

PhytoTrade Africa Confidential Information Handling Policy

1. Justification

Through its activities, PhytoTrade Africa, the Southern African Natural Products Trade Association inevitably comes into contact with, and generates, information of a commercially sensitive and/or confidential nature. In order to protect itself, its members and its commercial partners from the threat of inappropriate use and dissemination of this type of information, it has therefore been agreed by the membership to develop a Confidential Information Handling Policy, governing the terms and conditions under which such information can be distributed and used within the Association.

2. Purpose

The purpose of the Information Handling Policy is to provide guidance to members, employees, contractors and commercial partners of the Association on the following:

- a) The types of information that are described as 'confidential', and whose handling is therefore subject to the stipulations set forth in this policy;
- b) The obligations of members, employees, contractors and commercial partners to protect confidential information belonging to the Association;
- c) The obligations of the Association to protect confidential information belonging to its members, employees, contractors and commercial partners;
- d) The legal mechanisms used to enforce these obligations; and
- e) The principles that guide the handling of confidential information within PhytoTrade.

3. Confidential Information

Confidential Information is described as:

any information disclosed in written materials, electronic media, obtained visually or disclosed in oral communications, relating in particular, but not limited, to natural product research and development, natural product processing technologies, natural product markets and marketing, certain strategic partners of the Association, its members, contractors and commercial partners, and other information of a technical or economic nature relating to the products, business and finances of the Association, its members, contractors and commercial partners.

Within the context of PhytoTrade's operations, confidential information is likely to be manifested in the following ways:

- a) Natural product research and development findings, either generated directly by PhytoTrade (as a result of one of its R&D grants or contracts), or coming into PhytoTrade's possession through a partnership with another research institution.
- b) Natural product market information, either generated directly by PhytoTrade, or coming into PhytoTrade's possession through a partnership with another research institution.

- c) Natural product processing technologies information, either generated directly by PhytoTrade, or coming into PhytoTrade's possession through a partnership with another research institution.
- d) Information relating to a commercial partner of PhytoTrade which, in the interests of collaboration, this partner chooses to divulge to PhytoTrade, but which it does not want circulating more widely than this. In some instances, such information may be protected by a confidentiality agreement signed between PhytoTrade and the partner, and PhytoTrade therefore has a contractual obligation to maintain confidentiality.
- e) Information relating to PhytoTrade finances, members, customers and employees.

4. Obligation to Protect Confidential Information

All members, employees, contractors and commercial partners are obliged to protect the Association's confidential information, as well as that of its customers, partners, suppliers, fellow members and employees, and third parties who disclosed information to PhytoTrade in confidence. In order to enforce this obligation, all members, employees, contractors and commercial partners are required to sign a legally binding Confidentiality Agreement. This Agreement shall entitle either party to take appropriate legal action against any other party who violates the terms of the Agreement.

5. Duration of Obligations

The confidentiality agreement signed by all members, employees and contractors of the Association shall remain in force for a period of five years following the termination of membership, employment or contract. PhytoTrade will take any appropriate legal action to enforce this provision in the event of a breach.

The duration of confidentiality agreements signed between PhytoTrade and commercial partners shall be stipulated in those agreements.

6. The Need to Know

Confidential information acquired or generated by PhytoTrade shall be restricted in its circulation only to those members or employees for whom that information is absolutely imperative. Ultimate discretion in this regard resides with the Association's Chief Executive Officer, and any member or employee who is uncertain about the circulation of confidential information should seek advice from the Chief Executive Officer first. The Chief Executive Officer is both entitled and encouraged to consult with Management Board members on issues pertaining to the handling of confidential information.

7. Prejudicial Use of Confidential Information

No member, employee or contractor of PhytoTrade may use confidential information deriving from the Association to the disadvantage or prejudice of clients, fellow members or fellow employees, or to any self-advantage that may be deemed to be in conflict with his/her role as a member, employee or contractor of PhytoTrade.

8. Equitable Distribution of Confidential Information

Confidential information must be shared fairly amongst members, and may not be selectively disclosed to members in such a way that the interests of other members may be prejudiced. In particular, no confidential or commercial information may be shared by the Association with one member of an Interest Group (on a topic of relevance to the Group), without that information also being made available to all other members of the Group.

NOTE ON THE CONFIDENTIAL INFORMATION HANDLING POLICY

Why Does PhytoTrade Need a Confidential Information Handling Policy?

1. PhytoTrade is aimed at supporting rural communities in developing natural products-based businesses. If it inadvertently shares confidential information with other private sector players less concerned with communities, it may find that they are able to develop similar businesses at lower costs, thus undercutting the rural producers PhytoTrade seeks to support. The policy defines what information is categorised as 'confidential', and how that information should be handled in the best interests of PhytoTrade members.
2. Many businesses in the natural products sector rely on the fact that they have generated an idea first. This gives them an advantage for a limited period of time, before others copy them and the business becomes more competitive. Clearly it is in the interests of PhytoTrade's members, when PhytoTrade itself is the source of such an idea, to retain this advantage for as long as possible. Again, the sharing of confidential information with potential competitors will shorten the period in which PhytoTrade's members have this competitive advantage. The policy therefore lays down some basic ground-rules aimed at preventing the loss by PhytoTrade members of any competitive advantages they may gain by being first.
3. There may be occasions on which a partner to PhytoTrade demands that the Association keeps certain information about the partner confidential. If this is not adhered to, PhytoTrade will, at best, sour its relationship with that partner, and render similar future collaboration less appealing to potential partners. At worst, PhytoTrade could find itself on the receiving end of a law-suit. This policy is therefore intended to ensure that confidential information deriving from a third party or a commercial partner is kept confidential.
4. Despite the need to restrict the flow of information, PhytoTrade also has an obligation to share information amongst its members in an equitable manner. The policy provides some guidance as to how and when this should take place.

How is the Policy Enforced?

Although there are no formal mechanisms to enforce the policy, PhytoTrade does have the right to expel any members, or dismiss any employees or contractors, who violate the policy.

Moreover, PhytoTrade has a Confidentiality Agreement that must be signed by all members, employees and contractors of the Association. This gives PhytoTrade the right to take legal action against any member, employee or contractor who violates the Agreement.