



Conflict of Interest Guidance Note



INTRODUCTION

MMH recognises that when conducting business, employees may be exposed to the offering or receiving of benefits other than a means of gratitude for a legitimate goal of building goodwill in business relationships.

It would be however unethical, against the law and contrary to good corporate governance for MMH, if its directors, officers, employees and representatives, receive a benefit with an intent to improperly influence or induce employees in order to obtain some benefit or result for a third party.

In this regard MMH will apply the general definition and test for a conflict of interest which is normally defined as a situation in which an employee is involved in more than one position to a set of circumstances, and serving one set of circumstances could involve working against the other. This typically relates to situations in which the personal interest of a person might be adversely affect a duty owed to his employer but makes a decision for the benefit of a third party and the employee.

The presence of a conflict of interest is **independent** of the occurrence of impropriety and therefore a conflict of interest can be declared or discovered and voluntarily defused before any corruption occurs.

For the purpose to guide and manage employees' exposure to conflicts of interest this policy must be read in conjunction with the MMH Code of Ethics and Standards for Conduct, the MMH Procurement Policy as well as the MMH Gift Policy.

This policy does not substitute the Conflict of Interest policy required by the Financial Advisory and Intermediary Services Act (FAIS) or the prohibition on acceptance of gratification directive, Directive 8, issued by the Financial Services Conduct Authority (FSCA) in terms of the Pensions Funds Act. A Conflict of Interest Policy for MM Directors also exists and deals specifically with the principles that all directors of the group must abide by. This policy is available on the Momentum Metropolitan website.

Where a FAIS Conflict of Interest Management Policy, the FSCA issued Directive 8 in terms of the Pensions Fund Act, the Conflict of Interest Policy for MM Directors or any other policy, is applicable to an employee, the employee must comply with the more onerous policy.

PURPOSE OF THE GUIDANCE NOTE

Due to the nature of conflict of interest, this guidance note aims at providing general guidance to all employees to identify and handle actual or potential conflicts of interest and the declaration thereof.

In accordance with the principles set out in the MMH Code of Ethics and Standards for Conduct, this Policy sets minimum standards that must be adhered to.

Business areas may supplement this policy with further requirements specific to their business by way of an addendum which must be approved by the MMH Executive Committee and must serve as an addendum to this policy. Such addendum must adhere to the minimum principles set by this policy.

WHAT CONSTITUTES A CONFLICT OF INTEREST?

A conflict of interest may occur when an employee's personal and/or business interest(s) conflicts with or could reasonably be perceived to conflict with the interests of MMH. Conflicts can be actual, potential or perceived and can be financial or non-financial in nature. A conflict of interest could result in one interest working against another resulting that a personal interest of an employee could adversely affect or influence the decision-making ability of the individual.

An individual is considered to have a potential conflict or a real conflict of interest when:

- **He or she or any member of his or her family** (spouse, domestic partner, parents, siblings, children or relative) or **friend(s) or acquaintance(s)** may receive a financial or other benefit as a result of the individual's position at MMH.
- He or she has the opportunity to influence a procurement or similar process (e.g. is employed in the procurement space but is a director on a company tendering for MMH) that could lead to a financial or other benefit for **him or her, family, friend(s) or acquaintance(s)** as a result of the individual's position at MMH.
- **He or she or any member of his or her family or friend(s) or acquaintance(s)** may receive a financial or other benefit as a result of the individual's link to or position at a vendor or service provider, to MMH.

In cases where a conflict of interest has been identified or could be present, it is critical that the conflict is declared to enable MMH to manage the position.

EXAMPLES OF POTENTIAL CONFLICT OF INTERESTS

The below list is a list of examples and not an exhaustive list:

- Hiring, promoting or directly supervising family members
- Be involved directly or indirectly in a business that sells goods or services to your employer
- Where the employee in the course of his duties are involved with procuring a vendor's services/products or can influence any other employee regarding the procurement of a vendor's offerings
- Securing business contracts/relationships in lieu of a financial reward (money/gifts/hospitality)
- Personal relationships (e.g. being in a personal relationship with a vendor)
- Secondary employment (working for other companies/your own business during working hours)
- Working/moonlighting at a service provider/product supplier that sells a competing product or service as MMH, etc.

EMPLOYEE RESPONSIBILITY

MMH expects its employees to maintain the highest standards of ethical conduct at all times and therefore employees are expected to declare any conflict of interest/potential conflict of interest

immediately for the consideration of MMH to deal with, manage or accept such a real or potential conflict .

Any employee of MMH who fails to comply with this policy will be in breach of his/her employment contract. Failure to disclose any actual or potential conflicts of interest could result in disciplinary action which may result in the termination of their employment contract.

MANAGEMENT RESPONSIBILITY

It is the responsibility of management to:

- Establish, review and maintain processes in your area to pro-actively identify any conflict of interest/possible conflict of interest between employees and their employer.
- Ensure that employees are aware of the obligation to disclose all conflicts/possible conflicts of interests timeously as per the company procedure.
- Where an employee has declared a conflict/possible conflict of interest, the manager of the employee will engage in a discussion with the employee to determine the extent of the conflict/possible conflict taking in account the test for undue influence and the contents of the MMH Code of Conduct and Standards of behaviour, MMH Gift Policy and MMH Procurement Policy.
- Should the manager pro-actively establishes that a conflict of interest exists/potentially exists and requires further guidance the manager will escalate the information to the relevant Chief Executive Officer and Chief Risk Officers to address and resolve the matter with the employee.
- If the presence of a conflict of interest is established and is deemed that it based on impropriety the matter must also be escalated to the Head: MMH Group Forensic Services.

The MMH recommended test for establishing conflict of interest is considering the answers to the below questions:

- Do personal interests of an employee be in real conflict, or **perceived** conflict with his or her duty to the employer?
- Do the person or persons linked to the employee stand to benefit from the relationship and would it cast doubt on the employee's ability to be objective?
- Would the involvement of a vendor or service provider with an employee, or vice versa considering the circumstances be viewed as unethical or against the value proposition of MMH?

IMPLEMENTATION OF AN AUTOMATED PROCESS TO DECLARE ACTUAL OR POTENTIAL CONFLICTS OF INTEREST AND MANAGEMENT FEEDBACK

- All employees will be required to declare any conflict of interest/potential conflict of interest on a shared repository on the MMH PeopleSoft portal.
- In addition, a bi-annual alert has been introduced whereby line managers will be prompted to remind sub-ordinates to make the required declarations.

Until such time that a solution has been implemented for non-PeopleSoft users, employees in this category will be required to declare any conflicts of interest to their immediate management.

Management will be accountable for managing potential or real conflicts of interest in terms of the Guidance Note.

WHEN IN DOUBT

Where an employee at any level of employment within MMH is in any doubt as to whether a particular conduct amounts to a conflict of interest or not, that employee must contact his/her immediate manager to obtain guidance.

Should the manager be unsure and not be able to provide guidance on a specific declaration, he/she must refer the matter to the relevant Compliance Division.
