

COMPANY POLICY	
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Approved by	The board of directors, on the recommendation of the nomination and governance committee
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1. DEFINITIONS

- 1.1. For the purposes of this policy, the following terms shall carry the following meanings:
- 1.1.1. **“Benefit”** refers to the financial or non-financial consideration that might directly or indirectly influence, or appear to influence, a director’s professional judgment and/or objectivity;
 - 1.1.2. **“Board”** means the board of directors from time to time of the company;
 - 1.1.3. **“CEO”** means the chief executive officer;
 - 1.1.4. **“Committee”** means a committee of the board of directors, the members of which do not hold any executive office within the company;
 - 1.1.5. **“Companies Act”** means the Companies Act, No 71 of 2008, as amended from time to time;
 - 1.1.6. **“Company secretary”** means the company secretary of the board, and “company secretariat” shall bear a corresponding meaning;
 - 1.1.7. **“Confidential information”** means any information of a confidential nature, including, without limitation, secret knowledge, trade secrets, know-how, financial and market information, data and/or information concerning client bases, business relationships, samples, devices and demonstrations, technical detail, programme content, agreements, techniques, methods of operating, costs, and names of clients and/or potential clients with whom the company has not yet contracted with but intends on contracting with in order to establish business relationships;

- 1.1.8. **“Conflict of interest”** means a direct or indirect conflict, in fact or in appearance, between the interests of a director and that of the company. It applies to financial, economic or other interests in any opportunity from which the company may benefit, as well as use of the property of the company, including information. It also applies to the directors’ related parties holding such interests;
- 1.1.9. **“Control”** in the context of a related party carries the same meaning that it does in section 2 of the Companies Act;
- 1.1.10. **“Director”** means a member of the board as contemplated in section 66 of the Companies Act;
- 1.1.11. **“Executive director”** means a director who is involved in the management of the Company and/or is in the full-time salaried employment of the company and/or any of its subsidiaries;
- 1.1.12. **“Financial benefit”** means an objectively measurable pecuniary benefit or advantage in favour of a director or a related party;
- 1.1.13. **“Inter-related party”** carries the same meaning as the definitions of “inter-related” and “related party” in sections 1 and 2(1) of the Companies Act, and “inter-related parties” shall bear a corresponding meaning;
- 1.1.14. **“JSE LR”** means the listing requirements of the Johannesburg Stock Exchange pursuant to the provisions of the Financial Markets Act 19 of 2012, as amended from time to time;
- 1.1.15. **“King IV”** means the 2016 King IV Report on Corporate Governance;
- 1.1.16. **“Listed company”** means a company listed on the JSE;
- 1.1.17. **“MOI”** means the Memorandum of Incorporation of Redefine, as amended from time to time;
- 1.1.18. **“Non-executive director”** means a director of the board that is not involved in the day to day management of the business, or is not a full-time salaried employee of the company and/or any of its subsidiaries;
- 1.1.19. **“Non-financial benefit”** means an intangible benefit that may not be measurable and may include a personal gain or advantage;
- 1.1.20. **“Personal financial interest”** carries the same meaning that it does in section 1 of the Companies Act;
- 1.1.21. **“Redefine”** means Redefine Properties Limited (registration number 1999/018591/06) and “the company” shall bear a corresponding meaning; and
- 1.1.22. **“Related party”** carries the same meaning that it does in section 2 of the Companies Act and “related parties” shall bear a corresponding meaning.

2. PURPOSE

- 2.1. The board recognises and acknowledges the following:
 - 2.1.1. In line with King IV and the Companies Act, members of the board should act in good faith and in the best interests of the company and should avoid conflicts of interest. In cases where a conflict cannot be avoided, it should be disclosed to the board in full at the earliest opportunity, and then proactively managed as determined by the board and subject to legal provisions.
 - 2.1.2. A director must not use their position on the board, or any information obtained while acting in the capacity of a director, to gain an advantage for the director or for another person other than the company or wholly-owned subsidiary of the company.
 - 2.1.3. King IV sets out several factors that a company must take into account when assessing the independence of a non-executive director, holistically and on a substance-over-form basis, which include (but are not limited to) if the non-executive director:
 - 2.1.3.1. is a significant or ongoing professional advisor to the organisation, other than as a member of the governing body;
 - 2.1.3.2. is a member of the governing body or the executive management of a significant customer of, or supplier to, the organisation; and
 - 2.1.3.3. is a member of the governing body or the executive management of another organisation which is a related party to the company.
 - 2.1.4. Directors may have multiple business and personal interests outside of Redefine, and the interaction between those interests and those of Redefine needs to be carefully managed.
 - 2.1.5. A conflict that is immaterial may nevertheless give rise to the perception that it is indeed material, which could result in reputational harm to the company or to the directors.
- 2.2. The purpose of this policy is to set out guidelines that support the provisions in the Board Charter and MOI regarding conflicts of interest, specifically as they relate to the involvement of board members and their related parties in transactions or business relationships with the company.
 - 2.2.1. This policy is aimed at helping to further entrench the company's values around ethical conduct and practices.
 - 2.2.2. This policy focuses on the obligations of all board members regarding the prevention and management of actual or potential conflicts of interest, as well as the disclosure thereof, wherever these arise.
- 2.3. This policy also sets out factors that the nomination and governance committee should take into account when assessing whether or not a director is conflicted in accordance with the Companies Act, the MOI and the Board Charter.

- 2.4. This policy is also intended to further align Redefine's board governance practices to local and international best practice.

3. SCOPE

- 3.1. This policy applies to all members of the board, including:
- 3.1.1. non-executive directors; and
 - 3.1.2. executive directors and prescribed officers who serve as members of the Board, including (where applicable) an executive chairperson.
- 3.2. Unless otherwise stated:
- 3.2.1. the sections relating to non-executive directors will apply to both independent and non-independent non-executive members of the board, including the non-executive chairperson of the board.
- 3.3. This policy will be applied when considering candidates for appointment to the board (which will include executive and non-executive appointees). It will also be applied when evaluating the performance and capacity of current members of the board, as well as the overall effectiveness of the board.
- 3.4. This policy should be read together with:
- 3.4.1. the terms of the letters of appointment provided to non-executive directors;
 - 3.4.2. the contracts of employment of executive directors and prescribed officers (and where applicable, the executive chairperson);
 - 3.4.3. the MOI and Board Charter;
 - 3.4.4. the board policy on external directorships; and
 - 3.4.5. the directors' declaration form, as updated from time to time.

4. CONFLICT OF INTEREST

- 4.1. A conflict of interest may be actual, potential or perceived. Each of these scenarios is set out below and should be applied by each director to their personal circumstances in order to assess whether he or she is conflicted or could be perceived to be conflicted.
- 4.1.1. Actual conflicts of interest exist in a situation where personal interests compromise a director's objectivity, professional judgment, professional integrity and/or ability to perform his/her responsibilities to the company.
 - 4.1.2. Potential conflicts of interest exist where an individual director or a related party has an interest, position, association or relationship with an external individual or

organisation which, when judged from the perspective of a reasonable and informed third party, is likely to affect, or appear to affect, his or her judgment.

- 4.1.3. Perceived conflicts of interest exist where a reasonable person may conclude that a director's professional judgment has been improperly influenced, even if that is not actually the case.
- 4.2. Based on an objective assessment of the facts, if a director reasonably suspects that a course of action which he or she has pursued, is pursuing or is contemplating pursuing, may result in an actual, potential or perceived conflict of interest with the company, he or she should immediately make all the facts known by:
 - 4.2.1. notifying the chairperson of the board of his or her intention to declare the conflict. Where the chairperson of the board intends on declaring the conflict, the chairperson will notify the lead independent director of his or her intention to declare the conflict; and
 - 4.2.2. within 14 calendar days of informing the chairperson or the lead independent director (as the case may be), declaring this conflict to the nomination and governance committee through the company secretary.
- 4.3. Where a director has an interest in an outcome that may lead to a personal advantage that may actually, potentially or in appearance compromise the director's professional integrity, this may also constitute a conflict of interest and should be declared to the nomination and governance committee through the company secretary (subject to following the process outlined in paragraph 4.2.1. above).
- 4.4. The director making the declaration should inform any person identified by him or her as a related party in the declaration about the process and about the existence of his or her declaration.

5. MATERIALITY ASSESSMENT

- 5.1. Upon receipt of a declaration from a director, there are certain factors that will be considered by the nomination and governance committee when determining the materiality of a director's actual, potential or perceived conflict of interest. These include, but are not limited to:
 - 5.1.1. if the interest in a related party is equal to or less than 5% of the base amount (e.g. the shareholding or member's interest);
 - 5.1.2. the strategic importance, competitive landscape, nature of the relationship and the contractual or other arrangements that govern it;
 - 5.1.3. the materiality of the interest to the director's personal wealth;
 - 5.1.4. the extent to which the interest might reasonably affect a person's judgment or decision making in a matter concerning that interest;
 - 5.1.5. the pervasiveness of the conflict and the period of time over which the conflict will occur, in particular whether the conflict will be an enduring one;

- 5.1.6. the impact that the conflict could have on the company, and whether it can be adequately managed; and
- 5.1.7. whether the interest conflicts with the company's ethics and compliance policies and its code of business conduct, as amended from time to time.
- 5.2. While the nomination and governance committee will assess whether or not a conflict is material (based on the factors set out above), the responsibility for declaring the interest ultimately rests with the director.
- 5.3. For the sake of clarity, a conflict of interest cannot be eliminated by a director by involving other natural or juristic persons for that sole purpose or engaging in any other form of fronting, including (but not limited to):
 - 5.3.1. creating a local or offshore company or consultancy in order to act as the other party to a transaction with a company, from which the director will derive consultancy payments (even if these are not actually paid to the director); and/or
 - 5.3.2. redirecting the flow of the financial benefit by creating complex offshore trust structures of which the director will be the settlor, protector, vested or contingent beneficiary.
- 5.4. If the nomination and governance committee determines that the interest is material and can or will create an enduring conflict of interest, the nomination and governance committee may take the steps outlined under paragraph 8.2 below.
- 5.5. If the nomination and governance committee determines that the interest is immaterial and cannot or will not create an enduring conflict of interest, the nomination and governance committee has the discretion to allow the director to maintain the interest, subject to the director complying with the provisions of the Companies Act in respect of that interest.
- 5.6. Notwithstanding the immateriality of the conflict of interest:
 - 5.6.1. The nomination and governance committee may introduce any appropriate preventative measures to manage the conflict of interest.
 - 5.6.2. The director will still be required to observe the provisions of paragraph 6 of this policy in respect of any transaction that may trigger or exacerbate the conflict of interest.
- 5.7. Irrespective of the materiality of the conflict of interest, if the company becomes involved in legal action or other dispute resolution mechanisms with a related party to a director, that director may not influence this process in any way and must observe the provisions of the Companies Act relating to declaring and managing the conflict of interest.

6. SOLICITING TRANSACTIONS AND TENDERS

- 6.1. Where a related party of a director wishes to enter into a transaction with the company, the director may not use their personal knowledge of a business opportunity to solicit or attempt to solicit a transaction with the company that will lead to a personal financial benefit or advantage for the director or any of his or her related parties.

- 6.2. Where the company has independently requested that a related party to a director tender a formal proposal to enter into a transaction with the company (or any of its subsidiaries), the director may not influence this process in any way and must recuse him or herself from the decision-making process, whether at board, committee or management level.
- 6.2.1. A director may not use his or her position on the board to exert undue influence, which can include (but is not limited to) circumventing the company's procurement policy and procedures or gaining access to decision-makers that other comparable business partners would not ordinarily have access to (e.g. members of the company's executive committee). In addition to the safeguards set out in the MOI and Board Charter respectively, the director may not:
- 6.2.1.1. act as a representative of the related party during negotiations or in the procurement process; and/or
- 6.2.1.2. pass on confidential information that other prospective business partners are unaware of to the representatives of his or her related parties.
- 6.3. Directors may not receive commission, fees or any other remuneration or kick-backs related to a transaction between the company and a related party. The director's terms and conditions of employment (or other contractual relationship) with the related party may not be linked in any way to the director's position on the board.
- 6.4. In determining whether to enter into or conclude a transaction involving a related party, the board submissions should include a description of the process used to arrive at and challenge the proposal prior to presenting it to the board, thereby allowing the directors not involved in the procurement process to assess the appropriateness of the process followed before assessing the merits of the transaction itself.
- 6.4.1. The submission to the board must clearly state whether the proposed transaction is at an arms-length or not. If it is not an arms-length transaction, the elements of the transaction which are not arms-length must be disclosed and motivated.
- 6.4.2. Where the proposed transaction with the related party is at an arms-length, the director concerned must still comply with the provisions of the Companies Act regarding related-party transactions.
- 6.4.3. Where the terms of the transaction are not on an arms-length basis, the director concerned must comply with the provisions of the Companies Act. The board must consider introducing measures to ensure that the transaction is concluded on an arms-length basis; should the board determine that is not feasible to do so, the board may reject the proposed transaction on this basis.
- 6.5. Where a transaction involving a related party is approved by the board (subject to the processes outlined above having been followed), the following rules apply:
- 6.5.1. Where the terms of the transaction are not arms-length, the approval may not be granted in perpetuity; it must be reviewed by the board on an annual basis.

- 6.5.2. Where the terms of the transaction are arms-length, the approval may be granted by the board on a continuing basis, subject to any review period and mechanisms specified by the board or in the agreement between the parties.
- 6.6. The provisions in this section also apply to any current or potential transactions that are entered into with past board members who have interests in the company, either directly or through a related party and who are in a position to exercise undue influence over transactions between the company and the director or related party.
- 6.7. For the sake of clarity, the provisions in this section also apply to directors soliciting transactions or charitable bequests in favour of related parties that are non-profit organisations.
- 6.8. The nomination and governance committee should ensure that the company does not take advantage of any relationships with directors or their related parties in order to secure an unfair advantage against its competitors (that could violate our code of business conduct, or applicable competition laws).

7. DECLARATIONS

- 7.1. For candidates for appointment to the board (both executive and non-executive), the declaration of interests and preexisting relationships with persons or entities that do business with the company, as well as all related parties, must be submitted prior to the confirmation of their appointment.
- 7.2. All directors are required to complete the director's declaration on an annual basis. The declaration must disclose:
 - 7.2.1. all personal interests, including interests in shareholdings (or equivalents), close corporations, trusts, partnerships or other business entities, including details of the nature of the business and operation in instances where there may be a conflict of interest;
 - 7.2.2. directorships or positions as officers of any company or close corporation and the nature of the business and operation, trusteeships or positions as officers of a trust and the nature of the business and operation and other commercial partnerships that they are a part of; and
 - 7.2.3. conflicts of interest relating to the director and any related parties.
- 7.3. The director's declaration must be completed over and above the immediate disclosure that is required of a director whenever a conflict or perceived conflict arises.
- 7.4. The company secretary will send a reminder to members of the board to complete their annual declarations.
- 7.5. The nomination and governance committee shall assess the information in each prescribed declaration form as part of the internal review of the board's effectiveness (conducted annually), which shall include an assessment of the independence of each non-executive director.

- 7.5.1. In assessing the conflicts of interest and their impact on the independence of each non-executive director, the nomination and governance committee shall apply the guidelines set out above to determine the materiality of the conflict.
- 7.6. Where a director fails to notify the board of an actual or potential conflict of interest, fails to submit the director's declaration in a timely manner, or otherwise contravenes this policy, the chairperson of the board shall first discuss the matter with the relevant director. If the director concerned is the chairperson of the board, the lead independent director shall discuss the matter with the chairperson.
 - 7.6.1. The chairperson or lead independent director shall report back to the nomination and governance committee regarding the outcomes of the discussion.
 - 7.6.2. Should the nomination and governance committee still have concerns after receiving the report, the director concerned may be invited to the board to make representations in this regard.

If the nomination and governance committee concludes that the director has failed to declare a material conflict of interest, the board can request that the director take one or more of the actions outlined in paragraph 8 in order to manage the conflict of interest; or request that the board member step down from the board of directors.

8. MANAGING CONFLICTS OF INTEREST

- 8.1. Depending on the nature and materiality of the conflict, the nomination and governance committee has the discretion to put measures in place to mitigate the risks associated with a conflict of interest.
- 8.2. In managing a conflict of interest which the nomination and governance committee deems to be material and/or enduring, the nomination and governance committee may instruct the director to take steps to mitigate the conflict, which include (but are not limited to):
 - 8.2.1. requesting that the director eliminate the source of the conflict, for example recusing themselves from any discussion (inside and outside of the board and committee meetings) relating to the dealings of the company and the related party;
 - 8.2.2. where the related party is a company or close corporation, requesting that the director step down or resign from the board of the related party, or not make themselves available for re-election to the board of the related party;
 - 8.2.3. requesting that the director concerned not make him or herself available for re-election to the board;
 - 8.2.4. in the case of independent non-executive directors, reviewing and if necessary revoking their status as an independent member of the board; or
 - 8.2.5. recommending that the director step down from one or more board committees, to the extent that the conflict relates to the mandate of the relevant committee.

9. MONITORING

- 9.1. The company secretariat shall maintain a list of all related parties and declared conflicts in relation to each director.
- 9.2. The list of related parties that directors have disclosed to the nomination and governance committee shall be checked against the Redefine supplier database, in conjunction with the company's procurement department.
- 9.3. The company secretariat shall acknowledge receipt of each director's declaration and present any new declarations at the nomination and governance committee following the receipt of the declaration.

10. DISCLOSURE

- 10.1. Redefine's policy on conflicts of interest will be available on the company's website for access by all stakeholders.
- 10.2. Any relevant provisions of the JSE LR relating to the disclosure of related party transactions shall be complied with and included in the relevant portions of the company's integrated reporting suite.

11. APPROVAL OF POLICY

- 11.1. The policy is owned by the company secretariat and approved by the board on the recommendation of the nomination and governance committee.
- 11.2. the nomination and governance committee will review the policy annually and recommend revisions, if necessary, to the board for approval. In the event that no revisions are made to the policy, same will be reviewed by the board every three years.

12. POLICY ADMINISTRATION

Version no	Date	Description of changes
1	27 Nov 2020	New policy

Frequency of review	Next review date
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Annually by the nomination and governance committee	August 2021
Every three years by the board (or as required)	November 2023

Approved by	Designation	Signature	Date
SM Pityana	Chairman of the board		27 November 2020