

## Declaration of Interest and Related Party Disclosures Policy for Employees

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Policy Sponsor	Group Chief Executive
Authorised by	Transnet Board of Directors
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### Summary of Version Control

Version Number	Effective Date	Summary of Changes
	16 July 2015	Added page numbers to the table of contents
		Deleted Clause 3 on Applicability for standardisation
		Replaced Private with Personal gain in Clause 4.2.3
		Added clause 4.5 – a definition of Affinity
		Added Clause 4.6 – a definition of Consanguinity
		Added Clause 4.8 – a definition of Inter-related
		Revised Clause 4.13 to include the Acquisition Councils
		Revised Clause 5.1 and 5.2 for ease of readability
		Clauses 5.4 and 6.5 – amended to include the automation of the Declaration of Interest Process
		Added Clause 10.2.3 - The Protection of Personal Information Act No. 4 of 2013 as amended;
		Clause 13 - replaced "Warning" with Non-Compliance
		Clause 13.2 – added the Transnet Tip-offs Anonymous Hotline number

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## 1. INTRODUCTION

- 1.1 The Company is committed to ensuring effective governance and risk management throughout the Company.
- 1.2 This policy, which must be read with the Code of Ethics and Anti-Fraud Policy, provides a governance framework to regulate declarations of conflicts of interest which Employees have and/or which parties related to Employees have.

## 2. POLICY STATEMENT

- 2.1. 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.
- 2.2. This policy provides a governance framework to regulate declarations of interest and related party disclosures and should be read together with, amongst others, the relevant legislation applicable to the company from time to time and the company policy documents, including the Company's Code of Ethics and Anti-Fraud Policy.

## 3. PURPOSE OF THE POLICY

The purpose of the policy is to:

- 3.1 Create awareness of what constitutes a conflict of interest;
- 3.2 Set standards in a non-exhaustive manner, for employees on the disclosure of interests and related party transactions;
- 3.3 Set standards on the disclosure of directorships and trusteeships held in other entities;
- 3.4 Create an environment in which employees understand the consequences for non-compliance; and
- 3.5 Provide guidance on the duties of employees to disclose a conflict of interest (that employees have actual knowledge of, or reasonably ought to have knowledge of, or in respect of which the employees reasonably ought to have investigated or taken measures which would have provided the employees with the actual knowledge of), in accordance with legislation and the Company's policies.

## 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 4.16.1, 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. **Management**: Refers to Employees in Levels "A" to "F" in the Company.
- 4.12. **"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.
- 4.13. **"Meeting"**: includes any formal engagement convened by a Secretariat, inclusive of the Acquisition Councils 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; Group Executive Committee and Sub-Committees, e.g. Group Finance Sub-Committee, Capital Investment Sub-Committee, etc.
- 4.14. **"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.

- 4.15. **"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:**
- 4.16. **"Related"**: When used in respect of two persons, means persons who are connected to one another in any manner contemplated in subsection 4.15.1 below:
- 4.16.1 an individual is related to another individual if they—
    - 4.16.1.1 are married, or live together in a relationship similar to a marriage; or
    - 4.16.1.2 are separated by no more than two degrees of natural or adopted consanguinity or affinity;
  - 4.16.2 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:
    - 4.16.2.1 a juristic person is related to another juristic person if—
      - 4.16.2.1.1 either of them directly or indirectly control the other, or the business of the other, as determined in accordance with subsection 4.17 below;
      - 4.16.2.1.2 either is a subsidiary of the other; or
      - 4.16.2.1.3 a person directly or indirectly controls each of them, or the business of each of them, as determined in accordance with subsection 4.17 below.
- 4.17. **Control**: For the purpose of subsection 4.17.1 above, a person controls a juristic person, or its business, if
- 4.17.1 in the case of a company)—
    - 4.17.1.1 that company is a subsidiary of that first company, as determined in accordance with the Companies Act; or
    - 4.17.1.2 that first person together with any related or Inter-related person, is—
      - 4.17.1.2.1 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
      - 4.17.1.2.2 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;
    - 4.17.1.3 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;
    - 4.17.1.4 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
    - 4.17.1.5 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.
- 4.18. **Relationship**: includes the connection existing between any two or more persons who are related or inter-related.
- 4.19. **A related party transaction**: is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.
- 4.20. **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.

## SCOPE

### 5 DECLARATION OF INTEREST IN CONTRACTS AND FINANCIAL INTERESTS

#### 5.1 Declarations of Interest are compulsory for Management (Levels A – F); and

#### 5.2 Any employee who has an interest, either directly or indirectly or knows that a related person has interest in:

- 5.2.1. any new or existing contract with an entity external to Transnet which may conduct, or does conduct business with Transnet;
- 5.2.2. acquiring Transnet and/or its subsidiaries, its assets or businesses, or any part thereof;
- 5.2.3. any joint venture or other business venture with Transnet or any of its subsidiaries; and
- 5.2.4. tendering for the supply of goods or services to Transnet or tendering for advisory or other professional services related to the transactions referred to above, collectively, a "Contractual Interest".

5.3 **To be completed:** Annually and as and when an interest in a contract is identified by any employee.

5.4 **To be submitted:** to the Group Company Secretary/Divisional Company Secretary/Governance Officer, as applicable.

5.5 **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 be submitted. The manual form is attached as Annexure "A".

### 6. ANNUAL DECLARATIONS AND RELATED PARTY DISCLOSURES

6.1 **Applicable to:** Any employee, as designated in Clause 5.1 and 5.2 above, who has a Conflict of Interest including:

6.1.1 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.

6.1.2 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.

6.2 **To be completed:** From the first day of each financial year, within 30 days (i.e. 1 April to 30 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.

6.3 **To be submitted:** to the Group Company Secretary/Divisional Company Secretary/Governance Officer.

6.4 **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.

6.5 **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 be submitted. The manual form is attached as Annexure "B".

## **7 DECLARATION OF INTEREST AT MEETINGS**

**7.1 Applicable to:** All members of/attendees at meetings (as defined in this policy).

**7.2** 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

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

**7.2.2** must disclose to the meeting any material information relating to the matter, and known to the employee;

**7.2.3** may disclose any observations or pertinent insights relating to the matter if requested to do so;

**7.2.4** if present at the meeting, must recuse himself/herself from the meeting immediately after making any disclosure contemplated the governance structure's mandate;

**7.2.5** must not take part in the consideration of the matter, except to the extent contemplated in the governance structure's mandate;

**7.2.6** 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

**7.2.7** must not execute any document on behalf of Transnet in relation to the matter unless specifically requested or directed to do so by the Board of Transnet.

**7.3 To be completed:** At each meeting.

**7.4 To be submitted:** to the applicable Company Secretary/Governance Officer or Acquisition Council Secretary.

**7.5 The relevant forms for completion:** Annexure "C".

## **8 ROLES AND RESPONSIBILITIES**

**8.1.** The Group Executive Committee is responsible and accountable for the implementation of this policy.

**8.2.** The Group Company Secretary/Governance Officer/Divisional Company Secretary/Acquisition Council Secretary is responsible for ensuring that the declarations referred to in this policy are distributed and received timeously.

**8.3.** It is the responsibility of each employee to declare their interest as referred to in this policy, as and when it arises.

## **RELATED INFORMATION AND REFERENCE**

**9.** The policy must be read in conjunction with the following related internal and external documents:

**9.1 Internal Documents, amongst others:**

**9.1.1** Code of Ethics, Disciplinary Code and relevant employment contracts.

**9.1.2** Policy on Non-Executive Directorship and Trusteeship of Transnet employees.

**9.1.3** Gifts and Hospitality Policy.



- 9.1.4 Anti-Fraud Policy.
- 9.1.5 Procurement Procedures Manual.
- 9.1.6 Recruitment & Selection Policy.
- 9.1.7 Supplier Integrity Pact.
- 9.1.8 Transnet Regulatory Universe.

**9.2 External Documents, amongst others:**

- 9.2.1 The Companies Act No.71 of 2008 as amended;
- 9.2.2 The Public Finance Management Act No.1 of 1999 as amended;
- 9.2.3 The Protection of Personal Information Act No. 4 of 2013 as amended;
- 9.2.4 King III Report on Governance (King III); and
- 9.2.5 International Accounting Standard 24 Related Party Disclosures.

**EXCLUSIONS**

10. There are no exclusions to this Policy.

**REQUEST TO DEVIATE FROM POLICY**

11. In cases where material and compelling circumstances merit deviation(s) from particular provision(s) of a 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.

**COMPLIANCE MONITORING**

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

**NON-COMPLIANCE**

- 13.1 Non-compliance with this policy and the procedures is considered to be misconduct and employees will be subjected to disciplinary action that could lead to dismissal as well as criminal/civil action.
- 13.2 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

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

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.

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



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	Registration 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

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

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.

<b>Name of entity</b> <i>(e.g. XYZ(Pty) Limited)</i>	<b>Registered address</b> <i>(e.g. Transnet SOC Ltd, 47<sup>th</sup> Floor, Carlton Centre, 150 Commissioner Street, Johannesburg)</i>	<b>Registration number</b> <i>(e.g. 1995/000861/07)</i>	<b>Nature of Interest</b> <i>(e.g. Non-Executive Director/Shareholder)</i>	<b>Date of Appointment or Acquisition of Interest</b> <i>(e.g. 13 July 1999)</i>	<b>% held</b> <i>(e.g. NIL)</i>

Employee Signature \_\_\_\_\_ Employee Number \_\_\_\_\_

Date \_\_\_\_\_



**TRANSNET SOC Ltd**

**RELATED PARTY DISCLOSURES**

**2. Family members (Please identify all your close family members)**

Close family members include your spouse or domestic partner (if not married), your children or your domestic partner's children, and your dependants or dependants of your spouse or domestic partner.

Full names and Surname	Relationship with Employee

**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.			
3.			
c) Dependents (Own, or those of spouse of domestic partner )			
1.			
2.			
3.			
d) Juristic Persons Related to you			
1.			
2.			
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** \_\_\_\_\_

**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/ OD/SU Company Secretary/Governance Officer 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 Group Company Secretary/ OD and SU Company Secretary/Governance Officer*

Full first names and surname:

\_\_\_\_\_  
*(Block letters)*

Designation: \_\_\_\_\_ Employee Number: \_\_\_\_\_

Date \_\_\_\_\_ Place \_\_\_\_\_

**NOTE:**

Remember that a copy of the completed form must be submitted by the employee to the Group Company Secretary for purposes of recording it in the Register of Designated Employee's Interests.





Annexure C

DECLARATION OF INTEREST (MEETINGS)

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

Name : \_\_\_\_\_

OD/Specialist Unit/Subsidiary : \_\_\_\_\_

COMPANY SECRETARY

