

Declaration of Interest and Related Party Disclosures Policy for Employees

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Recommended by Policy Owner and Policy Sponsor:

I hereby acknowledge that a search has been conducted and that the Policy is not duplicated or in conflict with any other Transnet Policies.

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Final Approval

Name of Governance structure: Board of Directors

Date Approved: 31 March 2021

Summary of Version Control

Version Number	Effective Date	Summary of Changes
4	01 April 2021	Added page numbers to the table of contents
		Amended Background
		Amended Policy Statement
		Amended Purpose
		Amended scope and Applicability to include consultants
		Deleted 5.1 to include all employees
		Added Promotion of Access to information Act
		Added the Domestic Prominent Influential Persons (DPIP) and Foreign Prominent Public Officials (FPPO) Policy
		Referenced King IV and JSE Listing Requirements
		Added reference to the Financial Intelligence Centre Act

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1. BACKGROUND

- 1.1 Transnet SOC Ltd is a company incorporated under the Companies Act, and a Public entity established under Schedule 2 of the Public Finance Management Act ("PFMA").
- 1.2. The Board carries certain fiduciary responsibilities in terms of the Companies Act, 2008 ("the Act"), the Public Finance Management Act, 1999 ("PFMA"), the National Ports Act, 2002 ("the NPA"), the Memorandum of Incorporation ("MOI") of Transnet and other applicable regulatory requirements.
- 1.3 The Company is committed to ensuring effective governance and risk management and to complying with principles of good corporate governance as espoused in King IV.

2. POLICY STATEMENT

- 2.1. This Policy provides a governance framework to regulate and manage employee declarations of conflicts of interest and/ or parties related to employees.
- 2.3 All employees are obliged to declare their interest and related party disclosure that they have actual knowledge of or reasonably ought to have knowledge of, in accordance with applicable legislation, the Memorandum of Incorporation ("MoI") and Transnet's policies. The Company is committed to complying with the relevant requirements of the Companies Act No.71 of 2008 ("the Companies Act") and the principles of good corporate governance.

3. PURPOSE OF THE POLICY

The purpose of the Policy is to:

- 3.1 Create awareness as to what constitutes a conflict of interest as required by the Companies's Act and recommended in principle 1 of King IV, on ethical and effective leadership.
- 3.2 To outline and provide a structured framework for the declarations and disclosures of interest for the employees and related party transactions in order to promote effective and efficient governance of such disclosure to ensure compliance with JSE Debt Listing Requirements.

4. DEFINITIONS

In this Policy the following terms shall have the meaning assigned to it below and cognate expressions shall have corresponding meaning, namely:

- 4.1 "**Employee**": refers to any person who is employed by Transnet on an indefinite or fixed term contract.
- 4.2 "**Conflict of interest**": includes, *amongst others*, a situation in which:
 - 4.2.1 An employee has a Personal Financial Interest;

- 4.2.2 An employee has private interests or personal considerations or has an Affiliation or a Relationship which affects, or may affect, or may be perceived to affect an Employee’s judgment in acting in the best interests of the Company, or could corrupt the employee’s motivations for acting in a particular manner, or which could result in, or be perceived as Favouritism or Nepotism;
- 4.2.3 An employee uses his/her position, or privileges or information obtained while acting in their capacity as an employee for:
- 4.2.3.1 Personal gain or advancement; or any other advantage; or
- 4.2.3.2 the expectation of personal gain, or advancement, or any other advantage accruing to the employee or any member of his/her family, or friends or business associates.
- 4.3. **“Affiliation”**: means involvement with a vendor, service provider, customer or competitor of the Company on the part of the employee, a person related to the employee or the employee’s family, or friends or business associates, including serving as a shareholder, board member, employee, consultant or advisor to the aforementioned entities.
- 4.4. **“Affinity”**: A relationship that comes into place by marriage and blood relations of spouses (relationship by marriage) either by direct line (first degree e.g. Spouse or step children) or by collateral line (second degree e.g. parents in law or daughter/son in law).
- 4.5. **“Company”**: refers to Transnet. Transnet and “Company” are used synonymously to ensure clarity in some instances.
- 4.6. **“Consanguinity”**: A blood relationship which is created by birth between persons, whether legitimate or illegitimate, either by direct line (first degree e.g. your parents, your children) or by collateral line (second degree e.g. your grand-parents, brothers ,sisters, grand children).
- 4.7. **“Favouritism”**: An inclination in attitude or behaviour to show preferential treatment towards a certain person, group or entity.
- 4.8 **“Inter-Related”**: when used in respect of three or more 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 Clause 4.15.1, and one of them is related to the third in any such manner, and so forth in an unbroken series (e.g. the brother-in-law of an individual’s spouse or life partner is an inter-related link by affinity).
- 4.9 **“Involvement”**: Business, social or family connection which may contribute to any undue influence in favour of the third party.
- 4.10 **“Juristic Person”**: a body of persons, a corporation, a partnership, or other legal entity (e.g. a company) that is recognised by law as the subject of rights and duties.
- 4.11. **“Material”**: when used as an adjective means significant in the circumstances of a particular matter, to a degree that:
- 4.11.1 is of consequence in determining the matter; or

- 4.11.2 might reasonably affect a person's judgment or decision-making in the matter;
or
- 4.11.3 could influence the financial decisions taken in a matter.
- 4.12. **"Meeting"**: includes any formal engagement where decisions regarding contracts or any other significant financial transactions are made. This may include, but is not limited to, awarding of tenders, negotiation of tariff structures, any third party transactions where the decision makers may hold any direct or indirect financial interest or where an employee may benefit in any way from the transaction (including any indirect benefit to a related party). These meetings may include, but are not limited to the Group Executive Committee, its Sub-Committees and all other governance structures.
- 4.13. **"Nepotism"**: The appointment, employment, promotion or advancement of a related party or interrelated person in a position, or the advocacy of such actions by any employee, where that employee is able to influence, directly or indirectly, the decisions relating to these specified actions.
- 4.14. **"Personal Financial Interest"**: A direct material interest of a financial, monetary or economic nature or to which a monetary value may be attributed.
- Related and Inter-Related Person(S) and Control:**
- 4.15. **"Related"**: When used in respect of two persons, means persons who are connected to one another in any manner contemplated in subsection 4.16.1 below:
- 4.15.1 an individual is related to another individual if they—
- 4.15.1.1 are married, or live together in a relationship similar to a marriage; or
- 4.15.1.2 are separated by no more than two degrees of natural or adopted consanguinity or affinity;
- 4.15.2 an individual is related to a juristic person if the individual directly or indirectly controls or holds material shareholding in the juristic person, as determined in accordance with subsection (2) below:
- 4.15.2.1 a juristic person is related to another juristic person if—
- 4.15.2.1.1 either of them directly or indirectly control the other, or the business of the other, as determined in accordance with subsection 4.16 below;
- 4.15.2.1.2 either is a subsidiary of the other; or
- 4.15.2.1.3 a person directly or indirectly controls each of them, or the business of each of them, as determined in accordance with subsection 4.16 below.
- 4.16 **Control**: For the purpose of subsection 4.15.1 above, a person controls a juristic person, or its business, if
- 4.16.1 in the case of a company)—
- 4.16.1.1 that company is a subsidiary of that first company, as determined in accordance with the Companies Act; or
- 4.16.1.2 that first person together with any related or inter-related person, is—

- 4.16.1.2.1 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
 - 4.16.1.2.2 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;
 - 4.16.1.3 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;
 - 4.16.1.4 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
 - 4.16.1.5 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 above.
- 4.17. **Relationship:** includes the connection existing between any two or more persons who are related or inter-related.
- 4.18. **A related party transaction:** is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.
- 4.19 **Significant influence:** is the power to participate in the financial and operating Policy decisions of an entity, but does not necessarily amount to control. Significant influence may be gained by share ownership, statute or agreement.

5. SCOPE AND APPLICABILITY

This Policy applies to all Transnet permanent and fixed term employees, as well as consultants.

6. DECLARATION OF INTEREST IN CONTRACTS AND FINANCIAL INTERESTS

- 6.1 Any employee who has an interest, either directly or indirectly or knows that a related person has interest in:
- 6.1.1. any new or existing contract with an entity external to Transnet which may conduct, or does conduct business with Transnet;
 - 6.1.2. acquiring Transnet and/or its subsidiaries, its assets or businesses, or any part thereof;
 - 6.1.3. any joint venture or other business venture with Transnet or any of its subsidiaries; and

- 6.1.4. tendering for the supply of goods or services to Transnet or tendering for advisory or other professional services related to the transactions outlined above, collectively, referred to as a "Contractual Interest".
- 6.2 **To be completed:** Annually and as and when an interest in a contract is identified by any employee.
- 6.3 **To be submitted:** to the Group Company Secretary/Divisional Company Secretary/Governance Officer, as applicable.
- 6.4 **The relevant forms for completion:** The Declaration of Interest process has been automated. Employees are required to use the Declaration of Interest electronic System. In instances where a declaration is captured on behalf of another employee, a manual form duly completed and signed by the employee, should also be submitted. The manual form is attached as Annexure "A".

7. ANNUAL DECLARATIONS AND RELATED PARTY DISCLOSURES

- 7.1 **Applicable to:** Any employee, as designated in Clause 6.1 above, who has a Conflict of Interest including:
- 7.1.1 all employees who have an interest either directly or indirectly or know that a related person has an interest in any entity external to Transnet which may conduct or does conduct business with Transnet.
- 7.1.2 every entity in respect of which any person related to you is a director or manager, or which is Controlled or Significantly Influenced by any such person related to you, or in which any such person related to you has a shareholding or other similar interest and in respect of which a Conflict of Interest exists or a potential Conflict of Interest may arise.
- 7.2 **To be completed:** Annually within 30 days from 1 April and as and when a Conflict of Interest arises, and/or directorship or financial interest of employee changes within the financial year, or directorship or financial interest of persons related to you change within the financial year.
- 7.3 **To be submitted:** to the Company Secretary/Divisional Company Secretary or their designate.
- 7.4 **Where there is no conflict of interest:** the prescribed Annual Declaration of Interests and Related Party Disclosure forms must be completed with a Nil Declaration.
- 7.5 The Declaration of Interest process has been automated. Employees are required to use the Declaration of Interest electronic System. In instances where a declaration is captured on behalf of another employee, a manual form duly completed and signed by the employee, should be submitted. The manual form is attached as Annexure "B".

8 DECLARATION OF INTEREST AT MEETINGS

- 8.1 **Applicable to:** All members of/attendees at meetings (as defined in this Policy).
- 8.2 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
- 8.2.1 must disclose the interest and its general nature before the matter is considered at the meeting;
 - 8.2.2 must disclose to the meeting any material information relating to the matter, and known to the employee;
 - 8.2.3 must disclose any observations or pertinent insights relating to the matter if requested to do so;
 - 8.2.4 if present at the meeting, must recuse himself/herself from the meeting immediately after making any disclosure contemplated in the governance structure's mandate;
 - 8.2.5 must not take part in the consideration of the matter, except to the extent contemplated in the governance structure's mandate;
 - 8.2.6 while absent from the meeting in terms of this paragraph:
 - is to be regarded as being present at the meeting for the purpose of determining a quorum; and
 - is not to be regarded as being present at the meeting for the purpose of determining whether a resolution has sufficient support to be adopted; and
 - 8.2.7 must not execute any document on behalf of Transnet in relation to the matter unless specifically requested or directed to do so by the relevant governance structure.
- 8.3 **To be completed manually or electronically:** Prior to or at each meeting taking ethical considerations into account.
- 8.4 **To be submitted:** to the applicable Company Secretary or their designate.
- 8.5 **The relevant forms for completion:** Annexure "C".

9 ROLES AND RESPONSIBILITIES

- 9.1. The Group Executive Committee is responsible and accountable for the implementation of this Policy.
- 9.2. The Group Company Secretary or his or her designate is responsible for ensuring that the declarations referred to in this Policy are managed and disclosed timeously as required.
- 9.3. It is the responsibility of each employee to declare and disclose their interest as referred to in this Policy, as and when it arises.

10. RELATED INFORMATION AND REFERENCE

The Policy must be read in conjunction with the following related internal and external documents:

10.1 **Internal Documents, amongst others:**

10.1.1 Code of Ethics, Disciplinary Code;

10.1.2 Policy on Non-Executive Directorship and Trusteeship of Transnet employees;

10.1.3 No Gifts Policy;

10.1.4 Anti-Fraud Policy and Anti Fraud Policy;

10.1.5 Supply Chain Policy;

10.1.6 Recruitment & Selection Policy;

10.1.7 Supplier Integrity Pact;

10.1.8 Lifestyle Audit Policy; and

10.1.9 Declaration of Interest of Related Parties for Directors;

10.1.10 The Domestic Prominent Influential Persons (DPIP) and Foreign Prominent Public Officials (FPPO) Policy; and

10.1.11 Other relevant Policies and procedures.

10.2 **External References, amongst others:**

10.2.1 The Companies Act No.71 of 2008 as amended;

10.2.2 The Public Finance Management Act No.1 of 1999 as amended;

10.2.3 The Protection of Personal Information Act No. 4 of 2013 as amended;

10.2.4 Promotion of Access to Information Act of 2 of 2000;

10.2.5 Financial Intelligence Centre Act 2001 as amended (Act No. 38 of 2001);;

10.2.6 King IV Report on Governance for South Africa, 2016 (King IV); and

10.2.7 International Accounting Standard 24 Related Party Disclosures.

11. EXCLUSIONS

There are no exclusions to this Policy.

12. REQUEST TO DEVIATE FROM POLICY

In cases where material and compelling circumstances merit deviation(s) from particular provision(s) of this Policy, written submissions shall be sent to the Board of Directors who shall have full authority to grant such request, in whole or in part, or to refuse same.

13. COMPLIANCE MONITORING

This Policy will be reviewed at agreed upon periodical intervals and a report submitted to the relevant governance structure for noting and/or consideration.

14. NON-COMPLIANCE

- 14.1 Non-compliance with this Policy is considered a breach of this Policy. Such misconduct will result in employees being subjected to disciplinary action that could lead to dismissal as well as criminal/civil action.
- 14.2 All suspected incidents of contraventions of this Policy should be reported to senior management, Transnet Tip-offs Anonymous Hotline on **0800 003 056** or Transnet Internal Audit.

Annexure A

DECLARATION OF INTERESTS IN CONTRACTS

"This form contains personal information as defined in the Protection of Personal Information Act, 2013 (the "Act"). By signing this form, the signatory consents to the processing of her/his personal information in accordance with the requirements of the Act. Consent cannot unreasonably be withheld."

Surname		Residential Address	
First Names			
Nationality			
Identity Number		Business Address	
Date of Birth			
Occupation/Position		Postal Address	
Employer/Division			

- 1. Please identify all existing or potential contracts or Related Party Transactions, in so far as they relate or may relate to Transnet, in which you may have a direct/indirect interest, or where you may have significant participation or involvement.**

Name of contract/ transaction	Details	Name of third party	Registered address	Registration Number	Nature of interest/ participation

2. Please identify all existing or potential contracts or Related Party Transactions, in so far as they relate or may relate to Transnet, in which a related person may have a direct/indirect interest, or where a related person may have significant participation or involvement.

Name of contract/ transaction	Details	Name of related person	Registered address	Registratio n Number	Details of Relation to you and nature of interest/ participation

3. I confirm that I have read the Transnet declaration of interest and related party disclosures Policy, and I confirm that I have made full and proper disclosure (to the best of my knowledge and belief) of all interests which I have or which a related person has in respect of any contracts relating to Transnet.

Employee Signature _____ **Employee Number** _____

Date _____

Annexure B

TRANSNET SOC LTD

ANNUAL DECLARATION OF INTERESTS

Surname		Residential Address	
First Names			
Nationality			
Identity Number		Business Address	
Date of Birth			
Occupation/Position		Postal Address	
Employer/Division			

- 1. Directorships and other financial interests (Please indicate all companies of which you are a director, close corporations of which you are a member, partnerships, trusts, sole proprietorships and other entities in which you have an interest and include all entities that are Controlled/Significantly Influenced by you, and list all entities in which you have a shareholding or similar interest and indicate with an asterisk those interests which constitute a Conflict of Interests.**

Name of entity	Registered address	Registration number	Nature of Interest	Date of Appointment or Acquisition of Interest	% held
<i>(e.g. XYZ(Pty) Limited)</i>	<i>(e.g. Transnet SOC Ltd, 9 Country Estate Drive, Waterfall Business Estate, Midrand)</i>	<i>(e.g. 1995/000861/07)</i>	<i>(e.g. Non-Executive Director/Shareholder)</i>	<i>(e.g. 13 July 1999)</i>	<i>(e.g. 30%)</i>

Employee Signature _____ **Employee Number** _____

Date _____

TRANSNET SOC Ltd
RELATED PARTY DISCLOSURES

- 3. Directorships and other financial interests of the family members as identified on page 2 (Please identify every company, close corporations, partnerships, trusts, sole proprietorships and other entities of which any close family member of yours is a director or manager, or which is controlled/jointly controlled/significantly influenced by any such close family member, or in which any such close family member has a shareholding or other similar interest).**

Full names and Surname of close family relative	Entity where financial Interest held (with registration number where possible)	Nature of financial interest	% held
(a)Spouse/Domestic partner			
1.			
b)Children (Own, or those of spouse/domestic partner)			
1.			
2.			
c)Dependents (Own, or those of spouse of domestic partner)			
1.			
2.			
d) Juristic Persons Related to you			
1.			
2.			

I confirm that I have read the Transnet declaration of interest and related party disclosures Policy, and I confirm that I have made full and proper disclosure (to the best of my knowledge and belief) of all interests which I have or which a related person has in respect of any contracts relating to Transnet.

Employee Signature _____ **Employee Number** _____

Date _____

TRANSNET SOC Ltd

RELATED PARTY DISCLOSURES

Declaration by Employee

I _____
(Full names and surname printed)

declare that the aforesaid information is to the best of my knowledge true, and, that I fully understand the contents of this declaration. I also undertake that I will immediately notify the Group Company Secretary or their designate should it come to my attention that any information provided above may not be true, accurate or complete.

SIGNATURE OF EMPLOYEE

EMPLOYEE NUMBER

DATE : _____

PLACE : _____

TRANSNET SOC LTD

DECLARATION OF INTERESTS AND REGISTER OF EXECUTIVE MANAGEMENT FORM

Certification by a Transnet SOC Ltd representative

I certify that the deponent has acknowledged that she/he knows and understands the contents of this declaration.

(Signed: For and on behalf of Transnet SOC Ltd) by Company Secretary or designate

Full first names and surname:

(Block letters)

Designation: _____ Employee Number: _____

Date _____ Place _____

NOTE:

A copy of the completed and signed form must be submitted by the employee to the Company Secretary or designate for purposes of recording it in the Register of Designated Employee's Interests.

Annexure C

DECLARATION OF INTEREST (MEETINGS)

“This form contains personal information as defined in the Protection of Personal Information Act, 2013 (the “Act”). By signing this form, the signatory consents to the processing of her/his personal information in accordance with the requirements of the Act. Consent cannot unreasonably be withheld.”

Reference: Pack for the _____, meeting number _____ to be held/held on _____20_____.

I, the undersigned, _____ declare that:

- (a) I am not in any way, whether directly or indirectly, save in my capacity as an employee of Transnet/representative of _____, interested in any contract or proposed contract, which has been or is to be entered into by the Company, and which is to be discussed at the abovementioned meeting;
- (b) I am not in any way, whether directly or indirectly, save in my capacity as an employee of Transnet/representative of _____, interested in any other matter which is to be discussed at the abovementioned meeting;
- (c) I do not have any relationship, whether of a family, business, social or other nature, with any person who has any interest, whether direct or indirect, in any contract or other matter to be discussed at the abovementioned meeting;
- (d) Should I at any stage before, during or after the abovementioned meeting become aware of the existence of an interest or relationship of the nature described above, I will immediately disclose such interest or relationship to Transnet; and
- (e) If I have a conflict of interest in respect of a matter to be considered at this meeting, or know that a related person has a personal financial interest in the matter, I will disclose the interest before the matter is considered at the meeting and recuse myself from the meeting.

SIGNED AT _____ ON THE _____ DAY OF _____ 20_____.

COMMITTEE MEMBER/ATTENDEE

EMPLOYEE NUMBER

TO BE COMPLETED BY THE COMPANY SECRETARY OR DESIGNATE

Name : _____

OD/Subsidiary : _____

COMPANY SECRETARY