



## **CONFLICT OF INTEREST POLICY**

(For External Publication)

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## 1. CONFIGURATION CONTROL

1.1 Document Properties Entity	The Company
1.2 Policy Owner	Policy ownership vests in both Directors and Management.
1.3 Policy Approver	Directors
1.4 Scope of Application	Internal and external stakeholders of Netcash.
1.5 Original Effective Date	1 May 2023
1.6 Review Cycle	365 days
1.7 Document Path	Company website
1.8 Classification	External Policy
1.9 Conflict of Interest Register	Managed by the Head of People

## 2. VERSION CONTROL

Version	Author of Change	Date	Details of Change
V1.0	Patrick Warne	1 May 2023	Policy Creation and Publication

## 3. DEFINITIONS

- 3.1 **“The Company”** means Netcash (Pty) Ltd and its subsidiaries.
- 3.2 **“Employee”** means a person, for the purposes of this policy, other than an independent contractor, who performs work or assists in conducting the business of the Company under a contract of employment with the Company, whether oral or written, express or implied, fixed, or permanent and includes “persons connected to or related to the Employee” and associates, namely:
- 3.2.1 an Employee’s plus-one for a work-related function.
  - 3.2.2 a Spouse or life partner (which could potentially be a supplier, client and/or co-worker).
  - 3.2.3 children and/or stepchildren.
  - 3.2.4 parents and/or stepparents and/or grandparents.
  - 3.2.5 siblings.
  - 3.2.6 aunts and/or uncles.
  - 3.2.7 any other relative or dependant.
  - 3.2.8 the spouse of any of the persons mentioned in under 3.2.3 to 3.2.7 above.
  - 3.2.9 any partner or person in a business or profit-sharing relationship with the employee.
  - 3.2.10 a Trust in which the employee or any person mentioned above is a beneficiary; and a Company / Close Corporation in which the employee or any person mentioned above is a shareholder / member.

#### **4. EXECUTIVE SUMMARY**

- 4.1 Netcash is a technology-driven company that provides financial-type solutions to its clients. Its flexible collection and payments services include but are not limited to debit orders, billing, e-commerce check-out options, secure-link payment options, salary payments, creditor payments, retail payments, wallet, and banking application contactless payments, amongst others.
- 4.2 The Company recognises its accountability to all its stakeholders in terms of the South African Companies Act of 2008 and its Regulations, as well as the recommended best practice principles of the King IV Report on Corporate Governance for South Africa, and any other statutory, regulatory, and supervisory requirements (collectively known as “regulatory requirements”), applicable to its business.
- 4.3 Corporate Governance is managed on a holistic and integrated basis, underpinning the strategic objectives, ethics, values, performance, and responsible corporate citizenship of the Company. Netcash is committed to complying with these regulatory requirements, acting with due skill, care, and diligence, and upholding the required standards of integrity and fair dealing in the conduct of its business.
- 4.4 Considering its strategic objectives, Netcash articulates and gives effect to its direction on corporate governance to its Employees and external stakeholders, as applicable, through various mediums, such as its library of governance policies as well as training and awareness creation.
- 4.5 This policy aims to provide clear guidelines to the relevant stakeholders in response to the possible negative consequences associated with conflicts of interest, in that non-compliance with this policy could potentially impact the Company’s reputation and increase the likelihood of regulatory scrutiny.

#### **5. CONFLICT OF INTEREST LEGAL FRAMEWORK**

- 5.1 The below-mentioned regulatory requirements are associated with Conflicts of Interest, Bribery and Corruption:
  - 5.1.1 The Principles of the King Report on Corporate Governance for South Africa (“King IV”).
  - 5.1.2 The RSA Companies Act No. 71 of 2008 and its Regulations with specific reference to:
    - 5.1.1.1 the United Nations Global Compact 10 Principles.
    - 5.1.1.2 the Organisation for Economic Cooperation and Development (“OECD”) recommendations regarding corruption.
    - 5.1.1.3 the Companies and Intellectual Property Commission (“CIPC”) Guideline No. 1 of 2018 (Guideline for Corporate Compliance Programme).
- 5.2 The RSA Prevention and Combating of Corrupt Activities Act No. 12 of 2004 (“PreCCA”).
- 5.3 United States of America (“USA”) Foreign Corrupt Practices Act (“FCPA”); and
- 5.4 any other regulatory requirements that may apply.

## **6. CONFLICT OF INTEREST MEANING**

- 6.1 A conflict of interest occurs when there is a direct or indirect conflict, in fact or in appearance, between the personal interest of an Employee and that of the Company.
- 6.2 It relates to:
  - 6.2.1 Relationships.
  - 6.2.2 The use of Company property, including its information; and
  - 6.2.3 Financial, economic, and other interests in any opportunity from which the Company may benefit.
- 6.3 Employees are compensated for their services and/or work performed for the Company. Salaries and benefits form part of the employee value proposition and total compensation to Employees. Therefore, any direct or indirect benefits derived, other than from the total compensation received from the Company, could be regarded as a potential conflict of interest and be subject to scrutiny.
- 6.4 Employees' personal, social, political, or financial interests may under no circumstances interfere with their ability to make objective decisions in the course of their work duties, cloud their judgement, or result in making business decisions that would interfere with what is in the best interest of the Company and its stakeholders.
- 6.5 Conflicts of interest may arise in, but are not limited to, areas such as: financial and/or economic benefits derived because of being employed by the Company and/or having access to its internal information.

## **7. EXAMPLES OF CONFLICTS OF INTEREST**

- 7.1 **Outside Work**
  - 7.1.1 Outside employment in addition to an Employee's current role in the Company.
  - 7.1.2 Planning to work for a third party (e.g., supplier or customer) at a future date, whilst in the employ of the Company, and Netcash continuing to do business with the third party.
  - 7.1.3 Offering and/or providing paid (consulting) services to a third party (e.g., supplier or client) during working hours, after hours, on the weekend, or whilst on leave.
  - 7.1.4 Offering and/or providing paid (consulting) services to a third party that is in direct or indirect competition with the Company.
  - 7.1.5 Working part-time for a third party that sells competing services, similar to that of the Company.

## 7.2 Commercial Opportunities

- 7.2.1 Owning a business or part thereof that sells services to Netcash.
- 7.2.2 Starting a business that provides services similar to that of the Company or starting a business to provide a specific service to the Company, that it knew from internal dealings with the Company, was a need.
- 7.2.3 Doing business with a third party that sells competing services like the Company.
- 7.2.4 Benefiting from commercial opportunities found through employment with the Company.
- 7.2.5 Cashing in on a business opportunity that Netcash may or might have pursued.
- 7.2.6 Employees using their position in Netcash to influence the placing of business with any third party in which he/she may have a direct or indirect interest, and/or because of which, he/she may derive any benefit.

## 7.3 Gifts

- 7.3.1 Employees accepting gifts, entertainment, favours, privileged treatment, kickbacks, or any other courtesies, from third parties, outside the Gift policy guidelines.
- 7.3.2 Employees accepting a payment from a third party for information about the Company.

## 7.4 Confidential Information and Intellectual Property

- 7.4.1 Taking advantage of the Company designs, inventions and/or information for own personal benefit.
- 7.4.2 Sharing confidential information about the Company with a competitor or any other third party.
- 7.4.3 Posting on any social media platform about the Company intellectual property or any other confidential information.

## 7.5 Relationships – Commercial involvement with Family

- 7.5.1 Knowingly failing to disclose that he/she is related to a prospective employee of the Company that he/she is considering hiring.
- 7.5.2 Hiring an unqualified friend or relative to provide services to the Company.
- 7.5.3 Reporting to a family member supervisor or having an influential family member in the business who affects or can have an impact on his/her job responsibilities, remuneration, and promotions.



7.5.4 Knowingly failing to disclose that he/she is related to a supplier, prospective supplier, or competitor.

7.5.5 Where “*persons connected to or related to the Employee*” is advanced or preferred over another third party or Employee that has no pre-existing relationship with the decision makers.

#### 7.6 Relationships – Commercial Involvement with Friends

7.6.1 Failing to investigate a sub-ordinate or co-worker's wrongdoing because they are a friend.

7.6.2 Reporting to a supervisor who is a close friend.

7.6.3 Reporting to a supervisor who affects their job responsibilities, remuneration and promotions, who is a close friend.

7.6.4 Employee's long associations established with a supplier or other external stakeholder that deals with Netcash.

#### 7.7 Commercial involvement - Romantic relationships

7.7.1 Married, engaged, dating, or having a romantic relationship with a supervisor or sub-ordinate.

7.7.2 Married, engaged, dating, or having a romantic relationship with a supplier or employee of the supplier.

### 8. DISCLOSURE

8.1 Conflicts of interest whether potential, perceived, or actual must be avoided, removed, and reported.

8.2 Employees are required and have a duty to disclose, in writing as set out in Section 9 (nine) of the Internal Netcash Conflict of Interest policy on the intranet, any potential, perceived, or actual conflicts of interest:

8.2.1 As they arise.

8.2.2 As circumstances change; as well as

8.2.3 Any changes in any previously agreed arrangements, to the Head of People and the Employee's Line Manager.

8.3 During the **recruitment process**, a prospective Employee shall be required to disclose any potential, perceived, or actual conflicts of interest, as set out in this policy.

- 8.4 The Head of People will review the information disclosed and ensure that any conflict of interest is appropriately dealt with, prior to employment, and recorded in the Conflict-of-Interest Register.
- 8.5 Employees involved in any request for information/proposal or quote “RFQ” or **tender process** of potential or existing suppliers and/or onboarding of new suppliers are required to disclose any potential, perceived, or actual conflict of interest. Employees must recuse themselves from meetings where there is a potential, perceived, or actual conflict of interest concerning them.
- 8.6 Employees are required to declare any potential, perceived or actual conflicts of interest in writing on an **annual** basis and will be prompted to do so by the Head of People.
- 8.7 It should be noted that the disclosure of a potential, perceived or actual conflict of interest does not constitute acceptance by the Company and that a disclosure is subject to review and **formal acceptance or rejection**, as set out in Section 9 (nine) of the Internal Conflict of Interest policy on the intranet.

## 9. **WHISTLEBLOWING, CONFIDENTIALITY, & WHISTLEBLOWER PROTECTION**

- 9.1. Should an Employee become aware of any potential, perceived or actual conflict of interest, they are required to disclose this to the Head of People, alternatively the Head of Risk, Legal and Compliance.
- 9.2. All tip offs and reported information are treated as strictly confidential and any disclosure of information can be made without fear of retribution and/or victimisation as set out in the relevant Protected Disclosures legislation.
- 9.3. These rights may, however, be forfeited under the following circumstances:
  - 9.3.1. The incident reported presents an immediate physical danger to any Employee; or
  - 9.3.2. The information supplied is false with malicious intent and the whistle-blower is aware of the fact; or
  - 9.3.3. Where the reporting Employee engages in the wrongdoing being reported.
- 9.4. If an Employee believes that he/she is being victimised or retaliated against, he/she may contact the Head of People or the Head of Risk, Legal and Compliance for guidance.

## 10. **UNCERTAINTY**

In the event of uncertainty, the *onus* rest on both external and internal stakeholders to seek guidance from either the Head of People or the Head of Risk, Legal and Compliance.



## **11. NON-DISCLOSURE AND NON-ADHERENCE**

- 11.1. A failure by an Employee to disclose a potential, perceived or actual conflict of interest is viewed in a serious light and may result in disciplinary action being taken.
- 11.2. In the event of a contravention, the relevant Line Manager is obliged to notify the Head of People who will log a ticket of the incident on the intranet under Risk, Legal and Compliance – option Risk Event Logger, which is utilised for logging of operational and compliance risk failures, resulting from control breakdowns or a breach of policy and process, which has or could possibly result in a financial loss or reputation risk to the Company.

## **12. REPORTING**

- 14.1 The Conflict-of-Interest policy forms part of the Netcash Anti-Bribery and Corruption (“ABC”) programme. The Head of Risk, Legal and Compliance will perform testing on the policy and declaration process from time to time and submit, at least annually, a report to the relevant Committee, enabling it to form a view of this component of the ABC programme, as set out in the Companies Act Regulations.

\*\*\*END\*\*\*