



**ACCELERATE PROPERTY FUND LIMITED**  
**REGISTRATION NO. 2005/015057/06**  
**("the company")**

**CONFLICTS OF INTEREST POLICY**

**1 Why we have this policy**

Directors have both a **common law** duty to avoid any conflict of interest and to act in the best interest of the company at all times, as well as the **statutory duty** of disclosure as laid down in the Companies Act, 71 of 2008 ("the Act").

Conflicts of interest may arise where an individual's personal or family interests and/or loyalties conflict with those of the company. Such conflicts may create serious problems for both the company and the relevant individual.

No conflict between the personal interests of directors and the interests of the company should therefore be allowed. This basic duty gives rise to a number of particular duties, which include the following:

- The duty to act bona fide in the interests of the company;
- the duty to account for profits;
- the duty not to misappropriate opportunities proposed to or pursued by the company;
- the duty not to compete improperly with the company;
- the duty to disclose interests in contracts with the company; and
- the duty to only exercise powers for the purpose for which they were conferred.

The statutory duty to disclose a personal financial interest in a contract with the company is specifically dealt with in **section 75** of the Act.

The aim of this policy is therefore to protect both the company and the individuals involved from any appearance of impropriety and to ensure compliance to statutory and best practice requirements. The policy also serves to address the recommendation in terms of paragraph 2.14.4 of the Code of Governance Principles which forms part of the Report on Corporate Governance for South

Africa, 2016, (“King IV”) that real or perceived conflicts of interests should be disclosed.

This policy applies to all directors and prescribed officers of the company, as well as any member of a board committee that is not a director of the company. Any **reference to “director” below** should be regarded as **including prescribed officers and members of board committees that are not directors**, if any.

## **2 The declaration of interests**

### **2.1 Personal financial interests: Statutory provisions**

**Section 75(5)** of the Companies Act, 71 of 2008 reads as follows:

If a director of a company, other than a company contemplated in subsection (2)(b) or (3), has a personal financial interest in respect of a matter to be considered at a meeting of the board, or knows that a **related person** has a personal financial interest in the matter, the director—

- (a) **must disclose the interest** and its general nature before the matter is considered at the meeting;
- (b) **must disclose** to the meeting any **material information** relating to the matter, and known to the director;
- (c) **may disclose** any **observations or pertinent insights** relating to the matter if requested to do so by the other directors;
- (d) if present at the meeting, **must leave the meeting immediately** after making any disclosure contemplated in paragraph (b) or (c);
- (e) **must not take part** in the consideration of the matter, except to the extent contemplated in paragraphs (b) and (c);
- (f) while absent from the meeting in terms of this subsection—
  - (i) is to be regarded as being present at the meeting for the purpose of determining whether sufficient directors are present to constitute the meeting; and
  - (ii) 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
- (g) **must not execute** any document on behalf of the company in relation to the matter unless specifically requested or directed to do so by the board.

This statutory requirement is additional to the **common law duty** of directors always to act in good faith.

As per the definitions contained in the Act, a **“personal financial interest”**, when used with respect to any person—

- (a) 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
- (b) **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, 2002 (Act No. 45 of 2002), unless that person has direct control over the investment decisions of that fund or investment.

### **2.2** In terms of the Act, **“material”**, when used as an adjective, means **significant** in the circumstances of a particular matter, to a degree that is—

- (a) of consequence in determining the matter; or

- (b) might reasonably affect a person's judgement or decision-making in the matter.

Also of importance for purposes of this policy are the definitions of "**related**" and "**inter-related**". Section 2(1) of the Act reads as follows:

### 2.3 For all purposes of this Act—

- (a) an **individual is related** to another **individual** if they—
- (i) are married, or live together in a relationship similar to a marriage; or
  - (ii) are separated by no more than two degrees of natural or adopted consanguinity or affinity;
- (b) an **individual is related** to a **juristic person** if the individual directly or indirectly controls the juristic person, as determined in accordance with subsection (2); and
- (c) a **juristic person is related** to another **juristic person** if—
- (i) either of them directly or indirectly controls the other, or the business of the other, as determined in accordance with subsection (2);
  - (ii) either is a subsidiary of the other; or
  - (iii) a person directly or indirectly controls each of them, or the business of each of them, as determined in accordance with subsection (2).

"**Inter-related**" when used in respect of three or more persons, means persons who are related to one another in a linked series of relationships, such that two of the persons are related in a manner as contemplated in section 2(1), and one of them is related to the third in any such manner, and so forth in an unbroken series.

## 3 Personal financial interests: Company policy

To ensure compliance with both the provisions of the Act and the recommendations of the King IV the following rules will be observed in this regard:

- As a general rule, directors will be obliged to provide the company secretary with a completed and signed **declaration of interest form** that will be provided by the company secretary's office, listing the nature and extent of interests.
- It will be the responsibility of the director to ensure that the general declaration of interest form is **updated**, as and when any changes thereto occur and to inform the company secretary accordingly;
- In addition to the general notice, should the company be entering into a contract, which is of significance in relation to the business, with a third party in which a director has a material interest, albeit directly or indirectly, or where the director is aware that a person or entity related to the director has a material interest, such an interest has to be **disclosed**, verbally or in writing, at or before the meeting of directors at which the question of confirming or entering into the contract is first taken into consideration.
- An interested director will **recuse** himself from the meeting for the duration of the debate and/or discussion of the relevant contract after having complied with all disclosure requirements as per the Act.
- An interested director shall **not be allowed to vote** in respect of the relevant contract.

- A director who has a personal financial interest in a matter as contemplated above must **not execute** any document on behalf of the company in relation to the matter, unless specifically requested or directed to do so by the board.
- The requirements of section 75 of the Act will **not** apply to a director in respect of a decision that may generally affect all of the directors of the company in their capacity as directors **or** a class of persons (despite the fact that the director is a member of that class of persons, unless the only members of the class is the director or persons related or inter-related to the director). The requirements will also **not** apply in respect of a proposal to remove a director from office as contemplated in section 71 of the Act.
- All declarations of interests at a meeting of the directors will be **minuted** and all general declarations will be maintained and kept on file by the company secretary.
- If a director of the company acquires a personal financial interest in an agreement or other matter in which the company has a material interest, or knows that a related person has acquired a personal financial interest in the matter, **after the agreement or other matter has been approved** by the company, the director must promptly disclose to the board, the nature and extent of that interest, and the material circumstances relating to the director or related person's acquisition of that interest.
- If a director is appointed to the board of a company solely to ensure that the interests of Accelerate are protected, and that director has no personal financial interest in such company, despite an agreement under discussion being material to that company, the director concerned is obliged to make disclosure at the relevant board and/or committee meeting in the manner contemplated in S75 of the Act. Thereafter, the director may participate in the discussion on the matter and provide an advisory vote. The director concerned will thereafter recuse himself/herself from the voting process and will not execute any document on behalf of Accelerate in relation to the matter unless specifically requested or directed to do so by the board.

#### 4 Gifts

In addition to the specific disclosures referred to above, directors and senior management must declare **gifts or hospitality** received with a value of R10 000 (Ten Thousand Rand) or more in connection with their role in the company. These disclosures must be made in writing and addressed to the company secretary as and when the relevant incidents occur. In the case of the company secretary, he/she must make such declaration to the chief operating officer.

If you are not sure what to declare, or whether/when your general declaration needs to be updated, please err on the side of caution. If you would like to discuss this issue, please contact the company secretary for confidential guidance.

## 5 Hospitality, entertainment and expenses

Directors and management may accept any form of hospitality, entertainment and the payment of expenses up to an amount of R10 000 (Ten Thousand Rand) per incident, subject to notification to the Chief Executive Officer or failing him, the Chief Operating Officer, and the Company Secretary. Any employee below that level requires approval of hospitality, entertainment and expenses above R2 000 (Two Thousand Rand).

## 6 Third party travel

The Chief Operating Officer or the Chief Financial Officer may approve accommodation and incidental expenses for a shareholder or other relevant third party when travelling on Company business. Accommodation will be at the same level as for the Company director travelling with the shareholder or other third party.

## 7 Political contributions

The company does not make political contributions. If for any reason, an incident or request arises where the company believes it must give the matter due consideration, such political contribution would need to be approved by the board and disclosed.

## 8 Charitable donations and sponsorships

The Social, Ethics and Transformation Committee proposes an annual budget for corporate social investment, which includes charitable donations leading to sustainability objectives and sponsorships, to the board for its consideration and approval. The Social, Ethics and Transformation Committee monitors all charitable donations and sponsorships and ensures that these are aligned to the company's strategic objectives.

The Chief Executive Officer or the Chief Operating Officer and one other director may approve sponsorships that advance the company's interests up to an amount of R50 000 (Fifty Thousand Rand) per incident.

## 9 Gratification payments

Gratification payments include but are not limited to:

- A **facilitation payment** which is a financial payment that may constitute a **bribe** and is made with the intention of expediting an administrative process. It is a payment made to a public or government official that acts as an incentive for the official to complete some action or process expeditiously, to the benefit of the party making the payment.
- **Solicitation** means the asking, enticing or requesting of another to commit a crime of **bribery**. To constitute the crime of **solicitation** of a **bribe**, it is not necessary that the act be actually consummated or that the recipient profit by it. It is sufficient that a **bribe** was solicited.

Any director or employee who directly or indirectly:

- accepts or agrees or offers to accept any gratification payment, whether for the benefit of himself or herself or for the benefit of another person; or
- gives or agrees or offers to give to any other person any gratification payment, whether for the benefit of that other person or for the benefit of another person;

will be guilty of the offence of corruption

In order to combat bribery and corruption, the company complies with all laws and regulations regarding the maintenance of books and records, financial statement disclosures and accounting and auditing standards. The company prohibits the establishment of off-the-books accounts, inadequately identified transactions, the recording of non-existent expenditures, the entry of liabilities with incorrect identification of their object, as well as the use of false documents.

#### **10 What to do if you face a conflict of interest**

If a director faces a conflict of interest, for whatever reason, he/she should follow the rules spelled out above and not be involved in decisions that could affect the relevant area of interest. He should declare his interest as required and withdraw from any subsequent discussion.

Such a person may, however, participate in discussions from which he may indirectly benefit, for example, where the benefits are universal to all, or where his benefit is minimal.

If he/she fails to declare an interest that is known to the company secretary and/or the chairman of the board, the secretary or chairman will declare that interest.

#### **11 Decisions taken where a director has an interest**

All disclosures of a conflict of interest and all decisions under a conflict of interest will be recorded by the secretary and reported in the minutes of the meeting. The report will record:

- The nature and extent of the conflict;
- an outline of the discussion; and
- the actions taken to manage the conflict.

Independent external arbitration will be used where conflicts cannot be resolved through the usual procedures.

#### **12 Managing contracts**

If a conflict of interest exists, the relevant director must not be involved in managing, monitoring or approving a contract or agreement in which he has an interest.

**13 Non-compliance**

Non-compliance and failure to adhere to this policy and related principles expressed is viewed in a serious light and will be dealt with in accordance with applicable laws and internal policies.

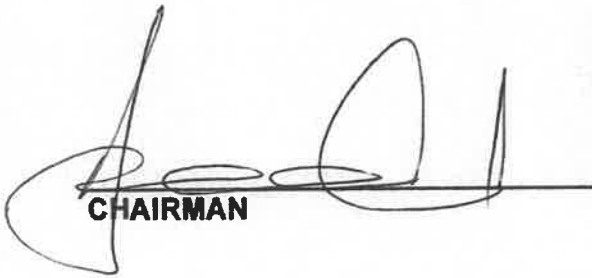
**14 Additional guidelines**

This policy is in addition to, and must be read with, the Board Charter and the Code of Ethics.

**15 Review and approval**

This policy will be reviewed every two years and may be amended as required.

**APPROVED BY THE BOARD**

  
CHAIRMAN

18 March 2020  
DATE