

CONFLICT OF INTEREST POLICY

Purpose

1. This policy aims assist staff and Board Members (*referred to as "GL officials"*) with identifying situations that could present potential conflicts of interest and to provide GL with a procedure on how to deal with engagements where conflict of interest has been identified.

Definition

2. Direct conflict of interest arises when a GL official has an interest in, or connection with an organisation/person with which GL transacts with where that interest is of such a nature that it might influence the independent judgment of the GL official.
3. In the case of Board Members, this includes any contracts that are concluded between GL and Board Members or organisations related or linked to the Board members.
4. Indirect conflict of interest arises when a person such as a relative or friend of a GL official has an interest in, or connection with an organization/person with which GL transacts with where that interest is of such a nature that it might influence the independent judgment of the GL official.

Types of transactions in which conflict of interest may arise

5. Common types of transactions where a conflict of interest may arise include:
 - the selection and use of consultants or other professional advisors,
 - the selection or supervision of contractors, suppliers, or vendors,
 - the sale of products, the purchase of materials, supplies and equipment,
 - the investment and borrowing of funds.

Examples of transactions with conflict of interest

6. The following are examples of transactions where conflict of interest may arise:
 - Compensation arrangements and employment contracts directly affecting the GL official,
 - A contract or transaction between GL and a GL official (e.g. Board Member) or a GL official's family member or friend,
 - A contract or transaction between GL and an entity in which a GL Official or family member has a material financial interest,
 - A GL official competing with GL in the rendering of services or in any other contract or transaction with a third party,
 - A GL official having a material financial interest in or serving as a director, officer, employee, agent, partner, associate, trustee or consultant to an entity or individual that competes with GL in the provision of services or in any other contract or transaction with a third party.

Gifts, gratuities and entertainment

7. A GL official or family member may not accept from a third party any gift to the value of more than R400 or any other similar benefit where the gift or benefit results out of the course of the GL official's duties or relationship with GL.

8. Gifts of cash or cash equivalents from a third party to a GL official of any amount are not permitted.
9. If a GL official is offered any gift to the value of more than R400 or similar benefit from a third party, he/she should immediately report it to his/her direct supervisor or DP/CEO for approval and this must be registered in the register of gifts that is maintained by the HRA.
10. The giving or receipt of common courtesies, occasional meals or reasonable entertainment appropriate to the business relationship and associated with business discussions are regarded as consistent with sound business practice. Unusual items, however, must be reviewed and approved in advance by the CEO/DP.
11. A GL official may not accept gifts, entertainment or other favours from any individual or entity that:
 - does or is seeking to do business with, or is a competitor of GL;
 - has received, is receiving or is seeking to receive a loan or grant, or to secure other financial commitments from GL;
 - under circumstances where it might be inferred that such action was intended to influence or possibly would influence the GL official in the performance of his/her duties.
12. Acceptable gifts and entertainment generally fall into the following categories:
 - Occasional meals of reasonable expense with a business partner
 - Ordinary sports, theatre and other cultural events of a nominal value
 - Other gifts of nominal value or reasonable entertainment.
13. An offer, gift, entertainment or anything of value may not be accepted or given if it is:
 - Illegal or would result in a violation of law
 - Cash or a cash equivalent (such as gift vouchers, loans, stock, or stock options)
 - A *quid pro quo* or part of an agreement requiring anything in return for the gift
 - Sexist, or otherwise violates GL's commitment to mutual respect
 - In violation of GL's standards or the standards of the recipient's organisation.
14. Gifts, gratuities or entertainment to government officials may never be offered or provided without prior written approval of the Board.

Management of transactions where conflict of interest has arisen

15. All GL officials are obliged to disclose all facts material to the transactions where conflict of interest exists as soon as the conflict of interest becomes known to the GL official before the contracts or transactions are considered by management.
16. When an opportunity, commonly referred to as a "corporate opportunity" to acquire property or to seize some financial or business advantage comes to the attention of a GL official or as a result of his/her relationship to GL in a way that would permit its personal realization, and is relevant to GL's present or prospective purposes or goals, the GL official must present the opportunity to GL.
17. An informed evaluation and determination by a disinterested majority of the management team or Board of Directors shall be conducted.

18. The GL official shall refrain from any action that may affect GL's participation in such a contract or transaction.
19. In the event of it not being entirely clear that a conflict of interest exists, the GL official with the potential conflict shall disclose the circumstances to the DP/CEO/Board Chair, who shall determine whether there exists a conflict of interest that is subject to this policy.
20. The details of transactions or contracts where conflict of interest exists shall be recorded in the Register of interests in contracts of Directors and Officers kept by the DFC and presented to management or the Board.
21. The CEO shall report the disclosure to management in monthly management meetings. The Chair of the Board in the case of Board Members shall report the disclosure at a Board meeting and the minutes of the meeting shall reflect the disclosure.
22. This disclosure shall be taken into account when the Board or management discusses the contract or transaction.
23. The GL official who has a conflict of interest shall not participate in or be permitted to hear the Board/management's discussion of the matter except to disclose material facts and to respond to questions. The official shall not attempt to exert his or her personal influence with respect to the matter, either at or outside the meeting.
24. The GL official who has a conflict of interest with respect to a contract or transaction that will be voted on at a meeting:
 - shall not be counted in determining the presence of a quorum for purposes of the vote;
 - may not vote on the contract or transaction;
 - shall not be present in the meeting room when the matter is discussed and a vote is taken.
25. Such person's ineligibility to vote shall be reflected in the minutes of the meeting.
26. A member of the Board of Directors of GL has a conflict of interest when he/she stands for election as an officer or for re-election as a member of the Board of Directors.

Confidentiality

27. Each GL official shall exercise care not to disclose confidential information acquired in connection with such status or information, the disclosure of which might be adverse to the interests of GL.
28. GL officials shall not disclose or use information relating to the business of GL for the personal profit or advantage of the GL official or a Family Member.

Annual disclosure

29. GL official shall at least annually, or as determined by GL, and as and when changes occur, complete a declaration form (as issued and amended by GL from time to time) identifying any relationships, positions or circumstances in which the GL official is involved that he/she believes could contribute to or result in a conflict of interest.

