Welgemoed CID - Conflict of Interest - Meeting Procedure

Definition:

"Conflict of Interest" means a conflict between the official duties and the private or personal interests of directors, sufficient to influence, or reasonably appear to influence, the objective exercise of their official duties and responsibilities, irrespective of whether or not the CID company suffers harm as a result of the conflict.

1. Declaration of Interests

All directors must act in the best interests of the CID at all times and avoid situations where their personal, professional, or organisational interests conflict, or may reasonably appear to conflict, with those of the CID. Directors must disclose any actual, potential, or perceived conflict of interest as soon as it arises. This includes serving as a director, trustee, employee, or advisor to another organisation or having an interest in an entity engaging with the CID.

2. Specific Application to Dual Directorships

Where a director serves on both the CID board and another organisation that engages with or is affected by CID decisions, this constitutes a continuing potential conflict of interest. Such directors must treat all matters involving that organisation as conflicted matters.

3. Recusal Requirements

Where a conflict exists, the affected director(s) must submit a written disclosure to the Chairperson, not participate in discussions, not influence other board members, and not vote on the matter. The director(s) should leave the meeting for the duration of the relevant agenda item where appropriate. If the Chairperson is the affected director, he/she must temporarily step down for the relevant agenda item, and another non-conflicted director must chair the discussion and decision-making process.

4. Recording in Minutes

The nature of the conflict, the declaration made, and the recusal (including time of departure and return if applicable) must be recorded in the meeting minutes.

5. Failure to Disclose

Failure to disclose a conflict of interest may result in invalidity of the decision, disciplinary action, or removal from the board in accordance with the Companies Act, No. 71 of 2008.

Meeting Procedure for Handling Conflicts

Step 1: Standing Declaration – At the start of each meeting, directors are asked to declare any actual, potential or perceived conflicts of interest relating to matters on the agenda. Directors must also declare any conflict that becomes apparent during the meeting or in relation to a specific agenda item.

Step 2: Disclosure – The conflicted director(s) discloses the nature of the interest.

Step 3: Chair's Ruling – The Chair determines whether a conflict exist, and where appropriate, instructs recusal.

Step 4: Recusal – The conflicted director(s) leaves the meeting for the duration of the discussion and voting and does not participate in any way.

Step 5: Quorum Confirmation – Before deliberating on or deciding the matter, the remaining directors must confirm that a quorum is still present. If a quorum is not present, no resolution may be passed on that matter.

Step 6: Deliberation and Decision – The remaining non-conflicted directors consider and decide on the matter.

Step 7: Re-entry – Once the discussion and decision have been concluded, the director(s) may rejoin the meeting.