



1. Introduction

This policy document sets out the obligations of employees with regard to conflicts of interest and the declaration and management of these interests. This policy must be read together with Columbus' other policies in this regard, in particular the overarching Business Ethics Policy and the Supplementary Procedure.

Columbus subscribes to ethical values and legal principles. This requires that Columbus, its employees, its customers, and its suppliers act with integrity and create public confidence by conducting business in a fair, impartial, and transparent manner. For this reason, Columbus makes every effort to ensure that conflicts of interest do not compromise or are not perceived to compromise its business decisions.

While every employee has a duty to avoid conflicts of interest, these could arise. It is necessary to have a process in place to manage these conflicts of interest effectively in order to uphold good corporate governance and organisational integrity.

2. Policy Statement

In support of its vision, values, and statutory responsibilities, Columbus will take all steps within its reasonable control to manage conflicts of interest throughout Columbus.

Employees have the obligation to declare and manage conflicts of interest. This process is critical to ensure that the objectivity and integrity of the employee is not compromised, that the employee acts in Columbus' best interests, and that Columbus avoids situations where it can be accused of improper or unfair conduct.

3. Purpose

The purpose of this policy is to ensure best practice by:

- 3.1 ensuring that Columbus employees do business in a fair, impartial, and transparent manner;
- 3.2 avoiding any decision-making by employees in respect of official Columbus business where an employee has a conflict of interest;
- 3.3 managing economic risk and protecting the reputation of Columbus, and its employees.

4. Definitions

Business courtesies:

A business courtesy means a gift or favour from a person or an entity, regardless of whether a business relationship exists between Columbus and that person or entity, for which fair market value is not paid by the recipient. A business courtesy may be a tangible or an intangible benefit, such as non-monetary gifts, meals, drinks, entertainment, hospitality, recreation, attendance prizes, transportation, discounts, tickets, passes, promotional items, or the use of a donor's time, materials, or equipment.

Companies Act

Companies Act means the Companies Act, 71 of 2008, as amended from time to time, together with its regulations and schedules.



Conflict(s) of interest:

A conflict of interest arises when one's personal interests, personal financial interests or any other interests, **affect, or could be perceived** to affect, or has **the potential to** affect, one's objectivity and discretion and/or the objectivity and discretion of another in performing Columbus duties or making decisions on behalf of Columbus. This means that an employee is in a position to make a decision (or influences a decision) that is not fair and objective in order to benefit personally, or to benefit related and/or inter-related persons or other associates.

A personal interest may be an actual or potential, direct or indirect interest of an employee, or of a related person or an inter-related person or other associate of the employee, in any business, entity, undertaking, or investment, as a shareholder, director, associate, member, adviser/consultant, prescribed officer or in any other capacity.

A personal financial interest, as defined in the Companies Act, when used with respect to any person means a direct material interest of that person or of a related person or inter-related person or other associate of that person, of a financial, monetary or economic nature, or to which a monetary value may be attributed. This does not include any interest held by a person in a unit trust or collective investment scheme in terms of the Collective Investment Schemes Act, 2002 (Act No. 45 of 2002), unless that person has direct control over the investment decisions of that fund or investment.

It is important to note that conflicts of interest can arise in various situations and are not confined to interests in contracts or direct financial interests.

Situations where conflicts could arise include, but are not limited to the following, which must be dealt with in terms of this policy:

- a) the acceptance and/or offering of business courtesies;
- b) employees having private business interests in entities that do, or might do business with Columbus;
- c) employees having affiliations with non-profit organisations that receive funding or any form of aid from Columbus; and
- d) private, professional, political, academic, or other interest that may conflict with Columbus' interests.

Conflicting interests:

A conflicting interest means an interest that affects the employee's ability to perform his/her Columbus duties effectively. For example, if an employee performs private work during office hours, the private work (interest) is in conflict with the employee's duty to do Columbus work. This results in unethical behavior, as the employee does not act in Columbus or its stakeholders' best interest. Conflicting interests must not be confused with a conflict of interest, which arises when an employee's objectivity in decision-making is affected by personal interests.

Director:

Director means a member of the board of Columbus.

Employee(s):

Employee(s) mean individuals employed by Columbus on a permanent basis, Columbus learners, and fixed-term employees, which include temporary employees, part-time employees etc.



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Columbus: Columbus means Columbus Stainless (Pty) Ltd.

Juristic person:

A juristic person includes a foreign company and a trust, irrespective of whether or not it was established within or outside the Republic of South Africa.

Knowing, Knowingly or Knows:

Knowing or knows when used in respect of a person, and in relation to a particular matter, means that the person either:

- (a) had actual knowledge of the matter; or
- (b) was in a position in which the person ought reasonable to have –
 - i) had actual knowledge;
 - ii) investigated the matter to an extent that would have provided the person with actual knowledge; or
 - iii) taken other measures which, if taken, would reasonably be expected to have provided the person with actual knowledge of the matter.

Manager:

Manager includes a supervisor and means any employee with staff reporting directly to him/her.

Mandatory declaration:

Filling in of the declaration of interests form every 3 years but Grade 8 and up employees;

Filling of the declaration of interests form every 3 years and only if there is something to declare, by Grade 9 and lower employees

Material (interests):

Material means that the interests are significant in the circumstances of a particular matter, to a degree that is—

- (a) of consequence in determining the matter; or
- (b) might reasonably affect a person's judgement or decision-making in the matter.

Other associate:

Other associate means any person who has a relationship with an Columbus employee or director and may influence or be seen to influence the objectivity of the employee or director, and may, among others, include a business associate or a friend.

Person: Person includes a juristic person.

Prescribed officer:

A person is a prescribed officer if, despite not being a director of the company, that person;

- (a) exercises general executive control over and management of the whole or a significant portion of the business and the 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 and activities of the company.



Private work:

Private work includes private interests, and means any employment or commercial activity, or any other interests embarked on by an employee outside the scope of his/her Columbus employment.

Procurement and supply chain:

Procurement and supply chain means all activities related to the procurement and disposal of assets and services and include business functions of procurement planning, purchasing, inventory control, transport etc.

Related and inter-related person(s) and control:

Related:

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

- (1) (a) an individual is related to another individual if they—
- (i) are married, or live together in a relationship similar to a marriage; or
 - (ii) 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 subsection (2) below; and
- (c) a juristic person is related to another juristic person if—
- (i) either of them directly or indirectly controls the other, or the business of the other, as determined in accordance with subsection (2) below;
 - (ii) either is a subsidiary of the other; or
 - (iii) 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—
- (i) that juristic person is a subsidiary of that first person, as determined in accordance with the Companies Act¹ ; or
 - (ii) that first person together with any related or inter-related person, is—
 - (aa) 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
 - (bb) 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;
- (b) 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;

¹ section 3(1)(a)



(c) 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

(d) 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).

Stakeholders:

Stakeholders mean any group, individual, or thing (for example, the environment) that can affect, or is affected by, the achievement of the organisation's objectives. Columbus's stakeholders include, inter alia, its shareholder, Board of Directors, employees, trade unions, customers, suppliers, the public, the environment and the communities in which it operates.

Supplier:

Supplier means any person or entity that does business with Columbus or tenders to do business with Columbus, or is registered on Columbus's supplier database, such as consultants, contractors, sub-contractors, and providers of goods and services.

5 Roles and responsibilities

5.1 General responsibilities of employees and directors

5.1.1 Declaration of interests

Declarations are done on the prescribed electronic form (available from the intranet- CICAD).

All employees have to fill in the form annually.

Even if there are no conflicts of interest, the prescribed form must still be completed and submitted by employees with a Grade 8 and above.

Employees should disclose their interests in a particular field of business, even if it is not directly related to a specific contract/tender being considered.

In addition to the mandatory declaration, any conflict of interest must be declared as soon as the employee know that it has arisen, which requires that an amendment to the declaration of interest form be submitted within 5 (five) working days of knowing that such conflict has arisen.

Note that it is impossible to provide an exhaustive list of conflicts of interest and that the employee is, in most cases, in the best position to identify actual, potential, and perceived conflicts of interest, which must be declared. If there is any uncertainty, individuals should contact the Legal department for advice. It should further be noted that obligation is on the employee to make the declaration and failure to do so cannot be excused.

Declaring conflicts of interest at meetings

In addition to the mandatory declaration of interests in the prescribed manner, if an employee has a conflict of interest in respect of a matter to be considered at a meeting, or knows that a related person has a personal financial interest in the matter, the employee –

- must disclose the interest and its general nature before the matter is considered at the meeting;



- must disclose to the meeting any material information relating to the matter, and known to the employee
- if present at the meeting, must leave the meeting immediately after making any disclosure contemplated above.

“Declaration of interests and ethics” may be a standing agenda item at all Columbus meetings, for example, departmental meetings, procurement and tender meetings, project meetings, recruitment-related meetings, etc. to ensure that members have an opportunity to consider and declare any conflicts, as well as discuss ethics issues they might have.

The chairman of the meeting may request access to declaration forms of committee members for the purpose of pro-actively identifying members with conflicts of interest, and ensuring that these interests are declared at the meeting.

If an employee acquires a personal financial interest in an agreement or other matter in which Columbus has a material interest, or knows that a relate person has acquired a personal financial interest in the matter, after the agreement or other matter has been approved by Columbus, the employee must promptly disclose to the company the nature and extent of that interest, and the material circumstances relating to the employee or related person’s acquisition of that interest.

Managing conflicts of interest

The fact that a conflict of interest has been declared does not mean that it has been addressed. Where there is a conflict of interest (actual, potential or perceived), the employee must refrain from being part of any deliberations, document preparations, execution, or meetings, and must not have access to information dealing with that particular matter. Also, the employee must not participate in any decisions relating to the matter.

Where an employee recuses him/herself from a meeting due to a conflict of interest, he/she will be counted in the quorum for purposes of determining whether sufficient members are present to constitute the meeting but will not be regarded as being present for voting purposes.

If an employee continuously recuses him/herself from meetings and decisions due to conflicts of interest, to such an extent that the employee cannot fulfil his/her duties, then the employee may be required to relinquish such interest or, where applicable, be transferred to another position or function within Columbus where there will be no conflict, or resign from Columbus as an employee. Similarly, if a conflict of interest is of such a nature that the employee will not be able to fulfil his/her duties effectively, then the employee may be required to relinquish such interest or, where applicable, to be transferred to another position or function, or to resign from Columbus.

Employees must not be appointed to positions where related or inter-related persons will be reporting to each other. In cases where this situation exists, one of the employees will have to be transferred to another position or function where the employee will not be in a reporting structure with related or inter-related persons.

Employees should refrain from getting involved in romantic relationships with managers and/or subordinates, and where this exists one of the employees will have to be transferred to another position or function to effectively manage the conflict of interest.

Employees are prohibited from having a personal or other interest in a Columbus contract, whether as a supplier, an advisor, or by virtue of being a director or owner of a business, or in any other capacity. This includes third-party related transactions with an indirect link to an Columbus



contract (for example, having a personal or other interest in a business that has an interest in a Supplier to Columbus).

Employees must declare interests where related parties of employees engage in, or have interests in any Columbus contract. This includes third-party related transactions with an indirect link to a Columbus contract (for example, having a personal or other interest in a business that has an interest in a Supplier to Columbus).

An employee must not disclose or use any information of Columbus or any information of third parties obtained through the carrying out of his/her duties for Columbus for any purposes other than to fulfil his/her Columbus duties.

Employees must not accept or offer business courtesies that could create the impression that their judgement or the judgement of others could be affected if these courtesies are accepted or offered. The Supplementary Procedure provides regulations and guidelines on business courtesies and declaration of gifts forms.

5.2 General responsibilities of managers and directors

Managers need to be aware that their seniority results in perceptions of conflict more readily, and their conduct is, therefore, subject to greater scrutiny.

Managers must make an effort not to address any queries of suppliers/tenderers related to procurement or contract management. Suppliers/tenderers should be requested to follow the normal procurement processes or be referred to the relevant purchasing or contract management function.

In addition to the general obligations that apply to all managers in their capacity as employees, managers also have an obligation to ensure that conflicts of interest are appropriately managed and declared within their areas of responsibility.

Managers, therefore, need to apply their minds to the declaration of interest forms before the forms are signed off and the declarations recorded in the central database.

Failure to manage employees according to the interests they have declared could be regarded as negligence.

All managers should take reasonable steps to be aware of the conflicts of interest pertaining to their direct reports.

Similarly, managers need to apply their minds when approving applications for private work to ensure that the employee's private work does not create a conflicting interest.

5.3 Responsibilities with regard to procurement processes

Appropriate disclosure of interests must be made in writing and monitored throughout the entire purchasing process. There should be a Purchasing policy, practice notes etc.

This means the effective declaration and monitoring of conflicts of interest at least at the following stages of the procurement process:

Approval of concept/design

Motivation to purchase

The manager should take reasonable steps to ensure that any employee developing a concept for approval or motivating a purchase has no conflict of interest relating to the



particular transaction. Any assistance from a supplier to develop the scope of a purchase should be avoided, but if unavoidable, the supplier must not be allowed to participate in a tender for a specification designed by the supplier. Specifications must be generic and not stated in a manner that gives (will give) one supplier an unfair advantage over other potential competitors.

Investment decision

When the investment decision is made, whether by the relevant manager or a committee, once again the approving manager or committee should take reasonable steps to ensure that conflicts of interest have been duly considered and managed in accordance with this policy.

Compilation of Tender lists

The relevant manager must take reasonable steps to ensure that, in the process of selecting a vendor and awarding a tender, there are no conflicts of interest by those involved. The relevant manager is required to scrutinise the list of vendors that have been invited and responded to the tender invitation, as well as employees' declaration of interest forms in order to identify any conflicts of interest in relation to the Columbus parties involved in the procurement process.

The treatment of suppliers as Sole Suppliers should also be scrutinised and treated with circumspection, as Columbus' preferred method of procurement is competitive tendering.

Evaluation of tender

Columbus employees who evaluate tenders must declare any conflict of interest in writing and before the commencement of the evaluation process. An employee that declares a conflict of interest must recuse him/herself from participating in the evaluation of the tenders and from any further participation in that procurement process.

Managing contract

The responsible manager should take reasonable steps to assess conflicts of interest that may arise after a contract has been awarded, especially with longer-term contracts.

The relevant manager and/or committee chairman must assess whether there are any conflicts of interest with regard to his/her staff or committee members and should use the Columbus database for declarations of interest in this regard.



The Purchasing Department must ensure that its processes are adequate for the effective declaration and monitoring of conflicts of interest, selection of buyers, the rotation of buyers, the choice of procurement methods, and the selection of potential suppliers.

All queries regarding tenders and contracts should be referred to the Purchasing Department. Employees should refrain from directly intervening in any procurement issues outside the normal procurement processes or lines of authority.

Users should be involved in the technical evaluation of suppliers before a contract is awarded. However, they should not be in contact with suppliers during the procurement process, except where this is at the request of, and under the supervision of, the procurement function.

In the case of significant contracts, it may, in exceptional circumstances, be necessary to restrict information that may be given to an employee about a contract where a conflict of interest arises with regard to a potential tenderer or supplier.

Employees must not, under any circumstances, become involved in the preparation or influencing of tenders to be submitted to Columbus by companies providing services or goods to Columbus.

5.4 Responsibilities with regard to human resources (HR)

Conflicts of interest can also arise in certain HR processes, for example, during the recruitment process as well as short listing of candidates and reference checking. All employees who form part of the recruitment process, especially the interview panel, should declare/confirm in writing whether any of the applicants are known to them to the extent that it results in a conflict, and these written declarations should be retained. All other obligations set out in this policy must be complied with.

Many opportunities for conflicts of interest exist in the HR processes, and employees should take extra care in managing conflicts of interest effectively.

On appointment, every employee must be given a copy of this Conflict of Interest Policy, Columbus's Business Ethics Policy and the Supplementary Procedure, which contain clear guidelines on conflicts of interest. The newly appointed employee must receive training on these documents, and complete a declaration form.

HR practitioners need to assist those employees who do not have access to computers with the submission of their declaration by providing them with manual declaration forms printed from the intranet.

6. Non-compliance

Failure to comply with the obligations set out in this policy amounts to a breach of this policy and could amount to misconduct in terms of disciplinary code and procedure. It may also amount to a contravention of the law in terms of the common law, depending on the particular circumstances.

If an employee fails to disclose a conflict of interest, any other employee who is aware of the conflict should declare it to his/her senior manager or the Legal Department. Employees who make such disclosures in good faith will have the necessary protection in terms of the Protected Disclosures Act (No 26 of 2000).

7. Process of monitoring

7.1 Declarations submitted by employees

Managers are responsible for ensuring that employees renew their declarations annually, that new employees submit their declarations within 10 working days of joining the organisation, as well as for assisting their staff members in effectively managing conflicts of interest declared.



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Declarations submitted by Executive Committee (Exec) must be approved by the Chief Executive and the submissions monitored by the Legal department.

8. Revision History

| Revision | Remark |
|----------|--|
| 0 | Created |
| 1 | Amending declaration of interest period from annually to every three years |
| 2 | Amending declaration of outside interest period from every 3 years to annually. |
| 2 | Changed the Chief Executive Officer's details from Lucien Matthews to Johan Strydom. |
| 2 | Change to template |

9. Document Approval

| | Job Title | Co. No. |
|-------------|-------------------------|---------|
| Prepared by | Secretary: Legal | 9189 |
| Approved by | Chief Executive Officer | 5252 |