


CL-P-005 - CONFLICT OF INTEREST POLICY	
Policy	
Date: February 2016	
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1. INTRODUCTION

- 1.1. The Distell Group and its subsidiaries (Distell) are committed to ethical business conduct. Distell does not accept corruption in any form, including conflict of interest. Conflict of interest occurs when financial or other personal considerations may – or may appear to – affect an employee’s or director’s loyalty and professional judgement and performance of their duties.
- 1.2. Distell employees and directors are expected to act with the highest sense of integrity and in a manner that protects and enhances Distell’s reputation.
- 1.3. A conflict of interest (not exhaustive) includes the following:
 - 1.3.1. any conflict between Distell's interests and the direct or indirect private interests of a an employee or director (including close family members), which could improperly influence, or be perceived to influence, the objective and effective performance of their duties or responsibilities or making decisions in the best interests of Distell. This could also mean that an employee 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; and
 - 1.3.2. business judgment and business decisions are influenced by and based on private interests or personal gain.
- 1.4. Thus, Distell employees and directors may not:
 - 1.4.1. have a personal financial interest in any business partner, supplier, customer or competitor of Distell which could compromise his/her loyalty to Distell, adversely affect his/her judgment regarding day-to-day responsibilities in Distell, or potentially harm Distell’s reputation;

- 1.4.2. receive any incentive directly or indirectly from any business partner, supplier, customer or competitor of Distell, unless such incentive has been approved in accordance with Distell's Gifts and Entertainment Policy; or
- 1.4.3. use confidential information obtained by virtue of his/her position for personal financial gain.
- 1.5. The responsibility for avoiding conflict of interest does not end with employees or directors, but extends to their close family or other beneficiaries who may have interests that conflict with those of Distell.
- 1.6. Save with the prior written consent of the Group Company Secretary, employees of Distell will not serve as an owner, board member, trustee, employee or consultant of any business other than Distell. Refer to paragraph 5.2

2. APPLICABILITY

- 2.1. This Policy applies globally, uniformly and without exception to Distell Group and its subsidiaries, employees and directors. Compliance with this Policy is ultimately the responsibility of every director and employee and is a condition of their employment contract. Each Distell employee and director must understand how this Policy applies to their areas of responsibility, adhere to this Policy in all their business dealings and conduct themselves in a way that positively reflects and advances the commitments in the Policy.
- 2.2. This Policy also applies to any employee's or director's close family members.
- 2.3. A close family member means a spouse/partner; and a parent, sibling or child - and any of their spouses/partners.
- 2.4. Those in leadership positions have an added responsibility and accountability for applying our ethical standards in their areas of responsibility, for the avoidance of doubt, director includes alternate directors, prescribed officers, board committee members and related persons.
- 2.5. When used in the context of section 75 of the Companies Act, 2008 (Companies Act), the term "related person" not only includes a director's close family members, but also includes a juristic person if the director directly or indirectly controls the juristic person or a second company of which the director or a related person is also a director; or a close corporation of which the director or a related person is also a member.

- 2.6. The activities of close family members can cause conflict of interest. If a close family member is employed by a business partner, supplier, customer or competitor of Distell, the employee must declare this relationship to his/her line manager. Whilst this conflict of interest of a close family member persists, a declaration of interest form must be completed as contemplated in paragraph 5.
- 2.7. Close family members should also not be employed in the same department within Distell, save with the prior written consent of the Group Company Secretary.

3. PROCEDURES AT MEETINGS

- 3.1. In terms of the Companies Act, any director who has a personal financial interest in respect of any matter to be considered at a meeting of the Board:
 - 3.1.1. must disclose his/her interest before the matter is considered at the meeting;
 - 3.1.2. must disclose all material information relating to the matter known by the director;
 - 3.1.3. must leave the meeting after making the above disclosures; and
 - 3.1.4. may not take part in the discussion nor have any vote in the matter.
- 3.2. All Distell employees are required to do the same at any internal meeting or discussion where the employee has a personal financial interest in respect of any matter under consideration or discussion.

4. COMPLIANCE AND ENFORCEMENT

- 4.1. Because of the importance of managing conflict of interest for the integrity and reputation of Distell's business, any violation of this Policy could result in disciplinary action being taken, the consequence of which could be summary dismissal. Directors could also face director/officer liability under the Companies Act.
- 4.2. Every Distell employee is responsible for reading, understanding and complying with this Policy. Every employee is responsible for acting in accordance with this Policy, and is encouraged to voice concerns and to highlight examples of good practice.
- 4.3. Every line manager is responsible for ensuring that each team member has access to this Policy and related instructions and guiding principles. The line manager is also responsible for ensuring that there are relevant activities and internal controls in place to prevent and detect any form of corruption.

4.4. Day-to-day reinforcement, including regular information and training on conflict of interest, is part of every manager's responsibility, with the support of the Group Company Secretary. The Group Company Secretary is responsible for providing adequate support, guidance and training to the line managers.

5. OVERSIGHT

5.1. The Group Company Secretary will review all declarations and determine whether and how any potential or actual conflict of interest should be managed. Any questions should be referred to the Group Company Secretary, who will advise on such matters.

5.2. This Policy forms part of the risk management framework of the Company. The internal ethics committee, consisting of the CEO, Director: Human Resources, Director: Corporate and Regulatory Affairs, Group Company Secretary and the Forensic Auditor ("**Internal Ethics Committee**") is responsible for the maintenance of this Policy so as to ensure that the policy remains relevant and appropriate to meet the statutory requirements.

5.3. All declared conflict of interests are reviewed by the Internal Ethics Committee on a quarterly basis.

6. DECLARATION AND PRIOR APPROVAL

6.1. There are two accepted categories of conflict of interest, namely:

6.1.1. 'actual conflict of interest' - where financial or other personal or professional considerations compromise a person's objectivity, professional judgment, professional integrity, and/or ability to perform his or her responsibilities Distell;

6.1.2. 'potential conflict of interest' - where a person or a close family member has financial interests, personal relationships, or professional associations with an outside individual or organization, such that his or her activities within Distell could appear to be biased against Distell by that interest or relationship.

6.2. Every employee and director has a responsibility to declare any conflict of interest (actual or potential) in the Distell Conflict of Interest Declaration system. It is mandatory for all employees to declare **ALL** business interests regardless of whether the employee deems it to be a conflict or not. This includes any known indirect business links that are vendors to Distell.

- 6.3. Consent pertaining to an actual or potential conflict of interest should only be granted if:
 - 6.3.1. It is declared on the Distell Conflict of Interest Declaration system or in writing and supported by a written risk mitigation plan and relevant controls;
 - 6.3.2. It can be responsibly managed without prejudice to the organisation; and
 - 6.3.3. It is not in conflict with a material Distell interest.
- 6.4. All directors (and other officers as defined in the Companies Act) should complete declaration of interest forms annually (substantially in the form as attached as **Annexure A** hereto) on the Distell Conflict of Interest Declaration system.
- 6.5. In addition, should a potential or actual conflict of interest arise during the year, all directors should complete a declaration of interest form (substantially in the form as attached as **Annexure B** hereto) on the Distell Conflict of Interest Declaration system. Declaration forms should be updated from time to time if a director's circumstances change.
- 6.6. All other employees should complete declaration of interest forms in the event that a potential or actual conflict of interest arises on the Distell Conflict of Interest Declaration system. Declaration forms should be updated from time to time if an employee's circumstances change (substantially in the form as attached as **Annexure B** hereto). Employees should declare all directorships held, regardless of whether such employee believes or knows that such company is doing business with Distell.
- 6.7. In the event that an employee does not have access to the Distell Conflict of Interest Declaration system, such employee must request his/her line manager and/or departmental head to record any conflict of interest in his/her stead on the Distell Conflict of Interest Declaration system.
- 6.8. The Distell Conflict of Interest Declaration system is the preferred method for declaring any conflict of interest as noted in this Policy. Declarations may still be done in writing on paper systems if required for legitimate business reasons.
- 6.9. The Distell Conflict of Interest Declaration system will be maintained by the Group Company Secretary and can be found on Brandcrafters Online (Distell's intranet).



(To be completed by all directors, alternate directors, prescribed officers and board committee members of Distell)

DECLARATION OF INTEREST FORM

I (full names)

in my capacity as

set out below my interest in accordance with Distell's Conflict of Interest Policy and in respect of my responsibilities in terms of Section 75 of the South African Companies Act 71 of 2008, as amended.

If answers to question in Column A are affirmative, please enter details in Column C

Column A	Column B	Column C
Are you* a director of any Company (other than Distell)?	Yes/no	
Are you a member of any close corporation?	Yes/no	
Are you involved in any partnership, trust or any other business whatsoever?	Yes/no	
Do you own shares in any other company other than investments on the stock exchange?	Yes/no	
Do you own shares in any company including stock exchange investments	Yes/no	

which has an interest in any contract with Distell?		
Do you have a material interest, whether directly or indirectly, in any contract with the company either at present or to be entered into in the future?	Yes/no	
Have you derived any material benefit, either directly or indirectly from any contract entered into with or otherwise related to Distell?	Yes/no	

I hereby confirm the accuracy and completeness of the above information and acknowledge that I shall make another declaration to state any change in any matter contained in this declaration, within one month after such change occurs, and shall provide further information on the particulars contained in this declaration, if required by the Distell Group Company Secretary.

I further acknowledge that, in addition to the above, as per the Distell Conflict of Interest Policy and in terms of the South African Companies Act (Act 71 of 2008), as amended, I will disclose all material information known by me related to any personal financial interest in respect of any matter to be considered at a meeting of the Distell Board and will leave that Board meeting and will not participate in discussion of the matter or participate in any vote on the matter in which I may have a personal financial interest.

* “you” in the form above may refer to or include a close family member; please specify if this is applicable.

Signed:

Date:



(To be completed by all employees of Distell who have any personal or financial interest in any company, closed corporation or other business (other than Distell), or who wish to declare any actual or potential conflict of interest).

DECLARATION OF INTEREST FORM

I (full names)

Employed by Distell as

Hereby declare to the Distell Group Company Secretary that:

I and/or my close family member have a personal or financial interest in the following companies, closed corporations or other businesses as set out below

No	Reg number	Date incorporated	Nature of business	Status active/dormant
1.				
2.				
3.				
4.				
5.				

I also acknowledge that I shall make another declaration to state any change in any matter contained in this declaration within one month after the change occurs and shall provide further information on the particulars contained in this declaration if so required by the Distell Group Company Secretary. (Please continue on supplementary sheet if necessary)

I wish to declare the following actual or potential conflict:

Notes:

Please provide a description of the personal or financial interests in the respective entity/ies
as _____ set _____ out
above.....

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Are you involved in any partnership, trust or any other business whatsoever? Yes / No

Have you derived any material benefit, either directly or indirectly from any contract entered into with or otherwise related to Distell? Yes / No

Signed:

Date:

Approved:

Date: