merely to make a declaration in this regard, but to seek a resolution of the conflict:

- a) On a case-for-case basis, by the Director recusing him/herself from any discussion or decision-making regarding the matter; or
- b) Where feasible, resolving the root cause of the conflict.

5.2 Enduring Conflicts of Interest

Instances may arise where an enduring conflict of interest is established. These may include situations where an ongoing business relationship or competitive situation is established with an entity with whom a Director or family member is associated.

If this, in the opinion of the Board, may affect the overall performance and execution of the Director's duties and fiduciary responsibilities, the respective Director shall take the necessary action to satisfactorily resolve the conflict of interest, or if the Director is unwilling or unable to do so, resign from the Board.

In the event of a deadlock between the Board and the affected Director, the matter shall be referred to the Executive Authority for intervention.

6. GIFTS

Efficient business transactions and decision-making require objectivity. Therefore, Directors must not give or accept gifts, entertainment or any other personal benefit or privilege that could influence, or appear to influence, their objectivity in carrying out their duties in the best interest of the organisation. Although the exchange of gifts and entertainment is not inherently unethical, it can be an effective way to build goodwill in business relationships.

However, some gifts and entertainment can exert improper influence if they are, or seen to be, undue attempts to influence decisions and behaviour, or bribes. Such circumstances may harm TCTA's reputation for fair dealings and may even break the law. Any gift or entertainment that has the potential or intention to influence objectivity regarding business judgment and business decisions is deemed to present a conflict of interest.

A distinction must be made between appropriate and inappropriate receiving of gifts and entertainment. What is deemed to be reasonable and appropriate cannot be quantified or specified exclusively, as it will differ according to different contexts and situations. Every Director is expected to exercise sound judgment regarding giving or receiving gifts and entertainment and bears the responsibility for defending their decision as such.

TCTA does not encourage the acceptance of gifts, sponsorship of any kind or gratuitous services from third parties which have business dealings with the institution, as this could affect a Director's independent businesses judgement or cause others to perceive an influence. Directors or members of their family should never solicit gifts, loans, sponsorships of any kind or gratuitous services from third parties doing, or planning to do business with TCTA.

Non-Executive Directors shall not accept any offers of gifts, loans, sponsorships, gratuitous services or hospitality.

7. REVIEW

This policy shall be reviewed every three years or as and when required.

8. APPROVAL

The Board of Directors Conflict of Interest Policy is recommended by the Nomination and Governance Committee and approved by the Board.



Precious Sibiyi
Board Chairman

DOCUMENT CONTROL

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GENERAL DIRECTOR DECLARATION OF INTEREST

The undersigned, hereby declare that:

- a) I am to be regarded as interested in any contract to be made with any of the entities disclosed herein, the nature and extent of my interest being set out in the same.
- b) I understand that TCTA will treat all personal information provided in this declaration in accordance with the Privacy Policy and Protection of Personal Information Act 2013.
- c) I have disclosed all of my financial and non-financial interests and those of my immediate family.
- d) I am familiar with the contents of the Board of Directors Conflicts of Interest Policy;
- e) The information herein contained is true, complete and accurate in all material respects:

1. DIRECTORSHIPS AND OFFICIAL POSITIONS HELD IN PUBLIC COMPANIES

NAME OF ENTITY	REGISTRATION NUMBER	STATUS AND DATE OF APPOINTMENT	DATE OF RESIGNATION	EXTENT OF INTEREST AND NUMBER OF SHARES

I hold the interest set out above:

- In a personal capacity;
- As a representative for a body, organization, or corporate being (Please disclose entity): _____

2. DIRECTORSHIPS AND OFFICIAL POSITIONS HELD IN PRIVATE COMPANIES, TRUSTS OR COMMISSIONS

NAME OF ENTITY	REGISTRATION NUMBER	STATUS AND DATE OF APPOINTMENT	DATE OF RESIGNATION	EXTENT OF INTEREST AND NUMBER OF SHARES

I hold the interest set out above:

- In a personal capacity;
- As a representative for a body, organization, or corporate being (Disclose entity): _____

3. SHAREHOLDING IN PUBLIC AND/OR PRIVATE COMPANIES

COMPANY	REGISTRATION NUMBER	STATUS AND DATE OF APPOINTMENT	DATE OF RESIGNATION	EXTENT OF INTEREST AND NUMBER OF SHARES

4. INTEREST IN PARTNERSHIPS, JOINT VENTURES, TRUSTS AND OTHER BUSINESSES INCLUDING EMPLOYMENT

NAME OF ENTITY	REGISTRATION NUMBER	STATUS AND DATE OF APPOINTMENT	DATE OF RESIGNATION	EXTENT OF INTEREST AND NUMBER OF SHARES

5. INTERESTS OR INVOLVEMENT OF FAMILY MEMBERS IN COMPANIES, PARTNERSHIPS, JOINT VENTURES, TRUSTS OTHER BUSINESSES INCLUDING EMPLOYMENT

ENTITY NAME AND REGISTRATION NUMBER (IF APPLICABLE)	INTEREST (EX-OWNERSHIP, DONOR, CONTRACTOR, SERVICE PROVIDER, ETC)	DATE INTEREST AROSE

6. DISCLOSURE OF ANY ACTIVITIES RELATED TO TCTA'S BUSINESS CARRIED OUT IN A PERSONAL CAPACITY INCLUDING CHARITY WORK

BUSINESS ACTIVITY	NAME OF BUSINESS

Signature

TCTA PROMINENT INFLUENTIAL PERSONS DECLARATION QUESTIONNAIRE (PIP)

When establishing a business relationship or executing a client data update, TCTA shall assist lenders or any counterparty with information to ascertain whether its officials are prominent influential persons (PIPs). This is in line with the obligation to conduct customer due diligence the Law on Prevention of Money Laundering and Financing of Terrorism imposes.

A PIP is any natural person who carries out, or did at least in the last 12 months, an eminent public duty in the Republic of South Africa or another country. The category includes immediate family members of PIPs* and their close associates **.

* Close family members are spouses or persons with whom PIPs are engaged in civil, and formal and informal life partnerships. This category includes children and parents of PIPs.

** A close associate is a natural person with joint beneficial ownership of a legal entity or any other close business relations with a PIP. It includes a beneficial owner of a legal entity or arrangement established for the benefit of PIPs.

For the lenders and counterparties to conduct customer due diligence of the client and to comply with the object and purpose of the Law on Prevention of Money Laundering and Terrorist Financing, please truthfully answer the following questions:

(a) Do you work (have worked in the previous 12 months) or are you engaged (have been engaged in the previous 12 months) in your country of permanent residence/usual residence in an eminent public position, either in a permanent or acting capacity? Please select one of the options below:

- No, I do not/I have not.
- Yes, I work/have worked, or I am engaged/have been engaged in the public service in the previous 12 months.

(b) Do you have a close family member or an associate holding a senior public office, either in a permanent or acting capacity? Please select one of the options below:

- No, I am not a family member of a person holding a senior public office
- Yes, I am a family member of a person holding a senior public office
- Yes, I am a close associate of a person holding a senior public office

If you selected "yes" to any of options under (a) or (b) above, please indicate the relevant public office:

- the President or Deputy President.
- a Minister, Deputy Minister or Assistant of the Minister or the Cabinet Secretary.
- a representative of parliament/elected member of a legislature.
- a governing body of political parties.
- member of the supreme, constitutional or another high court on whose judgment, except in exceptional cases, it is not possible to use remedies.
- the member of the council of the reserve bank.
- the ambassador, consul, or high-ranking officer of the armed forces.
- member of the administrative and/or board of a juristic body owned or majority-owned by the State and of persons performing equivalent functions.
- director, deputy director, board member and person performing an equivalent position in an international organisation.
- municipal councillor, mayor or their deputy elected based on laws regulating local elections in the Republic of South Africa.
- Premiers of Provinces

Please select the source property and/or assets which are the subject of the business relationship:

- salary and earnings.
- Board remuneration.
- other (must be marked):
 - savings.
 - sales of financial assets.
 - sales of real estates.
 - Rental income.
 - Share dividends.
 - Reimbursements.
 - inheritance/donation.

The undersigned, hereby declares that the information herein contained is true, complete and accurate in all material respects:

Signature