



THE SPAR GROUP LIMITED

Reg. No. 1967/001572/06

("the Company" or "SPAR")

CONFLICT OF INTEREST POLICY AND PROCEDURE

Effective date:	December 2024
Review cycle:	Triennial
Document retention period:	Permanent
Compiled by:	Group Company Secretary
Target users/audience:	All directors, Executives, Senior Management, Employees

DESCRIPTION OF LAST THREE REVISIONS	BY	DATE
Policy created	KJ O Brien	2009
Reviewed	S Ashokumar	November 2022
Reviewed	S Ashokumar	June 2023
Reviewed	Group Company Secretary	November 2024

1. **INTRODUCTION**

The SPAR Group Ltd, its subsidiaries and divisions (collectively referred to as **SPAR**) are committed to the highest standards of honesty, openness, integrity, accountability, and ethical conduct. Good business practice requires employees, officers and directors to 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 to all employees, contractors and stakeholders of SPAR.

Management is 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 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, Gifts, Entertainment and Hospitality 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::

4.1 There is a 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 rather than what is in the best interests of the Company.

4.4 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. Having a conflict of interest does not necessarily mean that an employee has done anything wrong. It all depends on how that conflict is managed.

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.
- A **PERCEIVED** conflict of interest – where a person can appear to be influenced by their 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 likely to result in unacceptable conflicts of interest:

Close relationships with people in entities with which SPAR does business and in reporting structures within SPAR. 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.

5.1 **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.

5.2 **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 without the prior approval of the Group Executive Directors.

5.3 **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.

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

Where conflicts of interest or potential conflicts of interest arise, or the employee, officer or director wants to make a case for working within a situation that represents a potential conflict of interest, the following procedure applies:

6.1 The conflict, or potential 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 and annually or at any other time when there is an interest to declare. The declaration forms must be submitted to their line manager who will in turn submit it to the respective HR Manager and Group Company Secretary.

7. **COMPLIANCE**

Every employee, officer, and director must become familiar and comply with this policy. Non-compliance will result in disciplinary action, potentially leading to dismissal.

8. **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 Executive Management Committee and Social and Ethics Committee.

This policy was approved by the Board on **27 November 2024** 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 a SPAR company.

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:	
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Date:	2	0		
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Signature by line manager:	
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Date:	2	0		
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Explanatory Notes:

1. Reference to 'SPAR' or 'the Company' includes The SPAR Group Limited and all companies that are majority-owned by SPAR or operated by SPAR Management.
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.