

POLICY: NEPOTISM

BACKGROUND

The corporate nepotism policy is established to facilitate the development of controls that will aid in the detection and prevention of nepotism within Reverside. It is the intent of Reverside to promote consistent organisational behaviour by providing guidelines and assigning responsibility for the development of controls and conduct of investigations where nepotism is concerned. This policy demonstrates Reverside's attitude towards nepotism which could result in favouritism and/or conflict of interest when engaging people who are related either by blood or marriage, or whose personal relationship may affect the efficient running of Reverside. Reverside recognises that nepotism in the workplace may have a negative impact on productivity and fuel accusations of favoritism.

This policy aims to minimize these risks and to keep Reverside free of discrimination of any kind.

SCOPE OF POLICY

This policy applies to any irregularity, or suspected irregularity, involving employees as well as shareholders, consultants, vendors, contractors, outside agencies doing business with employees of such agencies, and/or any other parties with a business relationship with Reverside. Any investigative activity required will be conducted without regard to the suspected wrongdoer's length of service, position/title, or relationship to Reverside.

DEFINITIONS

The term "relative" refers to any person who has a relation by blood or marriage with an employee. Also included are people who live together in a domestic partnership or children who were adopted. In addition this includes people who are engaged in personal and/or intimate relationships outside the workplace. This includes but is not limited to: parents, step-parents, grandparents, in-laws, spouses, partners (for example boyfriends, girlfriends, fiancés), children, step-children, adoptive children, grandchildren, siblings, uncles, aunts, nieces and nephews.

POLICY

It is not the policy of Reverside to refuse the hiring of an employee's relatives. The policy stipulates that where there could be favouritism or conflict of interest based on employee relationships, then the Nepotism policy applies.

Favoritism or conflict of interest may occur when managers or supervisors are involved in a process with their relative that constitutes a **reporting relationship**. This even so when the reporting relationship is not within a direct reporting line, but may be two or more levels above.

Examples are when:

- Managers decide or have an influence in deciding which employee to promote.
- Managers decide or have an influence in deciding which contracts to renew.
- Managers complete or oversee performance reviews.
- Managers are responsible for disciplining a relative.
- Managers are part of a hiring committee.

To avoid such incidents or suspicions of favoritism and conflict of interest, the following anti-nepotism practices (inter alia) apply:

- Employees who are related must not be involved in a supervisory/reporting relationship with one another.
- Employees cannot be transferred, promoted or hired inside a reporting relationship with a relative.
- Employees cannot be part of a hiring committee, when a relative is considered for the position.

Any irregularity that is detected or suspected must be reported immediately to the Director: Human Resources, who must coordinate all investigations with all affected areas, both internal and external.

ACTIONS CONSTITUTING NEPOTISM

It is the goal of Reverside to avoid creating or maintaining circumstances in which the appearance or possibility of favoritism, conflicts or management disruptions exist. Reverside may allow existing personal relationships to be maintained or employ individuals with personal relationships to current employees under the following circumstances:

- Individuals may not work under the supervision of the same manager;
- They may not create a supervisor/subordinate relationship with a family member;
- They may not supervise or evaluate a family member;
- The relationship will not create an adverse impact on work productivity or performance;
- The relationship may not create an actual or perceived conflict-of-interest;
- They may not audit or reviewing in any manner the individual's work;

- They may not be employed if a member of the employee's immediate family (spouse, children, parents, grandparents, brothers, sisters, step family members, in-law family members) serves on Reverside's Board or any Committee or Council which has authority to review or order personnel actions or wage and salary adjustments which could affect his/her job

Two employees may not be in a reporting relationship if they are relatives. Should this be the case, one of the two must be transferred. If two employees who are in a reporting relationship become relatives in the course of their employment, one of the two must be transferred.

Employees will be consulted as to which of them will be transferred, before management makes a final decision. Transfers will be discrimination-free. For example, the person being transferred must not always be a woman or the more junior of the employees. This will violate our anti-discrimination policy. Transfers will be in line with Reverside's business strategy and model.

If accommodations are not feasible then the Director: Human Resources in consultation with the Chief Executive Officer, shall consult with the affected employees in order to resolve the situation in a manner consistent with the labour legislation of South Africa.

Employees are asked to act professionally when working with a relative and seek counsel from management and/or Human Resources if there are any problems.

It is the responsibility of every employee to identify to the Director: Human Resources any potential or existing personal relationship which falls under the definitions provided in this policy, within a week of such relationship being engaged in. Employees who fail to disclose personal relationships covered by this policy will be subject to disciplinary action up to and including the termination of employment, as this will constitute Misconduct.

OTHER IRREGULARITIES

Irregularities concerning an employee's moral, ethical, or behavioural conduct based on their personal relationship with another employee should be resolved by departmental management and the Director: Human Resources.

If there is any question as to whether an action constitutes nepotism, contact the Director: Human Resources for guidance.

INVESTIGATION RESPONSIBILITIES

The Director: Human Resources has the primary responsibility for the investigation of all suspected acts of nepotism as defined in the policy. If the investigation substantiates that such activities have occurred, the Director: Human Resources will issue reports to appropriate designated personnel and, if appropriate, to the Board of Directors.

CONFIDENTIALITY

The responsible parties must treat all information received confidentially. Any employee who suspects nepotistic activity will notify the Director: Human Resources immediately, and should not attempt to personally conduct investigations or interviews/interrogations related to any suspected act of nepotism (see REPORTING PROCEDURE section below).

Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct and to protect Reverside from potential civil liability.

AUTHORIZATION FOR INVESTIGATING SUSPECTED NEPOTISM

The Director: Human Resources and her designated responsible parties will have:

- Free and unrestricted access to all Reverside records and premises, whether owned or rented; and
- The authority to examine, copy, and/or remove all or any portion of the contents of files, desks, cabinets, and other storage facilities on the premises without prior knowledge or consent of any individual who might use or have custody of any such items or facilities when it is within the scope of their investigation. Such activity will be thoroughly documented and recorded.

REPORTING PROCEDURES

Great care must be taken in the investigation of suspected irregularities so as to avoid mistaken accusations or alerting suspected individuals that an investigation is under way.

An employee who discovers or suspects acts of nepotism will contact the Director: Human Resources immediately. The employee or other complainant may remain anonymous. All inquiries concerning the activity under investigation from the suspected individual, his or her representative, or any other inquirer should be directed to the Director: Human Resources. No information concerning the status of an investigation will be given out. The proper response to any inquiries is: "I am not at liberty to discuss this matter." Under no circumstances should any reference be made to "the allegation," or any other specific reference.

The reporting individual should take cognisance of the following:

- Do not contact the suspected individual in an effort to determine facts or demand restitution;
- Do not discuss the case, facts, suspicions, or allegations with anyone who is not directly involved with the investigation or the outcome of the investigation and who have no legitimate need to know. This includes any family member and/or friend.

OUTCOME

If an investigation results in a finding that nepotism has occurred, then the appropriate disciplinary action for Misconduct must occur. The Director: Human Resources is responsible for this procedure and, if necessary, outside counsel may be sought in order to take the necessary disciplinary action.

ADMINISTRATION

The Director: Human Resources is responsible for the administration, revision, interpretation, and application of this policy. The policy will be reviewed annually and revised as needed.

APPROVAL

(Chief Executive Officer)

Date