



THE SPAR GROUP LIMITED

Reg. No. 1967/001572/06

("the Company" or "SPAR")

GROUP GIFTS, ENTERTAINMENT AND HOSPITALITY POLICY AND PROCEDURE

Effective date:	27 November 2024
Review cycle:	Triennial
Document retention period:	Permanent
Compiled by:	Group Company Secretary
Target users/audience:	All employees, consultants, contractors of the Company, its subsidiaries, divisions, owned stores, and entities it controls.

DESCRIPTION OF PREVIOUS REVISIONS	BY	DATE
Reviewed	S Ashokumar	16 November 2021
Reviewed	S Ashokumar	29 November 2023
Reviewed	Group Company Secretary	November 2024
Reviewed and updated to remove the euro amounts	Group Company Secretary	January 2025

1. INTRODUCTION

SPAR maintains relationships with many different stakeholders, including customers/retailers, suppliers, contractors, and consultants. It is therefore important that these relationships have a strong ethical basis and any decisions affecting stakeholders are made on sound commercial grounds.

Whilst SPAR recognises that gifts, corporate entertainment and hospitality can help maintain relationships and build goodwill, there is a danger that improper giving or receiving of gifts, entertainment, or hospitality can lead to a conflict of interest and damage both the SPAR business and reputation. It is therefore the objective of SPAR to engage in business based on the principles of quality, service excellence, pricing and technical ability, and to avoid any impropriety in the acceptance, receipt and giving of gifts, entertainment or hospitality. In doing so, SPAR will be able to:

- Allow employees, where appropriate, to accept, receive, and give gifts, entertainment or hospitality provided that these do not interfere with or have the potential to interfere with their responsibilities to SPAR, improperly influence the judgments expected of them when acting on behalf of SPAR or amount to corruption in any way.
- Protect employees from misplaced charges of conflict of interest or corruption by providing a transparent mechanism for the approval, declaration, acceptance, receipt, and giving of gifts, entertainment or hospitality.

2. SCOPE

This policy applies to all SPAR subsidiaries, divisions and employees, as well as any entity controlled by SPAR.

These SPAR businesses may adopt their own policy to govern the receiving and receiving of gifts, entertainment or hospitality, but these should always be aligned with this Group policy if not provide for more stricter requirements.

All subsidiaries, divisions, and controlled entities are directly responsible for implementing this policy and for taking reasonable steps to ensure that all employees are aware of the contents thereof.

This policy is in addition to and must be read in conjunction with the SPAR Code of Ethics, Conflict of Interest Policy, Anti-Bribery and Corruption Policy, Fraud Prevention Policy and Whistleblowing Policy.

Gifts, entertainment or hospitality offered between SPAR employees do not fall within the scope of this Policy. However, if such gifts, entertainment or hospitality may result in an actual, perceived or potential conflict of interest, then the principles set out in the **Conflict of Interest Policy** may be applicable.

3. **OBJECTIVE**

The objective of this policy is:

- To provide guidance on the behaviours expected in accordance with SPAR values.
- To promote transparency and avoid business-related conflicts of interest.
- To ensure fairness in the interest of employees and SPAR.
- To document the process for the acceptance, receipt and giving of gifts, entertainment or hospitality.
- To comply with the requirements of the law relating to the prohibition of corruption.

4. **POLICY DETAILS**

Gift mean anything of value accepted or received by, or given to an employee or an immediate family member, or given by an employee to a supplier, customer/retailer or third party at no cost in connection with the employee's work at SPAR. This will include but is not limited to cash, cash equivalent (including vouchers), goods, services, discounts not in the normal course of business, branded items, loans, favourable terms given to an employee in his personal capacity on any product or service, transportation, use of vehicles or vacation facilities, shares or other securities, home improvements, usually given as mark of friendship or appreciation, travel or transportation, entertainment or function (such as sporting event tickets) where the host is not present.

Entertainment refers to the provision of meals, such as lunches, breakfast or dinners.

Hospitality includes receptions, tickets to entertainments, social or sports events, lodging, accommodation or travel. It is usually an all-inclusive experience including meals or drinks and promotional items. Entertainment and hospitality may be offered together as one event.

Due to the wide variety of potential gifts, entertainment or hospitality and differing circumstances, it is not possible to be prescriptive in terms of what is or what is not acceptable. Accordingly, before accepting, receiving or giving any gift, entertainment or hospitality, an employee must consider and apply the guidelines and procedures below.

4.1 **Guidelines**

In accordance with an employee's obligation to act in the best interest of SPAR at all times, all employees and their immediate family are prohibited from soliciting, accepting or receiving, or from agreeing to solicit, accept or receive, any gifts, entertainment or hospitality directly or indirectly, other than in terms of the guidelines prescribed below.

In all circumstances, an employee must take the following into account:

- Good judgement and restraint when considering whether to accept, receive or give a gift, entertainment or hospitality.
- Gifts, entertainment or hospitality received should not be automatically reciprocated. An employee must avoid feeling in anyone's "debt" for gifts, entertainment or hospitality received.
- An employee should try and anticipate and avoid situations that might lead to an offer or receipt of a specifically prohibited gift, entertainment or hospitality.

If an employee is in any doubt as to whether the receiving or giving of gift, entertainment or hospitality would be in contravention with this policy, they should not accept or give the gift, entertainment or hospitality without **first obtaining the approval of their department executive** and explain to the person proposing the gift, entertainment or hospitality, the sensitivity of the matter in light of this policy and endeavour to ensure that the issue is dealt with tactfully and politely.

4.2 **Non-acceptable Gifts, Entertainment or Hospitality**

- Gifts that are cash or cash equivalent, including vouchers (*refer to item 4.6 and 4.7 below regarding gifting of SPAR vouchers involving external parties or employees*).
- A “quid pro quo” (this is, offered for something in return).
- Gifts, Entertainment or Hospitality that are unsavoury, sexually orientated, or otherwise violates the Company’s commitment to acting fairly and with integrity, respect and decency in all business dealings.
- Gifts, Entertainment or Hospitality that are of an indecent nature or at an inappropriate venue.
- Gifts, Entertainment or Hospitality from or to any Public Officials.
- Gifts, Entertainment or Hospitality from or to family members or close friends in the guise that they are suppliers or customers of SPAR.
- Gifts, Entertainment or Hospitality given or received to affect the outcome of business transactions.
- Gifts, Entertainment or Hospitality given or received to the parties engaged in a tender or competitive bidding process, pending legal proceedings or sensitive negotiations.

Public Official is defined by the Prevention and Combating of Corrupt Activities Act, 2004, as any person who is a member, an officer, an employee or a servant of a public body, and includes any person in the public service, any person receiving remuneration from public funds, or where a public body is a corporation, the person who is incorporated as such. These include but are not limited to any director, trustee, employee or officer of a government entity, municipality, state owned entity or department; any person acting in an official capacity for or on behalf of any such government or functionary; any employee or officer of an organization authorized by the local government to perform government functions; person holding an honorary or ceremonial government position; political party officials, and candidates for political office; and officers or employees of public international organizations such the World Bank.

4.3 **Acceptable Gifts, Entertainment or Hospitality**

- Occasional meals with a business associate.
- Reasonable sports, theatre and other culture events.
- Other reasonable and customary gifts and entertainment.
- Isolated, trivial, unsolicited gifts or promotional items, such as point of sale materials or merchandising (cups, caps pens, pocket diary etc.).

4.4 **Procedure for the Receipt and Giving of Gifts**

4.4.1 Gifts to or from suppliers, customers/retailers or third parties, may only be given or received by an employee, whilst acting in his or her capacity as an employee of SPAR, under the following conditions:

4.4.1.1 Gifts given or received by an employee of SPAR (including SPAR Branded Gifts) with an individual value of above **R2 500.00** (or the foreign currency equivalent) are strictly prohibited.

4.4.1.2 Gifts given or received by an employee of SPAR (including SPAR Branded Gifts) with an individual value of R2 500.00 (or the foreign currency equivalent) or less **must be** approved by the Department Executive and disclosed.

4.4.1.3 Gifts involving any domestic travel **must be** approved in advance of giving or receiving the travel, by the Department Executive or the country CEO (in the case of the Department Executive).

4.4.1.4 Gifts involving any international travel **must be** approved in advance of giving or receiving the travel, by the country CEO or the Group CEO (in the case of country CEO/Group Executives).

4.4.1.5 Gifts received by an employee will be viewed as company property until the appropriate approval has been provided by the Department Executive, for the acceptance of the Gift.

4.5 **Procedure for the Acceptance and Receipt of Entertainment or Hospitality**

4.5.1 Entertainment or Hospitality to or from suppliers, customers/retailers or third parties, may only be given or received by an employee, whilst acting in his or her capacity as an employee of SPAR, under the following conditions:

4.5.1.1 All Entertainment or Hospitality given or received by an Employee **must be** approved in advance by their Department Executive. The host giving the Entertainment or Hospitality must be present at the event. If the host is not present it is regarded as a gift.

4.5.1.2 All Hospitality given or received by an Employee **must be** disclosed.

4.5.1.3 Entertainment or Hospitality with a total value per event exceeding **R2 500.00** (or the foreign currency equivalent) per person **must be** authorised in advance by the country CEO or the Group CEO (in the case of country CEO/Group Executives).

4.5.1.4 Hospitality involving any domestic travel **must be** approved in advance of giving or receiving the travel, by the Department Executive or the country CEO (in the case of the Department Executive).

4.5.1.5 Hospitality involving any international travel **must be** approved in advance of giving or receiving the travel, by the country CEO or the Group CEO (in the case of country CEO/Group Executives).

4.6 **SPAR Vouchers**

SPAR vouchers may be accepted, received, or given to/from external parties, so long as their individual value does not exceed the limits set by this policy.

4.7 **Internal gifts**

All gifts (including SPAR vouchers), irrespective of value, given internally by the Company, its subsidiaries, divisions, owned stores, or controlled entities to employees, must be declared by the person giving the gift to the Payroll Department for tax purposes as it is deemed a tax fringe benefit.

4.8 **Declaration of Gifts**

All subsidiaries, divisions and controlled businesses must ensure that all employees are made aware of the mechanisms adopted by their respective businesses for the disclosure of gifts, entertainment and hospitality, and the Group's online Gift Register on the Group's intranet site.

All required disclosures must take place immediately either in the Gifts Register of the respective SPAR business or on the Group's online Gifts Register on the Group's intranet site, SharePoint under the Group Governance section, declare a gift.

(<https://sparza.sharepoint.com/sites/GroupGovernance/SitePages/Declare-a-gift.aspx>)

5. **COMPLIANCE**

Compliance with this policy is ultimately the responsibility of every employee. Each employee is required to familiarise and fully comply with this policy. Any employee who fails to comply with the provisions as set out above or any amendment thereto, will be subject to appropriate disciplinary action being taken, which may result in dismissal.

6. **ADMINISTRATION OF THIS POLICY**

The custodian of this policy is the Group Company Secretarial Department who will be responsible for the administration, revision, interpretation and application of this policy, which will be reviewed triennially or as and when required.

Any alteration of this policy is subject to approval by the Board on the recommendation of the Social, Ethics and Sustainability Committee.

This policy was approved by the Board on **27 November 2024** and becomes effective immediately on approval.