



**CONFLICT OF INTEREST
UTHUKELA ECONOMIC DEVELOPMENT AGENCY
2026/2027 FINANCIAL YEAR**

POLICY TITLE	CONFLICT OF INTEREST
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TABLE OF CONTENT

1. DEFINITIONS OF TERMINOLOGY	3
2. PURPOSE.....	3
3. LEGISLATIVE FRAMEWORK.....	4
4. SCOPE OF THE POLICY.	4
5. TYPES OF TRANSACTIONS IN WHICH CONFLICTS MAY ARISE	5
6. OUTSIDE INTERESTS	5
7. OUTSIDE ACTIVITIES.....	6
8. GIFTS, GRATUITIES, AND ENTERTAINMENT	6
9. UNACCEPTABLE GIFTS.....	7
10. ACCEPTABLE GIFTS AND ENTERTAINMENT GENERALLY FALL INTO THE FOLLOWING CATEGORIES:.....	7
11. AN OFFER, GIFT, ENTERTAINMENT, OR ANYTHING OF VALUE MAY NOT BE ACCEPTED OR GIVEN IF IT IS:	7
12. LOANS.....	8
13. PROCEDURES.....	8
14. A PERSON WHO HAS A CONFLICT OF INTEREST CONCERNING A CONTRACT OR TRANSACTION THAT WILL BE VOTED ON AT A MEETING:.....	9
15. CONFIDENTIALITY.....	9
16. ACCEPTANCE OF POLICY	10
17. ANNUAL DISCLOSURE	10
18. REVIEW OF POLICY.....	10
19. APPROVAL.....	11

1. DEFINITIONS OF TERMINOLOGY

"UEDA": UThukela Economic Development Agency and all companies/agencies established or still to be established under the Agency;

"Conflict of Interest": Any circumstance described in paragraphs 3 and 4 of the policy;

"Responsible Person": Any person serving as an Officer or member of the Board of Directors of UEDA and any employee who has full, designated, and/or delegated authority to commit UEDA irrespective of their level of employment with UEDA;

"Family Member": A spouse, domestic partner, parent, child or spouse of a child, brother, sister, or spouse of a brother or sister, of a Responsible Person;

"Material Financial Interest": A financial interest of any kind, which, given all the circumstances, is substantial enough that it would, or reasonably could, affect a Responsible Person's or 'Family Member's judgment concerning transactions to which the entity is a party. This includes all forms of compensation; and

"Contract or Transaction": Any agreement and/or relationship, involving the sale of or purchase of goods, services, or rights of any kind, the providing or receipt of a loan or grant, and the establishment of any other type of financial relationship.

Services: any intangible activities such as cleaning, consultancy, legal etc.

Supplier: any supplier or potential supplier (including a legal entity) and includes a contractor, subcontractor, consultant, specialist, vendor etc. who provides goods and services to UEDA Agency or act on its behalf.

2. PURPOSE

This Conflict of Interest policy is designed to assist a Responsible Person in identifying situations that could present potential conflicts of interest and to provide UEDA with a

procedure that, if observed, will allow a transaction to be treated as valid and binding even though a Responsible Person has or may have a conflict of interest concerning the said transaction.

3. LEGISLATIVE FRAMEWORK

This policy is intended to comply with the procedures prescribed in the entities Act 75, 2008, as amended as well as any other act or law gazetted to or to be gazetted that deals with the ethical behaviour of Responsible Persons in Public and/or Private Enterprises and/or Entities.

4. SCOPE OF THE POLICY.

- A potential conflict could arise whenever the Responsible Person has an interest in, or connection with, an organization with which UEDA transacted or might transact business (or with individuals associated with such an organization) or has an interest in an unrelated business that does not necessarily transact or intend transacting business with UEDA, and where that interest is of such a nature that it might influence the independent judgment of the
- Responsible Person or detract the Reasonable Person from devoting his/her full-time efforts during business hours towards the business of UEDA.
- It should be understood that the conflicting interest referred to throughout this policy may be direct or indirect (the interest might be that of the Responsible Person, that of another person such as a relative or friend of the Responsible Person, or that of an organization in which the Responsible Person or such other person has an interest).
- It is not possible to enumerate all situations which could constitute a conflict. The facts of each situation will determine whether the interest in question is such as to bring it within the area of potential conflict.
- Such facts would include the amount of business involved, the extent to which the Responsible Person could influence UEDA's decisions concerning the transaction, and whether the interest is of such a nature that it might affect the objectivity or the business judgment of the Responsible Person.
- In determining whether a conflict is involved, there is no substitute for sound judgment based on the particular facts involved in each case.

5. TYPES OF TRANSACTIONS IN WHICH CONFLICTS MAY ARISE

- i. Common types of transactions where a Conflict of Interest may arise include, for example, the selection and use of consultants or other professional advisors, the selection or supervision of contractors, suppliers, or vendors, the sale of products, the purchase of materials, supplies, and equipment, the investment and borrowing of funds and an interest in a business unrelated to the business of UEDA.
- ii. Compensation arrangements and employment contracts directly affecting the Responsible Person involve obvious conflicts. In addition, when an opportunity, commonly referred to as a "corporate opportunity" to acquire property or to seize some financial or business advantage comes to the attention of a Responsible Person or as a result of his/her relationship to UEDA in a way that would permit its realization, and is relevant to UEDA's present or prospective purposes or goals, the Responsible Person must first present the opportunity to UEDA.
- iii. Only after an informed evaluation and determination by a disinterested majority of the Executive Committee of the Board of Directors of UEDA that UEDA should not pursue such corporate opportunity, should the Responsible Person be allowed to pursue the matter for his/her account or the benefit of others. For purposes of this policy, the following circumstances shall be deemed to create Conflicts of Interest.

6. OUTSIDE INTERESTS

- i. A Contract or Transaction between UEDA and a Responsible Person or /family Member of the Responsible Person.
- ii. A Contract or Transaction between UEDA and an entity in which a Responsible Person or family Member has a Material Financial Interest or of which such person is a Director, Officer, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, conservator or other legal representative.

- iii. A Responsible Person having an interest in a business, even though that business is unrelated to the business of UEDA and such business does not necessarily transact business with UEDA.

7. OUTSIDE ACTIVITIES

- i. A Responsible Person competing with UEDA in the rendering of services or in any other Contract or Transaction with a third party.
- ii. A Responsible Person having a Material Financial Interest in or serving as a director, Officer, employee, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, conservator, or other legal representative of, or consultant to an entity or individual that competes with UEDA in the provision of services or any other Contract or Transaction with a third party.

8. GIFTS, GRATUITIES, AND ENTERTAINMENT

- i. A Responsible Person or a Family Member may not accept from a third party any gift to the value of more than R2 000 or any other similar benefit where the gift or benefit results out of the course of the Responsible Person's duties towards or relationship with UEDA.
- ii. Gifts of cash or cash equivalents from a third party to a Responsible Person of any amount are not permitted.
- iii. If a Responsible Person is offered any cash or gift to the value of more than R2 000 or similar benefit from a third party, he/she should immediately report it to his/her direct supervisor or the Managing Director or Board of Directors for approval following the line of protocol applicable to him/her.
- iv. The giving or receipt of common courtesies, occasional meals, or reasonable entertainment appropriate to the business relationship and associated with business discussions are regarded as consistent with sound business practice. Unusual items,
- v. However, must be reviewed and approved in advance by the Board of Directors. (Refer to clause 3.5.6 below)

9. UNACCEPTABLE GIFTS

A responsible person may not accept gifts, entertainment, or other favours from any individual or entity that: does or is seeking to do business with, or

- i. Is a competitor of UEDA; or has received, is receiving.
- ii. Is seeking to secure any financial commitments from UEDA.
- iii. Under circumstances where it might be inferred that such action was intended to influence or possibly would influence the responsible Person in the performance of his/her duties.

10. ACCEPTABLE GIFTS AND ENTERTAINMENT GENERALLY FALL INTO THE FOLLOWING CATEGORIES:

- i. Occasional meals of reasonable expense with a business partner.
- ii. Ordinary sports, theatre, and other cultural events of a nominal value.
- iii. Other gifts of nominal value or reasonable entertainment.

11. AN OFFER, GIFT, ENTERTAINMENT, OR ANYTHING OF VALUE MAY NOT BE ACCEPTED OR GIVEN IF IT IS:

- i. Illegal or would result in a violation of the law
- ii. Cash or a cash equivalent (such as gift certificates, loans, stock, or stock options)
- iii. A 'quid pro quo' or part of an agreement requiring anything in return for the gift sexually oriented, or otherwise violates UEDA's commitment to mutual respect in violation of UEDA's standards or the standards of the recipient's organization.
- iv. Gifts, gratuities, or entertainment to government officials may never be offered or provided without prior written approval of the Board of Directors.

12. LOANS

- i. No loans shall be made by UEDA to any of its Officers or Directors or their Family Members as defined herein.

13. PROCEDURES

- i. Before Board or committee action on a Contract or Transaction (whether directly or indirectly) involving a Conflict of Interest, a Director or committee member having a Conflict of Interest must, before the meeting of the Board at which the question of confirming or entering into the contract or transaction is first taken into consideration, disclose all facts material to the Conflict of Interest.
- ii. The Chairperson shall report the disclosure at the meeting and the disclosure shall be reflected in the minutes of the meeting.
- iii. Each Director present at the meeting must state in writing that he/she has read the declaration provided by the Director having the Conflict of Interest.
- iv. If for any reason the Director can't make any such declaration at or before a particular meeting of the Board, he/she may make it at the first meeting of Directors held thereafter at which it is possible for him/her to do so and shall in that event state the reason in writing why it was not possible to disclose such particular meeting.
- v. A Director or committee member who plans not to attend a meeting at which he/she has reason to believe that the Board or committee will act on a matter in which the person has a Conflict of Interest, shall disclose to the chair of the meeting all facts material to the Conflict of Interest. The chair shall report the disclosure at the meeting and the disclosure shall be reflected in the minutes of the meeting.
- vi. A person who has a Conflict of Interest shall not participate in or be permitted to hear the Board's or committee's discussion of the matter except to disclose material facts and to respond to questions. Such a person shall not attempt to exert his or her influence concerning the matter, either at or outside the meeting.

14. A PERSON WHO HAS A CONFLICT OF INTEREST CONCERNING A CONTRACT OR TRANSACTION THAT WILL BE VOTED ON AT A MEETING:

- i. Shall not be counted in determining the presence of a quorum for purposes of the vote.
- ii. May not vote on the Contract or Transaction.
- iii. And shall not be present in the meeting room when the matter is discussed and a vote is taken.
- iv. Such a person's ineligibility to vote shall be reflected in the minutes of the meeting. For purposes of this paragraph, a member of the Board of Directors of UEDA has a Conflict of Interest when he/she stands for election as an Officer or for re-election as a member of the Board of Directors.
- v. Responsible Persons who are not members of the Board of Directors of UEDA, or who have a conflict of interest concerning a contract or Transaction that is not the subject of Board or committee action, shall disclose to the chair or the chair's designee any Conflict of Interest that such responsible person has concerning a contract or transaction.
- vi. Disclosure shall be made as soon as the Conflict of Interest becomes known to the Responsible Person. The Responsible Person shall refrain from any action that may affect UEDA's participation in such Contract or Transaction.
- vii. In the event of it not being entirely clear that a Conflict of Interest exists, responsible person with the potential conflict shall disclose the circumstances to the chair or the chair's designee, who shall determine whether there exists a Conflict of Interest that is subject to this policy.

15. CONFIDENTIALITY

- i. Each Responsible Person shall exercise care not to disclose confidential information acquired in connection with such status or information, the disclosure of which might be advertised to the interests of UEDA. Furthermore, a Responsible Person shall not disclose or use

information relating to the business of UEDA for the personal profit or advantage of the Responsible Person or a Family Member.

16. ACCEPTANCE OF POLICY

- i. Each new Responsible Person shall be required to review a copy of this policy and to acknowledge in writing that he/she has reviewed the policy, understands the content, and agrees to be bound by it.


17. ANNUAL DISCLOSURE

- i. Each Responsible Person shall at least annually, or as determined by UEDA, and as and when changes occur, complete a declaration form (as issued and amended by UEDA from time to time) identifying any relationships, positions or circumstances in which the Responsible Person is involved that he/she believes could contribute to or result in a Conflict of Interest.
- ii. Such relationships, positions, or circumstances might include service as a director of or consultant to an outside company, ownership of a business that might provide goods or services to UEDA, or an interest in an unrelated business that does not necessarily transact business with UEDA.
- iii. Any such information regarding the business interests of a Responsible Person or a Family Member shall be treated as confidential and shall generally be made available only to the Chairman of the Board, the Chief Executive Officer, and any committee appointed to address Conflicts of Interest, except to the extent that additional disclosure is necessary in connection with the implementation of this policy.

18. REVIEW OF POLICY

This policy shall be reviewed at least annually by the Board of Directors.

19. APPROVAL

NAME	SIGNATURE	DESIGNATION	DATE
MR SB SIBISI		ACTING CHIEF EXECUTIVE OFFICER	

