

# Conflict of Interest Policy

As an employee, you should always, act in the best interest of Longhorn Publishers Plc while performing your job for the Company. A conflict of interest arises when your personal activities and relationships interfere, or appear to interfere, with your ability to act in the best interest of the Company.

This policy is to provide for some conflict of interest situations. While this may not address every potential conflict of interest, it is expected that you will in addition use your conscience and common sense. When unsure, seek guidance from your relevant HoD.

## How do you determine Conflicts of Interest?

In any potential conflict of interest situation, ask yourself:

- Could my personal interests interfere with those of the Company?
- Might it appear that way to others, either inside or outside of the Company?

When unsure, seek guidance.

## Situations that would lead to potential conflicts of interest:

### 1. Intellectual Property:

As a publishing house, we are creators, acquirers, custodians, and managers – owners and users – of intellectual property rights. We own certain rights in the products we produce and sell, and we hold other rights on behalf of third parties. We are therefore under obligation to treat the rights of others with respect. This is a moral obligation, which is equivalent to our legal responsibilities.

All Longhorn Publishers Plc employees are therefore bound by this legal requirement not to disseminate any information that is not considered public. This covers information on products in whatever form that has not been released to the public for distribution.

Our value is not only calculated according to the land, property or equipment we owns, or even the books stacked in the warehouse. Our most valuable assets are those that will continue to generate income when the warehouse shelves have long been emptied, namely the rights the company owns or controls. These include:

- a) Contracts with authors which grant the us the right to publish and sell their works;
- b) The titles in our catalogue and our backlist;
- c) The potential revenue streams from sub-licensing arrangements; and
- d) The potential to publish for other and different customers through digital means like print-on-demand, or in digital format (i.e. By way of the internet).

Personal initiatives on creating content parallel to Longhorn Publishers Plc work must be declared. This includes all works done under pen names including online journals.

### 2. Outside Employment, Speeches and Presentations:

While in the employment of Longhorn Publishers Plc, you will not be employed by, or otherwise provide services for and receive payment from, any customer, supplier or competitor of the Company without prior written approval from the Group Managing Director.

You must have prior written approval from the Group Managing Director before accepting reimbursement for expenses, or any other payment, for speeches or presentations outside Longhorn Publishers Plc, if:

- You are giving the speech or presentation as part of your job with the Company;

- The speech or presentation describes your work with the Company; or
- You are formally identified at the speech or presentation as an employee of the Company.

### 3. Dealing with Suppliers:

- Take particular care if you are responsible for selecting or dealing with a supplier on behalf of the Company. Your personal interests and relationships must not interfere, or appear to interfere, with your ability to make decisions in the best interest of the Company. When selecting suppliers, always follow applicable Company procurement guidelines.
- *If you have discretionary authority in dealing with a company as part of your job with Longhorn Publishers Plc, you may not have any financial interest in that company without prior written approval from your immediate supervisor.*

### 4. Outside Service as an Officer or Director

In general, you may serve as an officer or member of the board of directors of another for-profit business only with prior written approval of The Group Managing Director. You must renew this approval annually. Group Managing Director approval is not required for:

- Service as an officer or director of another company, such as a subsidiary, at the request of Longhorn Publishers Plc (other approvals may be necessary in such a case, however, per the *Delegation of Authority*); or
- Service as an officer or director of a charitable or other non-profit institution or trade organization, or for service as an officer or director of a family-owned business, unless the business is a customer, supplier or competitor of the Company.

Conflict of interest can arise due to a member of staff being connected to a competitor, supplier, author, customer or regulating authority. The connections that could result to a possible conflict of interest includes:

- a. Ownership of more than 10% of the company's equity shares
- b. Entitlement to dividend, interest income, royalties, share of profit of the company or any other financial or non-financial gain.
- c. Ownership or entitlement to the benefits highlighted in a & b above to a spouse, relative or close friend or a proxy of these individuals.
- d. Close relationship with a senior official of a Regulating Authority that has a direct influence on the operations of Longhorn Publishers Plc and its associates.

Engaging in personal business with an entity that is involved in publishing content whether print or digital, providing consultancy services that are directly related to the publishing of content e.g editorial, illustration, animation, platform development and proof reading is strictly **NOT** permitted for employees of Longhorn, their immediate family and close family members.

For purpose of this policy, a company means any business whether registered as a statutory entity or not. Business also includes a personal venture which derives a financial gain.

Non-financial gain for purpose of this policy includes:

- Options to future profit or shares that will vest at some point in time
- Promise of employment to the staff or any close member of the employee's family
- Business relations that the employee or close family member and friend could derive a benefit e.g Including a head teacher as an author in a book in order to secure your child or that of a family member or friend admission into a school.

In instances where an employee identifies that there may be a potential conflict of interest, the following action should be taken by the employee:

- a. Notify through email their Immediate line manager and copy the Group Managing director
- b. Cease any further business engagement with the entity until the employee receives written clearance from the Group Managing Director.

When the employee is in doubt on whether there could be a conflict of interest, he should consult the Head of Audit & Risk for clarification immediately.

## 5. Relatives and Friends

Many employees have relatives who are employed by or invest in customers or suppliers of Longhorn Publishers Plc. These financial interests do not create a conflict under the Code unless:

- a) You have discretionary authority in dealing with any of these companies as part of your job with Longhorn Publishers Plc; or
- b) Your relative deals with Longhorn Publishers Plc on behalf of the other company.

In either of these situations, you must have written approval from the Group Managing Director, and you must renew this approval annually.

In addition, personal relationships at work must not influence your ability to act in the best interest of the Company, and must not affect any employment relationship. Employment-related decisions should be based on qualifications, performance, skills and experience.

### Example:

#### Supplier Selection

**Q:** *It is my job to select a supplier for the Company. One of the suppliers being considered is a company owned by my spouse. Do I need to take any precautions?*

**A:** In this situation, your interest in your spouse's business conflicts—or at least appears to conflict—with your responsibility to select the best supplier for Longhorn Publishers Plc. You should consult your manager and Group Managing Director. The best course of action is either for you not to be involved in the selection process, or for your spouse's business to be eliminated from consideration.

## 6. Dealing with Governments

The multinational nature of our business often requires that we interact with officials of various governments. Transactions with governments are covered by special legal rules, and are not the same as conducting business with private parties. Consult The Group managing Director to be certain that you are aware of, understand and abide by these rules.

In general, do not offer anything to a government official—directly or indirectly—in return for favorable treatment. **You must obtain prior approval before providing anything of value to a government official.** Ensure that any such payments are properly recorded or accounted for in the appropriate Company account.

### “Anything of Value”:

This phrase literally means anything that might have value to a government official, including cash, gifts, meals, entertainment, business opportunities, Company product, offers of employment and more. There is no monetary threshold; any amount could be construed as a bribe.

## 7. Political Activity

Longhorn Publishers Plc encourages personal participation in the political process in a manner consistent with all relevant laws and Company guidelines.

### Personal Political Activity

- The Company will not reimburse employees for personal political activity.
- Your job will not be affected by your personal political views or your choice in political contributions.
- Do not use the Company's reputation or assets, including your time at work, to further your own political activities or interests.
- If you plan to seek or accept a public office, you must disclose to the Group Managing Director. Sometimes, this may require that you resign from the employment of the Company.

## 8. Dealing with Customers, Suppliers and Consumers

**The Company values its partnerships with customers, suppliers and consumers. Treat these partners in the same manner we expect to be treated.**

Always deal fairly with customers, suppliers and consumers, treating them honestly and with respect:

- a) Do not engage in unfair, deceptive or misleading practices.
- b) Always present Company products in an honest and forthright manner.

## 9. Dealing with Competitors

**Take care in dealing with competitors, and gathering information about them. Various laws govern these sensitive relationships.**

### i. Competition Law

Longhorn Publishers Plc competes fairly, and complies with all applicable competition laws around the world. These laws often are complex, and vary considerably from country to country—both in the scope of their coverage and their geographic reach. Conduct permissible in one country may be unlawful in another. Penalties for violation can be severe.

### ii. Competitive Intelligence

Employees are encouraged to collect, share and use information about our competitors, but to do so only in a legal and ethical manner. Just as the Company values and protects its own nonpublic information, we respect the nonpublic information of other companies.

### iii. Acceptable Intelligence Gathering

It is acceptable to collect competitive intelligence through publicly available information or ethical inquiries. For example, you may gather and use information from sources such as:

- Publicly available filings with government agencies
- Public speeches of company executives
- Annual Reports
- News and trade journal articles and publications

You also may ask third parties about our competitors, or accept competitive intelligence offered by a third party, ***as long as there is no reason to believe that the third party is under a contractual or legal obligation not to reveal such information.***

## 10. Prohibited Activities:

The following basic restrictions apply to our ability to gather competitive intelligence:

- Do not engage in any illegal or illicit activity to obtain competitive information. This includes theft, trespassing, eavesdropping, wiretapping, computer hacking, invasion of privacy, bribery, misrepresentation, coercion, espionage or threats.
- Do not accept, disclose or use competitive and proprietary information that you know or have reason to believe was disclosed to you in breach of a confidentiality agreement between a third party and one of our competitors.
- Do not disclose or use competitive information that is, or you believe should have been, marked "proprietary" or "confidential" without consulting The Group Managing Director.

## 11. Administration of the Declaration of the Conflict of Interest

- This is designed to ensure consistency in how employees conduct themselves within the Company, and in their dealings outside of the Company. The procedures for handling potential violations have been developed to ensure consistency in the process across the organization.
- No set of rules can cover all circumstances. These guidelines may be varied as necessary to conform to local law or contract.

### Responsibility

- The responsibility for administering this rests with the Group Managing Director and any other person under the Delegation of Authority of the Group Managing Director.

### Investigation of Potential Code Violations

- The Company takes all reports of potential conflicts of interest seriously and is committed to confidentiality and a full investigation of all allegations. The Company's Audit, Finance and Human Resource personnel may conduct or manage conflict of interest investigations. Employees who are being investigated for a potential conflict of interest will have an opportunity to be heard prior to any final determination. The Company follows applicable local grievance procedures as prescribed by law and the Company's Human Resources Policy and Procedures Manual where such procedures apply.

### Decisions

- The Board of Directors will make all decisions about unethical conduct and violations and discipline, but may delegate certain categories of decision to management through the Group Managing Director. Those found to have worked in breach of the company policies and procedures can seek reconsideration of the violation and disciplinary action decisions. Refer to the *Disciplinary Procedures* for more information on the investigation and decision-making process.

## 12. Disciplinary Actions

- The Company strives to impose disciplinary action that fits the nature and circumstances of each violation. The Company uses a system of progressive discipline, issuing letters of reprimand for less significant, first-time offenses. Violations of a more serious nature may result in suspension without pay; loss or reduction of salary increase, bonus or termination of employment.
- When an employee is found to have engaged in activities that are in conflict with the interests of the Company, notation of the final decision, and a copy of any letter of reprimand, will be placed in the employee's personnel file as part of the employee's permanent record.

## 13. Reporting of Conflict of interest and Investigations

All conflict of interest reports must be made to the Chief Internal Audit Officer or the Group Managing Director or to [EthicsLine@longhornpublishers.com](mailto:EthicsLine@longhornpublishers.com).

### Reporting responsibility

- Annual declarations
  - Ethics hotline service:
    - Toll Free Number: 0800 720 521
    - Email: [longhornpublishers@whistleblowing.co.za](mailto:longhornpublishers@whistleblowing.co.za)
    - International Fax: +27 31 312 8825
    - Postal: PO BOX 51006, MUSGRAVE, 4062
    - WhatsApp Live: +27 71 868 4792
    - Online: [www.whistleblowing.co.za](http://www.whistleblowing.co.za)
- Whistle Blowers App available in the Google Play Store and Apple iOS Store

## 14. Signature and Acknowledgement

All employees must sign an acknowledgement form confirming that they have read the Conflict of Interest Definitions and agree to abide by its provisions and make declarations where applicable.

### Glossary

The Glossary defines some of the terms used in the Conflict of Interest Definitions. If these definitions or other words or phrases used are still unclear, please consult The Group Managing Director or the Internal Audit Office.

- (a) **Anything of value** – Anything that might have value to a government official, including cash, gifts, meals, entertainment, business opportunities, Company product, offers of employment and more. There is no monetary threshold; any amount could be construed as a bribe.
- (b) **Bribe** – Giving or offering to give anything of value to a government official to influence a discretionary decision. Local law may impose a broader definition in some jurisdictions.
- (c) **Company assets** – Includes, among other things, the Company's money or product, employees' time at work and work product, computer systems and software, telephones, wireless communication devices, photocopiers, Company vehicles, proprietary information and Company trademarks.
- (d) **Competitive intelligence** – Information about our competitors.
- (e) **Competitor** – For the purposes of the Conflicts of Interest and Competitive Intelligence provisions only, "competitor" means any business or entity, other than Longhorn Publishers Plc or one of its subsidiaries, that manufactures or sells educative learning materials both in soft and hard copy format or any business or entity that is actively considering such activity.
- (f) **Customer** – Any business or entity to which Longhorn Publishers Plc or one of its subsidiaries sells a finished product bearing a trademark of Longhorn Publishers Plc.
- (g) **Discretionary authority in dealing with a company** – The authority to influence the Company's selection of a supplier or to influence significantly the Company's relationship with an existing customer or supplier.
- (h) **Facilitating payments** – Payments to government officials made to expedite or facilitate non-discretionary actions or services.
- (i) **Government officials** – Employees of any government anywhere in the world, even low-ranking employees or employees of government-controlled entities. The term also includes political parties and party officials, candidates for political office, and employees of public international organizations, such as the United Nations.
- (j) **Material nonpublic information** – Non-public information that would be reasonably likely to affect an investor's decision to buy, sell or hold the securities of a company. Examples include a significant merger or acquisition involving the Company, the Company's earnings or results before they are announced, and a change in control of senior management of the Company. Many other matters may be material. If you are uncertain whether nonpublic information of which you are aware is material, consult The Group Managing Director.
- (k) **Non-public information** – Any information that the Company has not disclosed or made generally available to the public, which may include information related to employees, inventions, contracts, strategic and business plans, major management changes, new product launches, mergers and acquisitions, technical specifications, pricing, proposals, financial data and product costs.

- (l) Relative** – A spouse, parent, sibling, grandparent, child, grandchild, mother- or father-in-law, or same or opposite sex domestic partner, as well as any other family member who lives with you or who is otherwise financially dependent on you, or on whom you are financially dependent.
- (m) Supplier** – Any vendor of product or services to the Company, including consultants, authors, designers, illustrators, editors, contractors and agents. The definition also includes any supplier that the Company is actively considering using, even if no business ultimately is awarded.

**Additional resources**

- Human Resources Policy and Procedures Manual
- Anti-Bribery & Corruption Policy
- Your Employment Contract.