



**THE SPAR GROUP LIMITED**  
 Reg. No. 1967/001572/06  
 (“the Company” or “SPAR”)

**CONFLICT OF INTEREST POLICY AND PROCEDURE**

<b>Effective date:</b>	3 August 2023
<b>Review cycle:</b>	Triennial
<b>Document retention period:</b>	Permanent
<b>Complied by:</b>	Group Company Secretary
<b>Target users/audience:</b>	All directors, Executives, Senior Management, Employees

<b>DESCRIPTION OF LAST THREE REVISIONS</b>	<b>BY</b>	<b>DATE</b>
Originating policy	KJ O Brien	2009
Reviewed	S Ashokumar	15 November 2022
Reviewed	S Ashokumar	12 June 2023

## 1. **INTRODUCTION**

Good business practice requires that employees, officers and directors make fair and objective decisions in the best interests of the Company. To this end, employees, officers and directors must avoid situations that may result in actual or potential conflicts of interest, involving themselves or close relatives and must be declared, registered and its impact mitigated.

The responsibility of avoiding conflicts of interest does not end with individual employees or officers but extends to their close family and friends or other beneficiaries who may have interests that conflict with those of SPAR.

## 2. **SCOPE**

This policy applies globally, uniformly and without exception to all subsidiaries and divisions, employees, officers, directors and business relationships.

All subsidiaries and divisions are directly responsible for implementing this policy and for taking reasonable steps to ensure that all employees are aware of the contents thereof. SPAR expects all our stakeholders to actively demonstrate the moral obligation to do the right thing for the right reasons. Those in leadership positions have an added responsibility and accountability for applying SPAR's ethical standards in their areas of responsibility.

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

## 3. **PURPOSE**

The purpose of this policy is:

- To help employees, officers and directors make sound decisions when confronted with a potential conflict of interest situation by providing specific guidelines, in accordance with the SPAR Code of Ethics.
- To ensure that decision-making is sound and line with good business practice, it should be fair and objective, and be in the best interest of SPAR.

## 4. **WHAT IS A CONFLICT OF INTEREST?**

A conflict of interest occurs when there is the following:

- 4.1 Any conflict between SPAR's interest and the direct or indirect personal interest of a SPAR employee, officer or director (or their close relatives), which could improperly influence the objective and effective performance of their duties or responsibilities.
- 4.2 An employee, officer or director is in a position to make or influence a decision that is not fair and objective in order to benefit personally or to benefit related persons or other associates.
- 4.3 Business judgment and business decisions are influenced by and based on personal interests or personal gain.

- 4.4 The personal interests are material as to distract an employee or director from effective discharge of their duties.
- 4.5 Discretion, judgement or decision making is biased and influenced by the employee's personal interest.

A personal interest is deemed to be in conflict with SPAR's interest if it has the potential to influence a person's decision in their role and position in SPAR or if it has the potential to influence someone else's decision in a SPAR role over whom they have influence.

The types of conflicts of interest are:

- A direct conflict of interest – where a person is in a position to be influenced by their personal interest when doing their job.
- A potential conflict of interest – where a person is in a position where they may be influenced in the future by their personal interests when doing their job. Potential conflicts of interest include situations that impact negatively on the availability and use of resources, such as time or facilities meant for work purposes, or situations where a person is in a position where they may be influenced in the future by their private interests when doing their job.

Conflicts of interest are not limited to direct financial interests. They extend to accepting business courtesies, and having private business interest in entities that might do business with SPAR, and affiliations with non-profit organisations.

## 5. **EXAMPLES OF CONFLICT(S) OF INTEREST**

Although not exhaustive, employees, officers and directors must refrain from the following, which SPAR deems to be likely to result in unacceptable conflicts of interest:

- 5.1 **Close relationships** with people in entities with which SPAR does business and in reporting structures within SPAR (for example family members or friends reporting to one another). Such relationships include family and close friendships. It follows therefore, that an employee, officer or director must recuse himself/herself and is not allowed to be involved in the hiring decision, supervision, management, or career planning of the employee's spouse, family members or close friends.
- 5.2 **Activities that compete significantly for resources** such as time and facilities. This could include non-SPAR work (for gain or not for gain), positions and membership outside of SPAR (for example directorships, trusteeships, or public office) or study activities unrelated to the work performed for SPAR. Employees may not be engaged or take part directly or indirectly, whether as an employee, director, consultant, trustee or in any other capacity, in any other business without SPAR's prior written consent. Should new employees be engaged in any remunerative private work or activities, they shall be required to declare the same in writing prior to accepting the employment offer.
- 5.3 **Any direct or indirect provision of services or goods to SPAR or SPAR Members by a SPAR employee on a commercial basis** (for example for additional compensation and in excess of their normal duties), is regarded as a significant conflict of interest. As such no SPAR employee, officer or directors himself or herself or together with family members of the employees, officer or directors will be allowed on the SPAR or SPAR Member vendor list.

- 5.4 **Holding investments or financial interests, directly or indirectly**, in businesses contracting or competing or seeking to do business with SPAR in the employee's own area of influence.
- 5.5 **Undue privilege** derived by SPAR employees, family members or close friends as a result of being party to valuable information, receiving or giving gifts or entertainment that might place employees under an obligation to reciprocate or being offered business or other opportunities.

## 6. **DUTY OF DIRECTORS AND EXECUTIVE OFFICERS**

The basic duty to avoid any conflict of interest gives rise to a number of particular duties, which include the following:

- 6.1 The duty to act bona fide (i.e. in good faith) in the interests of the Company;
- 6.2 The duty to disclose interests in contracts with the Company;
- 6.3 In addition to the general Declaration of Interest form, should the Company be entering into a contract, which is of significance in relation to the business, with a third party in which a director has a material interest, whether directly or indirectly, such an interest has to be disclosed verbally or in writing at or before the meeting of directors at which the question of confirming or entering into the contract is first taken into consideration;
- 6.4 Any interested director shall not be allowed to vote in respect of the relevant contract. In addition to the above, an interested director will recuse himself from the meeting for the duration of the discussion on the relevant contract, unless otherwise directed by the Board;

All of the above principles and guidelines apply to all Executive Management (E and F Band) within the Company.

## 6 **DECLARATION OF CONFLICT(S) OF INTEREST**

Employees, officers and directors may not put themselves in a position where their personal interests conflict or could in future conflict with SPAR's interests. Where conflicts of interest or potential conflicts of interest cannot be avoided, or the employee, officer or director want to make a case for working within a situation that represents a potential conflict of interest, the following procedure applies:

- 6.1 Any case that could represent a conflict of interest must be declared in writing (refer annexure A).
- 6.2 Employees or officers must obtain prior written consent from their line manager. Any line manager who is approached regarding a conflict of interest and is uncertain as to whether consent should be granted, should consult senior management. For the purpose of this policy senior management refers to executive management.

Consent pertaining to an actual or potential conflict of interest should only be granted if:

- It is declared in writing and supported by a written risk mitigation plan and relevant controls.
- It can be responsibly managed without prejudice to the Company.

- It is not a conflict with a material SPAR interest.

All employees are required to declare any conflicts of interests upon taking on appointment with SPAR as well as annually or at any other time when there is an interest to declare and submit it to the Group Secretariat Department, their line manager, or Divisional HR function.

## **7 COMPLIANCE**

Compliance with this policy is ultimately the responsibility of every employee, officer and director. Each employee, officer and director are required to familiarise and fully comply with this policy. Any employee, officer or 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.

## **8 ADMINISTRATION OF THIS POLICY**

The custodian of this policy is the Group Secretariat 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 Executive Management Committee and Social and Ethics Committee.

This policy was approved by the Board on **3 AUGUST 2023** and becomes effective immediately on approval.

---

**DECLARATION OF CONFLICT(S) OF INTEREST**

---

This declaration serves as a general notice to the directors of the company that the under mentioned director and/or Senior Management and/or employee is to be regarded as interested in any contract which may, after the date of this notice and before the date of its expiry, be entered into with the Company or any of its subsidiaries.

## EMPLOYEE DECLARATION OF INTERESTS FORM

<b>Surname:</b>	
<b>Full forenames:</b>	
<b>Nationality:</b>	
<b>Occupation:</b>	
<b>Identity number:</b>	
<b>Residential address:</b>	
<b>Business address:</b>	
<b>Postal address:</b>	

<b>Employee number:</b>	
<b>Division of employment:</b>	
<b>Region of employment:</b>	
<b>Department of employment:</b>	
<b>Name of Line Manager:</b>	

I set out below, my interests in accordance with **The SPAR Group Limited Conflicts of Interest Policy**. These interests include any financial or other interests held or accruing to me or my related parties which might give rise to an actual or perceived conflict of interest.

I certify that the information outlined below is true and correct and declare, to the best of my knowledge, none of these private or personal interests conflict with any of my official duties at SPAR. I also undertake to immediately notify SPAR, in writing, if a conflict or potential conflict arises in the future and to not be involved in any decision-making process in which I may be compromised.

I acknowledge that a failure to disclose any relevant information may result in disciplinary action by SPAR.

Please  
initial

**1. Details of directorships, shareholding and entities that the employee exercises control over**

Name of company	Nature of business	Reg. No.	Registered address	Date of appointment	No. or % shares held	Nature of interest (direct/indirect)	Status (director/shareholder/both)	Nature of changes and dates thereof

Please initial

**2. Details of interest (pecuniary or non-pecuniary) held with SPAR, by the employee or any entity which the employee is a director or shareholder, or controls (directly or indirectly)**

Name of contracted/interested entity/individual	Nature of business	Reg. No.	Registered address	Date of transaction/interest	Name of SPAR entity/division involving the transaction/interest	Nature & salient terms of transaction/interest

Please initial



**3. Details of interest (pecuniary or non-pecuniary) held by related parties in SPAR or any SPAR competitor, service provider or customer/retailer (directly or indirectly)**

Name of related party	ID. No./reg. No.	Physical address	Details of relationship with related party	Full details of interest/transaction in SPAR or its competitors, service provider, or customer/retailer

Please  
initial

**4. Special relationship that the employee holds with a SPAR employee or service provider or customer/retailer or competitor (including any employment, directorship, membership, consultancy, retainer, agency, or sponsorship arrangements involving these stakeholders)**

Name of party and nature of relationship with employee (e.g. partner, friend, sibling, child etc.)	Date of commencement of relationship	Nature of the party's relationship with SPAR (e.g. SPAR employee, service provider, customer/retailer, or competitor)	Full details of transactions between SPAR and party having the relationship with the employee

Please  
initial

### 5. Remunerated work outside the employee's engagement with SPAR

Are the services rendered in your personal capacity or via an entity? (y/n) (if via an entity, provide name, reg. no. and nature of business)	Nature of services rendered	Date of commencement of services	Are the services rendered to a SPAR competitor, employee, supplier, or customer/retailer? (y/n)	Time spent rendering services (including whether it is during working hours)	Do you utilise any of SPAR's facilities or equipment or stationery to render the services?

Please initial

### 6. Any conflict of interests to declared not covered under the sections above

Name of parties	Nature of interest	Full details of interest/transaction	Date of transaction

Please initial

Signature by employee:

Date:  2  0

Signature by line manager:

Date:  2  0

## Explanatory Notes:

1. Reference to 'SPAR' or 'the Company' includes The SPAR Group Limited and all of its subsidiaries.
2. Entity shall include Close Corporations, Sole Proprietorships, Trusts, Estates and Partnerships.
3. Designation and Nature of Interest to be disclosed, e.g. Directors, Shareholder, Member, Partner, Trustee, etc.
4. Extent of interest to be disclosed, e.g. percentage shareholding in Entity, or Membership, Proportion, Partnership percentage etc.
5. If your interest is indirect, please include through whom the interest is acquired or held, for example, business partner, close family members. Indirect pecuniary interests arise from connections with bodies that have a direct pecuniary interest or from being a business partner of, or being employed by, a person with such an interest.
6. 'Related party' includes any member of family, friends, or other beneficiaries who may have interests that conflict with those of SPAR.
7. A pecuniary interest is a direct financial interest received in person or by association. Non-pecuniary interests are all other interests held, not specifically relating to money, but which may be perceived (by a reasonable member of the public) to influence an employee's judgement in the exercise of his/her duties at the company.
8. Non-pecuniary interests include those arising from memberships of clubs and other organisations.
9. Interests that should be regarded as relevant include, but are not limited to:
  - 9.1 Acting as an employee, director, agent or consultant to any entity that is a competitor, customer/retailer or service provider of SPAR while an employee of SPAR;
  - 9.2 Financial or other interest in any business with which the company currently does business or competes;
  - 9.3 Acquiring any property, leaseholds, patents or other property, services or rights in which the company has an interest or is likely to have an interest;
  - 9.4 Influencing or directing the company's business to a related party as defined above; or
  - 9.5 Accepting or offering any loans, guarantees of any obligations, or payments to/from a customer/retailer or service provider of the company in exchange for preferential business treatment.

Please note that this list is not exhaustive, and members of staff should declare an interest if they are in any doubt as to whether it should be recorded.