



Conflict of Interest Policy

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Version control table:

Title	Conflict of Interest Policy			
Description	To provide employees with a broad and clear understanding of what a conflict of interest is and what is expected of them in the event of a conflict of interest or potential conflict of interest situation.			
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Conflict of Interest Policy

1. Introduction

- 1.1 When discharging their job duties, employees will inevitably be involved in making decisions and entering transactions, contracts, or commitments on behalf of Equites (in other words, dealing with Equites' interests).
- 1.2 The term "conflict of interest" describes a situation where the personal interests (whether financial or otherwise) of an employee overlap (conflict with), could potentially overlap (conflict with) or could reasonably be perceived to be overlap (conflicting with) Equites' interests; casting doubt on an employee's ability to act with total objectivity when dealing with Equites' interests.
- 1.3 Personal interests of a financial nature include, but are not limited to, any amount of monetary value, pay, commission, service provider/consultancy fees, equity interest, forgiveness of debt, property, accommodation, intellectual property rights, services, gifts, loans or business interests.
- 1.4 Personal interests of a non-financial nature include, but are not limited to, career advancement or any rights, privileges, favours or services.
- 1.5 Personal interests would also include any benefit (whether financial or non-financial) accruing to a Related Person (whether natural or juristic) or a natural person with whom the employee has a close personal relationship.
- 1.6 The term "Related Person" is defined in paragraph 2 below.
- 1.7 A conflict of interest exists when an employee's personal interest (whether financial or otherwise, including any benefit accruing to a Related Person or another person with whom the employee has a close personal relationship) overlaps (or is reasonably seen by others to be overlapping) with the duties he/she owes Equites and interferes (or is reasonably seen by others to be interfering) with the employee's independent judgement in Equites' matters.
- 1.8 A potential conflict of interest exists when an employee's personal interest (whether financial or otherwise, including any benefit accruing to a Related Person or another person with whom the employee has a close personal relationship) could potentially overlap (or could reasonably be seen by others to be overlapping) with the duties that he/she owes Equites and interferes (or could reasonably be seen by others to be interfering) with the employee's independent judgement in Equites' matters.
- 1.9 It is the responsibility of every employee to identify and disclose situations and/or activities in which he/she might have, or might potentially have, or might reasonably be seen by others to have, a conflict of interest, even if he/she is not sure whether it falls within the definition of a conflict of interest as espoused in this Policy.
- 1.10 As discussed in more detail below, a conflict of interest might also constitute a criminal offence, amongst other the offering or receiving of unauthorised Gratification to or by a person in an employment relationship or to a Public Officer in terms of the Prevention and Combating of Corrupt Activities 12 of 2004 ("the PRECCA").
- 1.11 The terms "Gratification" and "Public Officer" are defined in paragraph 2 below.
- 1.12 The purpose this Policy is to:
 - 1.12.1 guide employees in identifying any conflict of interest or potential conflict of interest situation;
 - 1.12.2 guide employees in disclosing conflicts of interest or potential conflicts of interest to Equites;
 - 1.12.3 set out a procedure for the management of conflicts of interest and potential conflicts of interest that have been disclosed; and
 - 1.12.4 mitigate the risk of losses, damages and/or legal liabilities resulting from any undisclosed and/or unmanaged conflicts of interest or potential conflicts of interest which might breach Equites' statutory obligations, cause harm to Equites' business and/or cause harm to Equites' good name and reputation.

Conflict of Interest Policy continued

2. Definitions

In this Policy, the following expressions shall bear the meanings assigned to them below, and cognate expressions shall bear corresponding meanings:

- 2.1 **“Gratification”**
- 2.1.1 As defined in PRECCA and includes -
- 2.1.1.1 money, whether in cash or otherwise;
- 2.1.1.2 any donation, gift, loan, fee, reward, valuable security, property or interest in property of any description, whether movable or immovable, or any other similar advantage;
- 2.1.1.3 the avoidance of a loss, liability, penalty, forfeiture, punishment or other disadvantage;
- 2.1.1.4 any office, status, honour, employment, contract of employment or services, any agreement to give employment or render services in any capacity and residential or holiday accommodation;
- 2.1.1.5 any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part;
- 2.1.1.6 any forbearance to demand any money or money’s worth or valuable thing;
- 2.1.1.7 any other service or favour or advantage of any description, including protection from any penalty or disability incurred or apprehended or from any action or proceedings of a disciplinary, civil or criminal nature, whether or not already instituted, and includes the exercise or the forbearance from the exercise of any right or any official power or duty;
- 2.1.1.8 any right or privilege;
- 2.1.1.9 any real or pretended aid, vote, consent, influence or abstention from voting; or
- 2.1.1.10 any valuable consideration or benefit of any kind, including any discount, commission, rebate, bonus, deduction or percentage.
- 2.2 **“Policy”** Means this Conflict of Interest Policy.
- 2.3 **“Public Officer”** Means any person who is a member, an officer, an employee, or a servant of a public body (whether a national or international public body) and any person receiving any remuneration from public funds.
- 2.4 **“Related Person”**
- 2.4.1 An employee is related to another natural person if they are -
- 2.4.2.1 married, or live together in a relationship similar to a marriage; or
- 2.4.2.1 separated by no more than two degrees of natural or adopted consanguinity or affinity.
- 2.4.2 An employee is related to a juristic person if the natural person directly or indirectly controls the juristic person (“control” being defined in sub-section 2(2) of the Companies Act 71 of 2008) or the employee holds shareholding in the juristic person, if it is a private company or close corporation.

Conflict of Interest Policy continued

3. Identifying a conflict of interest

3.1 To identify whether a conflict of interest or potential conflict of interest exists, an employee may ask him/herself the following questions:

- 3.1.1 Do I have Equites' best interest at heart, or am I acting in my own best interest?
- 3.1.2 Am I acting independently?
- 3.1.3 Am I acting fairly?
- 3.1.4 Am I acting objectively?
- 3.1.5 Am I acting professionally?
- 3.1.6 Are my interests aligned with that of Equites'?
- 3.1.7 Shall I benefit in any way, whether financially or non-financially, from any business transaction of Equites'?
- 3.1.8 Could my actions or relationship with any other person potentially be perceived by third parties as a conflict of interest?

3.2 A few examples of conflicts of interest or potential conflicts of interest are:

- 3.2.1 an employee soliciting or receiving any benefit (for him/herself or a Related Person or a person with whom he/she has a close personal relationship), whether financially or non-financially and related to a business transaction of Equites';
- 3.2.2 an employee using his/her authority, powers of office and/or influence to secure a contract for a service provider whom/which is a Related Person to the said employee or a person with whom he/she has a close personal relationship;
- 3.2.3 an employee soliciting or receiving a benefit (for him/herself or a Related Person or a person with whom he/she has a close personal relationship), whether financially or non-financially, to influence or unfairly advance the interests of any person;
- 3.2.4 an employee who conducts business in direct competition with Equites or a client of Equites';
- 3.2.5 a Related Person or a person with whom an employee has a close personal relationship who/which conducts business in direct competition with Equites or a client of Equites';
- 3.2.6 any work or other commitment outside Equites which might impact on an employee's time commitment to the duties or contractual obligations that he/she owes Equites;
- 3.2.7 any appointment to public office, elected office or any board or executive committee of any organisation, the interests of which might conflict with those of Equites';
- 3.2.8 any relationship an employee has with any other person, which might interfere with their independent judgement when dealing with Equites' interests or which might reasonably be perceived as likely so to interfere; or
- 3.2.9 any benefit (whether financial or non-financial) or Gratification received or to be received by an employee (or a Related Person or a person with whom he/she has a close personal relationship), which might interfere with the employee's independent judgement when dealing with Equites' interests or which might reasonably be perceived as likely so to interfere.

Conflict of Interest Policy continued

4. PRECCA

- 4.1 Any benefit (whether financial or non-financial) or Gratification received or to be received by an employee may not only be deemed to be a conflict of interest under this Policy but also a “bribe” under the PRECCA and punishable as criminal offence.
- 4.2 In this regard, the PRECCA provides as follows:
- “Any person-
- (a) who is party to an employment relationship and who, directly or indirectly, accepts or agrees or offers to accept from any other person any unauthorised gratification, whether for the benefit of that person or for the benefit of another person; or
 - (b) who, directly or indirectly, gives or agrees or offers to give to any person who is party to an employment relationship any unauthorised gratification, whether for the benefit of that party or for the benefit of another person, in respect of that party doing any act in relation to the exercise, carrying out or performance of that party’s powers, duties or functions within the scope of that party’s employment relationship, is **guilty of the offence of receiving or offering an unauthorised gratification**” (our emphasis).
- 4.3 Extreme caution should furthermore be exercised when the intended recipient of Gratification is a Public Officer. Even if done with honest intent, extending a benefit (whether financial or non-financial) to a Public Officer may create the appearance of improper influence. This includes items of low value that, if given under other circumstances, might be considered common courtesies (e.g., paying for taxi fare or a meal). Equites’ approval must therefore in all instances be secured, before a benefit (whether financial or non-financial) is extended to a Public Officer.
- 4.4 The following are handy questions, the answers to which would assist an employee whether a benefit (whether financial or non-financial) received or extended might be perceived as a bribe:
- 4.4.1 Could this alter the business relationship, such that a decision will be influenced by the said benefit received or extended? If the answer is “YES”, then there is a risk that this could be perceived as a bribe.
 - 4.4.2 If an employee offers a benefit, can the recipient realistically reciprocate i.e., offer a similar benefit in return? If the answer is “NO”, then there is a risk that this could be perceived as a bribe.
 - 4.4.3 What if fellow employees find out about the benefit, would the employee be embarrassed? If the answer is “YES”, then there is a risk that this could be perceived as a bribe.
 - 4.4.4 What if the media finds out about the benefit, would the employee be embarrassed? If the answer is “YES”, then there is a risk that this could be perceived as a bribe.
 - 4.4.5 Cash or any other form of financial benefit is never an appropriate gift, whatever the amount, as there is a high risk that this could be perceived as a bribe.

5. Disclosing conflicts of interest

- 5.1 Employees are expected to make full disclosure of conflicts of interest and potential conflicts of interest, in the following manner:
- 5.4.1 annually, as part of the annual declaration of interests exercise; and
 - 5.1.1 on a case-by-case basis, as soon as they identify a conflict of interest or potential conflict of interest.
- 5.2 Once a conflict of interest has been identified by an employee, he/she must immediately recuse him/herself from making any decisions, taking any action on behalf of Equites or causing any action to be taken on behalf of Equites, to the extent that it relates to or has any bearing on the subject-matter of the said conflict of interest, until such time he has received the outcome of Equites’ decision on how to proceed.
- 5.3 The prescribed Declaration of Interests Form (attached hereto and marked “Annexure A”) must be used to make the aforementioned disclosures.
- 5.4 Considering that Equites is a publicly listed company and that significant reputational and financial damages to Equites could flow from conflicts of interest, we have adopted a zero-tolerance approach and an employee’s failure to disclose a conflict of interest is a serious transgression, which may lead to dismissal. It is our recommendation therefore that employees disclose potential conflicts of interest, even if they are unsure if it does constitute a conflict of interest as per this Policy. No harm can come from pro-actively reporting potential conflicts of interest and it only shows diligence on the part of employees.



Western Cape

✉ info@equites.co.za

☎ +27 21 460 0404

📍 14th Floor
Portside Tower
4 Bree Street
Cape Town
8001
South Africa

Gauteng

✉ info@equites.co.za

☎ +27 10 286 0469

📍 4 Meadowview Lane
Equites Park
Meadowview
Linbro Park
2065
South Africa

United Kingdom

✉ info@equites.co.za

☎ +44 78 2639 8676

equites.co.za

