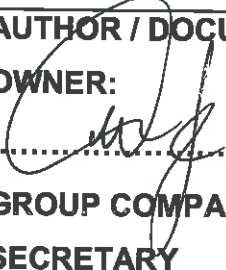


 RAND WATER	RAND WATER QUALITY MANAGEMENT SYSTEM GUIDELINE	
TITLE: GUIDELINES ON CONFLICT OF INTERESTS	DOC. NO: RW GSEC 00300G	
SECTION: GROUP SECRETARIAT DEPARTMENT	EFFECTIVE DATE: AUGUST 2016	REV. NO: 01
AUTHOR / DOCUMENT OWNER:  <hr style="border-top: 1px dotted black;"/> GROUP COMPANY SECRETARY	FORMAT APPROVAL:  <hr style="border-top: 1px dotted black;"/> QMA/QMO	AUTHORISED BY:  <hr style="border-top: 1px dotted black;"/> CHIEF EXECUTIVE

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1. PREAMBLE

The Rand Water Code of Ethics provides the following Framework for these guiding principles:

Employees should not involve themselves in activities or have a direct or indirect personal interest that has a potential to interfere with their objectivity in performing their duties at Rand Water. In terms of Principle 1 of the Code of Ethics, employees must avoid both actual, potential Conflict of Interest.

- **Potential Conflict of Interest** wherein a person is in a position where he/she may be influenced by his/her private interests when doing his/her job; and
- **Actual Conflict of Interest** wherein a person is in a position to be influenced by his/her private interests when doing his/her job.

In view thereof, employees, may find themselves either in a situation of personal conflict of interest or professional conflict of interest when involving themselves in these kinds of activities.

2. INTRODUCTION

- A. A conflict of interest arises if and when an Employee, has personal financial and any other interest that has a potential to interfere with his/her objectivity in performing his/her Rand Water duties. The paramount duty of Employees is to act in good faith and in the best interest of Rand Water. If an Employee of *Rand Water* has personal financial and any other interest in respect of any matter to be considered at a meeting of the Board, or knows that a related person has a personal financial and any other interest in the matter, the Employee must disclose the interest.
- B. Personal Financial and any other Interest means a direct material interest of that person, of a financial, monetary or economic nature, or to which a monetary value may be attributed; but 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, Act 45 of 2002, unless that person has direct control over the investment decisions of that fund or investment.

2.1. Types of transactions in which conflicts may arise:

- 2.1.1. Common types of transactions where a Conflict of Interest may arise include, for example, 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 and an interest in a business unrelated to the business of Rand Water.
- 2.1.2. Compensation arrangements and employment contracts directly affecting an Employee may create possible conflicts.
- 2.1.3. Financial, business or any other advantage arising out of a corporate opportunity to an Employee, as a result of his/her relationship to Rand Water in a way that would permit its personal realization, and where such opportunity is relevant to Rand Water's present or prospective strategy or goals.

3. PURPOSE

The purpose of these guidelines is to give direction to all employees, on the process of declaring interest, as well provide a broader understanding of what may constitute a conflict or the circumstances in which a conflict may arise.

4. APPLICATION

These guidelines apply to all employees of Rand Water, Rand Water Subsidiaries and Rand Water Entities.

5. REFERENCES

Document Title	Document No.	Location
Rand Water Code of Ethics	N/A	Intranet
Water Services Act 108 of 1997	Act 108 of 1997	Rand Water Legal Library
Public Finance Management Act 01 of 1999	Act 01 of 1999	Rand Water Legal Library
Rand Water Guideline on Declaration of Gifts and Business Courtesies	RW GSEC 00400 G	Intranet
Code of Ethics	NA	Intranet
Protection of Personal Information Act 2013		Rand Water Legal Library

6. TERMS, DEFINITIONS AND ABBREVIATIONS

- 6.1. **RW** – means “Rand Water” ;
- 6.2. **Employees** – the definition of any individual under the employment of the RW Group' includes any person who works for Rand Water;
- 6.3. **RWG** – means “Rand Water Group”
- 6.4. **Rand Water Group** includes Provident Fund, Medical Scheme and any other subsidiary;
- 6.5. **Personal Conflict of Interest** - if and when an employee's personal interests are in conflict with the interests of the organisation you work for;
- 6.6. **Professional Conflict of Interest** – if and wwhen an employee is working for two organisations who have competing interests.
- 6.7. **“Board”** means the Board of the Rand Water that has been appointed in terms of schedule 1 of the Water Services Act 108 of 1997.
- 6.8. **“Substantial Interest-** a person has a substantial interest in a business entity if:
 - 6.8.1 he/she owns 10 percent or more of the voting stock or shares of the business entity; or owns 10 percent or more of the fair market value of the business entity;
 - 6.8.2 funds received by such person from the business entity exceed 10 percent of his or her gross income from the previous year;
 - 6.8.3 she /he is an officer of the business entity or a member of the governing body of the business entity;
 - 6.8.4 the employee or a related person has an interest in the business entity as described in clauses 6.8.1; 6.8.2; 6.8.3 of the guidelines on conflict of interest.

Related person for the purpose of this guideline is an individual related to a Board member 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.

6.9. CE - means the Chief Executive of Rand Water

7. POLICY PRINCIPLES

For purposes of these Guidelines, the following circumstances shall be deemed to create Conflicts of Interest:

7.1. Outside interests and Outside activities

"Contract or Transaction" shall refer to any agreement or relationship involving the sale or purchase of goods, services, or rights of any kind, the provision or borrowing of a loan or grant and the establishment of any other type of pecuniary relationship.

- A Contract or Transaction between Rand Water and an Employee, spouse or related person of the Employee.
- A Contract or Transaction between Rand Water and an entity in which an Employee or the related person has a personal financial and any other interest.
- An Employee, competing with Rand Water in the rendering of services or in any other Contract or Transaction with a third party.

- An Employee, having a personal financial and any other interest in or serving as an Employee, or the related person that competes with Rand Water in the provision of services or in any other Contract or Transaction with a third party.

7.2. Special Declaration: Declaration of Interest in meetings

7.2.1 It is a duty of an Employee, whether indirectly or directly, materially interested in a contract or proposed contract or an Employee, who so becomes interested in any such Contract/ Transaction [*which is of significance / substantial interest in relation to the business of a Rand Water, which is entered into or to be entered into in pursuance of a resolution taken or to be taken by the Board or an Employee, or officer of the company who has been authorised by the directors to entered into such contract*] to declare his/her interest and full particulars of such Contract / Transaction.

7.2.2 Such declaration shall only be of effect after it has been made at or before the meeting of the members at which the questions confirming or entering into the Contract/ Transaction is first taken into consideration. The Chairperson shall report the disclosure at the meeting and the disclosure shall be reflected in the minutes of the meeting.

7.2.3 Each Employee, present at the meeting must state and note that he/she has read the declaration provided by the Employee having the Conflict of Interest.

7.2.4 If for any reason it is not possible for an Employee, to make any such declaration at or before a particular meeting of a particular structure that he/she is serving on, he/she may make it at the meeting of that particular structure held thereafter at which it is possible for him/her to do so and shall in that event state the reason in writing why it was not possible to make the disclosure at such particular meeting.

7.2.5 An Employee, or committee member who plans not to attend a meeting at which he/she has reason to believe that the committee will act on a matter in which the person has a Conflict of Interest, shall disclose to the Chairperson of the meeting all facts material to the Conflict of Interest. **The Chairperson shall report the disclosure at the meeting and the disclosure shall be reflected in the minutes of the meeting.**

7.2.6 An Employee who has a Conflict of Interest shall not participate in or be permitted to be part of the committee's discussion of the matter except to disclose material facts and to respond to questions. Such Employee shall not attempt to exert his or her personal influence with respect to the matter, either at or outside the meeting.

7.2.7 An Employee 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;
- and shall not be present in the meeting room when the matter is discussed and a vote is taken.

Such Employee, ineligibility to vote for that particular matter shall be recorded in the minutes of the meeting.

7.2.8 In instances where an Employee, is not entirely clear that a Conflict of Interest exists, the Employee, with the potential conflict shall disclose the circumstances to the Chairperson or the Group Company Secretary, who shall determine whether there exists a Conflict of Interest subject to this Code. Alternatively, such matter can be presented to the Portfolio Head [with the advice of the Ethics Office] or the Committee in which the Employee is serving to decide whether a Conflict of Interest exists or not.

7.3. General Declaration - Annual Disclosure

- 7.3.1 Each Employee shall at least annually, or as determined by Rand Water, and as and when changes occur, complete a declaration form (as issued and amended by Rand Water from time to time) identifying any relationships, positions or circumstances in which the Employee, is involved that he/she believes could contribute to or result in a Conflict of Interest.
- 7.3.2 Such relationships, positions or circumstances might include service as a Board Member of or consultant to an outside company, ownership of a business that might provide goods or services to Rand Water or an interest in an unrelated business that does not necessarily transact business with Rand Water.
- 7.3.3 Any such information regarding the business interests of an Employee, or the related person shall be treated as confidential and shall generally be made available only to the Chairperson, the Chief Executive Officer, and the Group Company Secretary shall be responsible for the safekeeping of such declaration form.
- 7.4. The Individual Declaration of Interest Forms shall be made available for inspection to the Internal, External and Forensic Auditors as and when required.

7.5. Meeting requirements

For the Purposes of this clause electronic devices include cell phones, Ipads, laptops, computers etc.

- 7.5.1 Employees, are not allowed to use their electronic devices, cellphones, and or any other recording devices to record meeting proceedings unless authorised to do so by the relevant delegated authority.

7.5.2 The Chairperson / Committee may, after any meeting and depending on the nature or sensitivity of the matters to be discussed, request the Employees / members of the Committee to return all board documents / meeting packs delivered or handed to the Employees / members of the Committee for the purposes of the meeting.

8. ENFORCEMENT

All employees are required to complete and sign a declaration of interest form and submit to delegated authority for approval. Failure to declare or submit a signed declaration of interest form shall be regarded as non-compliance. The matter will be escalated to the Portfolio Head and necessary disciplinary steps will be followed.

9. CE'S DISCRETION CLAUSE

9.1. The Chief Executive, within his authority, reserves the right to amend and to make any changes on the policies, procedures or guidelines where appropriate, based on business requirements; and

9.2. For the avoidance of doubt, any deviation from the policy, procedure or the guidelines will be approved by the Chief Executive, subject to all parties' rights in Labour law.

10. DOCUMENT CHANGE HISTORY

Date	Previous revision number	New revision	Description of each revision
01/06/2016	None	01	This GUIDELINE was never issued in ISO format

11. RECORD AND DATA KEEPING

Record Document	Form/Doc Number	Location	Retention Period