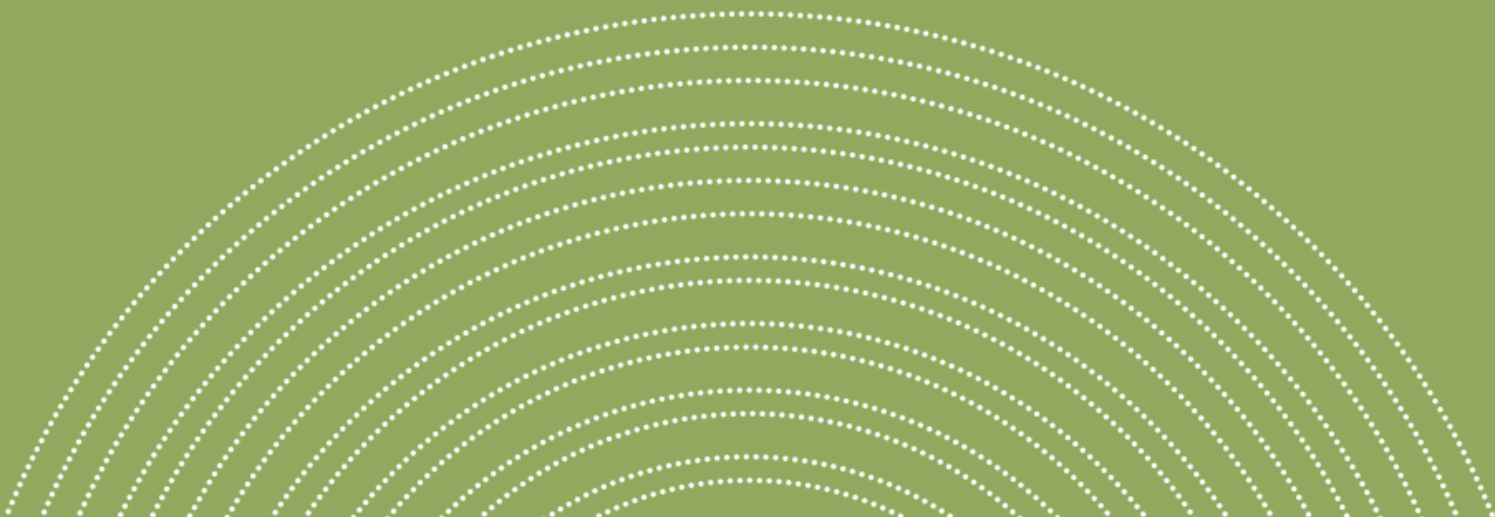




AFRICAN CIRCULAR
ECONOMY NETWORK

ACEN'S Governance Framework



African Circular Economy Network - Governance Framework

ACEN joins circular economy practitioners who are committed to build a restorative African economy that generates well-being and prosperity inclusive of all its people through new forms of economic production and consumption, which maintain and regenerate its environmental resources. www.acen.africa

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Definitions

ACEN	The African Circular Economy Network also referred to as the Network in this document
Companies Act	Companies Act No. 71 of 2008 and its Regulations (as amended from time to time)
King IV	Code of Governance Principles for South Africa
The Framework	Refers to ACEN's Governance Framework

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1 Introduction

1.1. Governance Framework

The purpose of this Governance Framework is to:

- assess governance processes against best practice standards;
- assess potential risk;
- develop strategies to build organisational resilience and consistency across the organisation; and
- assure funders that governance principles have been considered and implemented, where appropriate.

The Framework is structured around the main principles of the Code of Governance Principles for South Africa ("King IV").

1.2. What do we do?

ACEN aims to build a restorative African economy that generates well-being and prosperity inclusive of all its people through new forms of economic production and consumption while maintaining and regenerating its environmental sources.

1.3. ACEN Registration

- SDS: Non-Profit Organisation registered in South Africa (195-590 NPO)
- CIPC: Non-Profit Company registered in South Africa (2020/115399/08).
- SARS: Public Benefit Organisation and Sec18(A) status. PBO 930072689

1.4. ACEN Governance Structure

ACEN is managed by an Advisory Board, a Board of Directors and an Operations team (Figure 1). The Advisory Board is our highest governance structure and provides strategic and governance direction to our organisation. The Board of Directors provide statutory functions as required by the organization. The Board of Directors is made up of a minimum of three executive members two to five non-executive members. The non-executive directors are chosen for 2 years and need to attend at least a 50% of the board of Directors meeting in a year. The non-executive directors do not form part of the operational team and need to correctly carry their title as non-executive director. ACEN reserves the option to appoint either a General Manager (GM) or Chief Operations Officer (COO) for daily operational management issues,

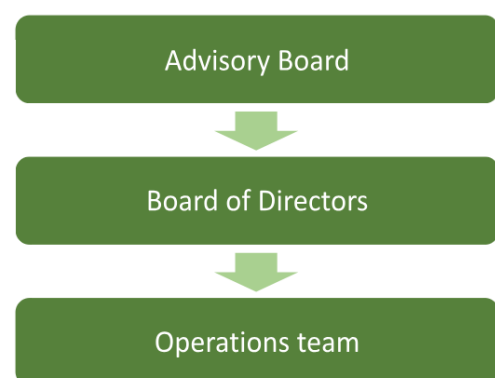


Figure 1 – Governance structure

but they serve under the direction of the Board of Directors. On a day to day bases ACEN is run by the Operations team.

ACEN is a membership-based organisation, and the organisation (the Network) aims to bring capacity to the circular economy through members across Africa. The membership structure comprises of the following membership categories: Chapter Member, Friend of ACEN, Country Representative, Chapter Lead, and Organisational Member. ACEN has a number of partnerships and agreements with like-minded institutions across the globe. The Board of Directors and Operations team are selected from the membership. However, members not part of these structures have no voting rights in the organisation.

1.5. Governance continuous improvement

To support our commitment to achieving excellence in governance, the Advisory Board will have a strong focus on continuous improvement in governance, including regularly reviewing governance arrangements and continuing high quality and effort to implement changes. This also means that the Governance Framework will be updated if required.

1.6. Monitoring of the Framework

The Advisory Board is responsible for monitoring and reviewing this framework's effectiveness to ensure that it remains current and reflects best practice.

2. Conflict of Interest Policy

This Conflict of Interest Policy, applies to all the directors of ACEN.

2.1. Recordal

A director should at all times avoid conflicts between his or her interests and the interest of the company. Directors' fiduciary duties require a director to not place themselves in a position in which their personal interests conflict, or possibly may conflict, with their duty to act in good faith, for a proper purpose and in the company's best interest.

The Companies Act, with specific reference to section 75 of the Act, details the requirements relating to a situation where a director has a personal financial interest in a contract or arrangement to be entered into or being considered by ACEN.

- The Act uses the phrase "personal financial interest", which is defined as a direct material interest of a financial monetary or economic nature or to which a monetary value can be contributed, excluding an interest in a unit trust or collective investment scheme unless the person in question has direct control over investment decisions of that fund or investment.
- The phrase "personal financial interest" includes related parties to the Director. The Director is deemed to be related to a natural person if the Director is married to that

person or lives together in a relationship similar to marriage or the Director and that natural person is not separated by more than two degrees of natural or adopted kinship. The Director is deemed to be related to a juristic person if the Director can exercise control over that juristic person.

Any disclosure made by the Director in terms of section 75 must be recorded in the relevant meeting minutes.

2.2. Information to be disclosed

The Director has to submit to the Board a memorandum in writing, setting out the nature and extent of that personal financial interest, and this memorandum shall be valid until it is changed or withdrawn by further written notice from the Director.

3. Code of Ethics and Conduct Policy

This Code of Ethics and Conduct Policy, applies to all the directors, the Operational Team and contractors of ACEN.

3.1. Recordal

ACEN is firmly committed to professional and ethical business conduct and has developed this Code of Ethics and Conduct Policy to implement such working conditions that are lawful and safe and ensure reasonable workplace conduct.

The following situations, while not exhaustive, provide the expected conduct that consultants should follow. If in doubt, confirming before the action is taken is recommended to ensure that the right conduct is followed.

Conflicts of Interest

Directors and consultants are under an obligation to ensure that all conflicts of interest are avoided. The Board of Directors should be notified immediately of potential conflicts of interest that arise.

Directors' and contractors' conflicts of Interest should be managed and recorded in line with the procedures set out in the Conflict of Interest Policy (Section 2).

3.2. Fraudulent or Illegal Acts

ACEN has zero tolerance for the committing or concealing of fraudulent and/or illegal acts. All contractors are responsible for reporting suspected instances of fraud to the board of directors. Allegations of such acts will be investigated and pursued to their conclusion, including legal action where warranted.

3.3. Non-discrimination

The workplace must be free of all forms of unfair discrimination. No person shall be subject to any discrimination in contracting, including hiring, salary, benefits, advancement, discipline,

termination or retirement, based on gender, race, religion, age, disability, sexual orientation, nationality, political opinion, or social ethnic origin. We comply with the laws governing child labour.

3.4. Health and Safety

Each contractor has active responsibility for maintaining a safe and healthy workplace for all employees. Violence in the workplace will not be tolerated. Any form of substance abuse by any contractor whilst on the premises and on duty will be deemed grounds for breach of contract.

3.5. Environmental Protection

Directors must be vigilant in ensuring our compliance with the environmental laws applicable to our companies is adhered to. The Advisory Board should be notified if transgressions occur.

3.6. Selection of Suppliers

The selection process must be based on objective criteria, such as quality of the product or service, cost, technical specifications, and service, not based on improper factors, such as kickbacks or inappropriate gifts.

Procedures for the selection of suppliers are set out in the Procurement Policy.

3.7. Transparency

ACEN promotes transparency and fairness in all its relationships, commitments and agreements and with all its stakeholders.

4. Confidentiality Policy

4.1. Intellectual Property

The rights to all intellectual property of whatever nature produced by Directors and Contractors of ACEN belong to ACEN. Intellectual property means copyright, design rights, patents, trademarks, business information and trade secrets/know-how. Copyright works include all research reports and spreadsheets, databases, computer software and documents describing management processes.

4.2. Confidentiality

A Director and contractor of ACEN during the normal course of business will be exposed to various elements, including confidential information. This includes, but is not limited to, the various criteria below:

- Information about ACEN's finances, revenue, margins, expenditures and contract agreements;
- Internal and private information on staffing and strategy;

- Confidential information disclosed to ACEN by others such as partner's, suppliers, collaborators and the like;
- Access to clients with whom ACEN does business whether in written form or otherwise;
- The opportunity of forging personal links with clients and/or suppliers of the company;
- The opportunity of learning and acquiring the trade secrets, business connections, confidential reports and other confidential information pertaining to ACEN's business;
- Draft documents not ready to be made public/openly distributed; and

Whether information is confidential is determined by the nature of the information, even if it is not listed above. Determining whether information is confidential is a minimum requirement for all employees. If you are uncertain whether particular information is confidential or not, you should consult your superior.

As an 'operator' in terms of the Protection of Personal Information Act 4 of 2013 (POPIA) the Contractor and their employees will treat all personal information processed on ACEN's or its customers, beneficiaries and other stakeholders' behalf and in the course of carrying this Agreement, as private and confidential.

4.3. Disclosure

Contractors must not disclose confidential information except:

- to Directors and Contractors of ACEN so far as necessary to carry out their duties, or
- to others outside ACEN so far as necessary to carry out the employee's duties where a Non-Disclosure Agreement (NDA) is in place,
- when required to do so by legal obligation, which does not conflict with ACEN's principles.