

CONFLICT OF INTEREST POLICY

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Document Properties

Entity	Shoprite Holdings Limited ("Shoprite Holdings") and all its subsidiaries, (collectively the "Shoprite Group" or "Group").
Document name	Conflict of Interest policy
Applicability	This policy is applicable to all Employees, inclusive of Directors and Management of the Shoprite Group.
Specific exclusion	Non-Executive directors are specifically excluded from this policy. Existing processes are in place and managed by the Company Secretary to deal with conflicts of interest at Board and Committee level.
Policy owner	Ownership of this policy vests in both Directors and Management. Management is responsible for implementation of the policy and reporting its compliance therewith to the Audit and Risk Committee ("ARC") and Social and Ethics Committee ("SEC"). The Group Risk and Compliance Manager assist Management in the implementation and monitoring of the policy and reporting thereon.
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Document path	Intranet and Store Portal
Classification	Internal
Related policies	Code of Conduct and Gift policy
Conflict of Interest register	Managed by the Group Risk and Compliance Manager (in the Legal Department)

Version Control

Date	Adjustment	Authors	Version
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Internal Reviewers

Name	Department	Function/Role	Version
Pieter du Preez	Legal	Company Secretary	V1

Annual Review and Approvals

Version	Approved By	Date Approved
V1	Executive Management	August 2019

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1. Executive Summary

- 1.1 Shoprite Holdings is an investment holding company with a primary listing on the JSE("Johannesburg Stock Exchange") and secondary listings on the Namibian and Zambian Stock Exchanges. The Shoprite Group recognises its accountability to all its stakeholders in terms of the principles of the King IV Report on Corporate Governance for South Africa ("King IV"), the South African Companies Act of 2008 and under any other statutory, regulatory and supervisory requirements (collectively known as "regulatory requirements"), applicable to its business.
- 1.2 Corporate Governance is managed on a holistic and an integrated basis, underpinning the Shoprite Group's values, ethics, responsible corporate citizenship, strategy and performance. The Group is committed to complying with these regulatory requirements, to act with due skill, care and diligence and to uphold the required standards of integrity and fair dealing in the conduct of its business.
- 1.3 Considering two of Shoprite's strategic drivers, "Corporate Governance and Sustainability" and "Optimising People Engagement", the Group articulates and gives effect to its direction on Corporate Governance to its Employees through various mediums, such as training and awareness and its suite of Governance policies.
- 1.4 This Conflict of Interest policy aims to provide clear guidelines to all Employees in response to the possible negative consequences associated with non-compliance in that noncompliance could potentially impact on the Group's reputation and increase the likelihood of Regulator scrutiny.

2. What is a conflict of interest?

- 2.1. A conflict of interest occurs when there is a direct or indirect conflict, in fact or in appearance, between the personal interest of an Employee and that of the Shoprite Group. (Also refer to the description of Employee in the Glossary of Terms).
- 2.2. It relates to:
 - relationships;
 - the use of the Shoprite Group's property, including its information, as well as;
 - financial, economic and other interests in any opportunity from which the Shoprite Group may benefit.
- 2.3. Employees are compensated for their services and/or work performed for the Group. Salaries/wages and benefits form part of the employee value proposition and total compensation to Employees. Therefore any direct or indirect benefits derived, other than from the total compensation received from Shoprite, could be regarded as a potential conflict of interest and be subject to scrutiny.
- 2.4. Employees' personal, social, political or financial interests may under no circumstances interfere with their ability to make objective decisions in the course of their work duties, cloud their judgement or result in making business decisions that would interfere with what is in the best interest of the Shoprite Group and its stakeholders.

3. Examples of conflicts of interest

Conflicts of interest may arise in, but are not limited to, areas such as:

Financial and/or economic benefits derived as a result of being employed by the Shoprite Group and/or having access to its internal information

3.1 Outside work

- Outside employment in addition to an Employee's current role in the Shoprite Group.
- Making arrangements to work for a Third party (e.g. Supplier or Customer) at a future date, whilst in the employ of the Shoprite Group, and continuing to do business with the Third party.
- Offering and/or providing paid (consulting) services to a Third party (e.g. Supplier or Customer) during working hours, after hours, on the weekend or whilst on leave.
- Offering and/or providing paid (consulting) services to a Third party that is in direct competition with the Shoprite Group.
- Working part-time for a Third party that sells competing goods or services, similar to the Shoprite Group.

3.2 Commercial opportunities

- Owning a business or part thereof that sells goods and/or services to the Shoprite Group.
- Starting a business that provides goods and/or services similar to the Shoprite Group.
- Doing business with a Third party that sells competing goods or services similar to the Shoprite Group.
- Benefiting from commercial opportunities found through employment with the Shoprite Group.
- Cashing in on a business opportunity that the Shoprite Group may or might have pursued.
- Employee using his/her position in the Shoprite Group to influence the placing of business with any Third party in which he/she may have a direct or indirect interest, and/or as a result of which he/she may derive any benefit.

3.3 Gifts

- Accepting gifts, entertainment, favours, privileged treatment, kickbacks or any other courtesies, from Third parties, outside the Gift policy guidelines.
- Accepting a payment from a Third party for information about the Shoprite Group.

3.4 Confidential Information and Intellectual Property

- Taking advantage of the Shoprite Group's designs, inventions and/or information for own personal benefit.
- Sharing confidential information about the Shoprite Group with a Competitor or any other Third party.
- Posting on any social media platform about the Shoprite Group's intellectual property or any other confidential information.

Relationships (Commercial involvement with Friends/Family/Partners)

3.5 Family

- Knowingly failing to disclose that he/she is related to a prospective employee of the Shoprite Group that he/she is considering hiring.
- Hiring an unqualified relative to provide services to the Shoprite Group.
- Reporting to a supervisor who affects his/her job responsibilities, remuneration and promotions, who is a family member.
- Knowingly failing to disclose that he/she is related to a Supplier, prospective Supplier or Competitor.
- Where "persons connected to or related to the Employee" is advanced or preferred over another Third party or Employee that has no pre-existing relationship with the decision makers.

3.6 Friends

- Failing to investigate a Sub-ordinate or Co-worker's wrongdoing because they are a friend.
- Reporting to a Supervisor who is a close friend.
- Reporting to a Supervisor who affects their job responsibilities, remuneration and promotions, who is a close friend.
- Employee's long associations established with a Supplier.

3.7 Romantic

- Married, engaged, dating or having a romantic relationship with a Supervisor or Sub-ordinate.
- Married, engaged, dating or having a romantic relationship with a Supplier or employee of the Supplier.

4. Duty to disclose potential, perceived or actual conflicts of interest

- 4.1 Conflicts of interest whether potential, perceived or actual **must be avoided**, removed and reported. Employees are obliged to disclose any potential, perceived or actual conflict of interest in writing as set out in Section 5 (five) below.
- 4.2 **Disclosure at Time of Recruitment**
- During the recruitment process, a prospective employee shall be required to disclose any potential, perceived or actual conflicts of interest, as set out in this policy. Human Resources will review the information disclosed and ensure that any conflict of interest is appropriately dealt with, prior to employment, and reported to the Group Risk and Compliance Manager.
- 4.3 **Disclosure during a Request for Information/Proposal/Quote ("RFx"), tender and/or on boarding process.**
- Employees involved in any RFx or tender process of potential or existing Suppliers and/or on boarding of new Suppliers are required to disclose any potential, perceived or actual conflict of interest. Employees must recuse themselves from meetings where there is a potential, perceived or actual conflict of interest concerning them.
- 4.4 **Annual Disclosure**
- Employees, with specific reference to Directors and Management, are required to declare any potential, perceived or actual conflicts of interest in writing on an annual basis and will be prompted to do so by the Group Risk and Compliance Manager.
- 4.5 **Ongoing Disclosure**
- Employees are required to disclose, in writing as set out in Section 5 (five) below, any potential, perceived or actual conflicts of interest:
- 4.5.1 as they arise;
 - 4.5.2 as circumstances change; as well as
 - 4.5.3 any changes in any previously approved arrangements, to both the Group Risk and Compliance Manager and the Employee's Line Manager.

It should be noted that the disclosure of a potential, perceived or actual conflict of interest does not constitute acceptance by the Shoprite Group and that a disclosure is subject to review and formal acceptance or rejection, as set out in Section 5 (five) below.

5. Disclosure process, acceptance or rejection

- 5.1 Employees are required to complete the Conflict of Interest declaration form as set out in Appendix B to this policy and submit it to the Group Risk and Compliance Manager by hand or by e-mail (grouprisk@shoprite.co.za) or by utilising the electronic form which can be found on the Intranet and the Store Portal.
- 5.2 Declarations will be reviewed by the Group Risk and Compliance Manager and where a conflict is identified it will be referred to a Sub-Committee of Executive Management ("Committee").
- 5.3 The Committee acceptance process for exceptions include, but is not limited to:
- 5.3.1 Ensuring that all information regarding the conflict has been disclosed and considered;
 - 5.3.2 Consideration given to likely affected stakeholders having been informed of the conflict and their input obtained;
 - 5.3.3 Consideration of materiality and impact on the Shoprite Group and its stakeholders;
 - 5.3.4 Consideration of what is in the best interest of the Shoprite Group and its stakeholders;
 - 5.3.5 Mitigation of the conflict of interest, e.g. the exclusion of an Employee from any discussions and the approval of a transaction; the reformulating of the scope of work or restricting access to certain information; by temporarily removing the Employee from the process or responsibilities or by monitoring the activities closely in relation to the conflict of interest;
 - 5.3.6 Recommendations may include that the conflict of interest is to be relinquished or that no further action is required because the conflict is minimal; and
 - 5.3.7 Full disclosure to the Audit and Risk Committee and Social and Ethics Committee.
- 5.4 Employees will be informed of the outcome and a register kept and maintained by the Group Risk and Compliance Manager.
- 5.5 In the event that a conflict of interest is accepted by the Committee, it will be reviewed at least on an annual basis.

6. Pre-Existing Arrangements

- 6.1 It is recognised that as of **16 September 2019**, the effective date of this policy, there may be pre-existing arrangements, which represent a conflict of interest. These pre-existing arrangements must be disclosed in writing to both the Group Risk and Compliance Manager and the Employee's Line Manager.
- 6.2 The same process as set out in Section 5 (five) will be followed in order to ensure a consistent approach and transparency.

7. Whistleblowing, confidentiality & whistleblower protection

- 7.1 Should an Employee become aware of any potential, perceived or actual conflict of interest, they are required to disclose this to the Group Risk and Compliance Manager.
- 7.2 Alternatively, any potential, perceived or actual conflict of interest can be reported by using the anonymous tip-offs contact number or e-mail address:
- For South Africa +27 (0) 800 11 88 79
 - For all Countries service@asesa.co.za
- 7.3 All tip offs and reported information are treated as strictly confidential and any disclosure of information can be made without fear of retribution and/or victimisation as set out in the relevant Protected Disclosures legislation.
- 7.4 These rights may, however, be forfeited under the following circumstances:
- the incident reported presents an immediate physical danger to any Employee;
 - the information supplied is false with malicious intent and the whistleblower is aware of the fact; and
 - where the Employee is involved in the wrongdoing being reported.
- 7.4 If an Employee believes that he/she is being victimised or retaliated against, he/she may contact the Group Risk and Compliance Manager (grouprisk@shoprite.co.za); or the anonymous tip-offs contact number or e-mail address above.

8. Uncertainty

In the event of uncertainty, the onus is on the Employee to seek guidance from the Group Risk and Compliance Manager (in the Legal Department).

9. Verification Audits

- 9.1 The Group Risk and Compliance Manager will perform ongoing monitoring of conflicts of interest by utilising various online risk management solutions.
- 9.2 It may happen that undisclosed conflicts are identified as a result of the ongoing verification process.

10. Non-disclosure and non-adherence

- 10.1 A failure by any Employee to disclose a potential, perceived or actual conflict of interest is viewed in a very serious light and may result in disciplinary action being taken.
- 10.2 In the event of a contravention, the relevant Line Manager of the Employee is obliged to notify the Group Risk and Compliance Manager and log the event in the Operational Risk Loss Database ("Event Logger"), which is utilised for logging of operational and compliance risk failures, resulting from control breakdowns or a breach of policy and process, which has or could possibly result in a financial loss to the Shoprite Group.

11. Reporting

- 11.1 The Conflicts of Interest register is monitored by the Group Risk and Compliance Manager who reports to the Management Risk Forum on a monthly basis and to the Audit and Risk Committee, on a quarterly basis.
- 11.2 The Conflict of Interest policy also forms part of the Shoprite Group's Anti-Bribery and Corruption programme. The Group Risk and Compliance Manager submits regular reports to the Social and Ethics Committee ("SEC"), enabling the SEC to monitor the Group's activities as set out in the Companies Act Regulations.

Glossary of Terms

TERMINOLOGY	DESCRIPTION
Audit and Risk Committee ("ARC")	The Audit and Risk Committee is a Board Committee and provides oversight of Audit, Risk and Compliance Governance and controls, amongst other functions.
Bribery and Corruption	Bribery is a form of corruption and refers to the giving and receiving of a reward in return for granting certain favours. The reward may take many forms such as money, gifts, promotion, paying off a loan, inflated commission, employment and various other favours, which may be offered. Bribery and corruption constitute criminal offences under any law.
Business Unit	Business Units within a division or a separate legal entity in the Shoprite Group.
Compliance Governance requirements associated with Conflicts of Interest, Bribery and Corruption	<p>The below-mentioned regulatory requirements are associated with Conflicts of Interest, Bribery and Corruption:</p> <ul style="list-style-type: none"> • The Principles of the King IV Report on Corporate Governance for South Africa ("King IV"); • South African Companies Act 71 of 2008 and its Regulations with reference to:- - the United Nations Global Compact 10 Principles; - the Organisation for Economic Cooperation and Development recommendations regarding corruption; - the Companies and Intellectual Property Commission (CIPC) Guideline No. 1 of 2018 (Guideline for Corporate Compliance Programme); • South African Financial Markets Act 19 of 2012; • JSE Listings Requirements; • South African Prevention and Combating of Corrupt Activities Act No 12 of 2004 ("PreCCA"); • United Kingdom ("UK") Bribery Act; • United States of America ("US") Foreign Corrupt Practices Act ("FCPA"); and • Country specific regulatory requirements in relation to Anti-Bribery and Corruption for Angola, Botswana, DRC, Ghana, Kenya, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Nigeria, Swaziland, Uganda and Zambia.
Corporate Governance	Corporate governance, in relation processes, to the management of the Shoprite Group, includes all structures, processes, policies, systems and procedures whereby Shoprite is governed.
Director	Director, for the purposes of this policy, includes Executive Directors but excludes Non-Executive Directors and Alternative Directors of the Shoprite Group.

TERMINOLOGY	DESCRIPTION
	<p>Employee, for the purposes of this policy, includes but is not limited to, Permanent Employees – whether Full time or Part time, Contractors, Management, Executive Directors and Executive Management (Exco) of the business.</p> <p>Employee also includes “persons connected to or related to the Employee” and Associates, namely:-</p> <ol style="list-style-type: none"> An Employee’s plus-one for a function; a Spouse or Life Partner (which could potentially be a Supplier, Customer and/or Co-worker); children and/or stepchildren; parents and/or stepparents and/or grandparents; siblings; aunts and/or uncles; any other relative or dependant; or the spouse of any of the persons mentioned in under (c), (d), (e), (f), (g) and (i); any Partner or Person in a business or profit sharing relationship with the Employee; a Trust in which the Employee or any person mentioned above is a Beneficiary; and a Company/Close Corporation in which the Employee or any person mentioned above is a Shareholder/Member. <p>“Prospective employee” is described below.</p>
Kickback	An illicit payment made to someone in return for facilitating a transaction or appointment. Synonyms include: bribe, payment, reward, inducement, pay- off, backhand, etc.
Line Manager	A person with direct managerial responsibility for a particular Employee.
On boarding	On boarding is the action or process of integrating a new Employee or new Supplier into the Shoprite Group.
Property	Property includes immovable, movable as well as intellectual property.
Prospective Employee	As external stakeholder, a prospective Employee will be required, as part of the Shoprite Group’s recruitment and on boarding process, to declare any potential, perceived or actual conflicts of interest upfront to the Shoprite Group. The Human Resources department will manage the process and obtain the relevant approvals as set out in this policy.
Related policies	This Conflict of Interest policy must be read in conjunction with the Group’s Code of Conduct and Gift policy.
Reputational risk	The risk that the Shoprite Group may be exposed to negative publicity due to contravention of applicable regulatory requirements and internal policies by its Employees.

TERMINOLOGY	DESCRIPTION
Stakeholders	<p>Parties that are affected by the Shoprite Group, both:-</p> <p>Internal - Directors, Management and Employees.</p> <p>External - Analysts; Authorities; Activist Groups; Business Associates/Partners; Charities; Community; Competitors; Contractors; Creditors; Customers; Distributors; External Auditors; Financiers; General Public; Government; Government Legislative Bodies; Government Regulatory Agencies; Industry Bodies/ Forums; Insurance Brokers; Investors; Landlords; Lawyers; Non-profit Organisations; Other Third party Service Providers; Political Parties; Professional Associations; Prospective Customers; Prospective Employees; Prospective Suppliers; Public Officials (Local and Foreign); Rating Agencies; Schools; Service Providers, Shareholders; Sub-Contractors; Suppliers; The Media; Trade Unions; Underwriters and Vendors.</p>
Shoprite Holdings Limited	<p>Includes, but is not limited to, all its subsidiaries and brands i.e. Shoprite, Shoprite Hyper, Shoprite Usave, Shoprite Super Usave, Usave, Usave eKasi, Checkers, Checkers Hyper, Computicket, Computicket Travel, K'nect, OK Furniture, OK Power Express, OK Franchise, OK Foods, OK Grocer, OK MiniMark, House and Home, Checkers Food Services, MediRite, LiquorShop, TransPharm, Meat Markets, Money Markets, Freshmark (inclusive of Transrite) and FliCape within its Group structure and is also referred to as "Shoprite", "the Group", "Organisation" or "Corporate", as applicable.</p>
The Board of Directors ("The Board")	<p>The Board is accountable to its stakeholders for overseeing Corporate Governance, as well as forming its own opinion on the effectiveness of the internal control environment within the Shoprite Group.</p>
The Management Risk Forum	<p>The Management Risk Forum has oversight of Risk and Compliance Governance and controls, amongst other functions, and monitors compliance with this policy and the Conflict of Interest register on a monthly basis.</p>
The Social and Ethics Committee ("SEC")	<p>The Social and Ethics Committee is a Board Committee and provides oversight, monitors and evaluates the control effectiveness of the Shoprite Group's activities, having regard to any relevant legislation, other statutory requirements or prevailing codes of best practice, and the Group's standing (as Good Corporate Citizen) in terms of the goals and purposes of, amongst others, matters relating to the "Compliance Governance requirements associated with Conflicts of Interest, Bribery and Corruption", as set out above.</p>
Third parties	<p>Third parties include, but are not limited to, Business Associates; Suppliers; Vendors; Service Providers; Customers; any Person or Institution with whom Shoprite engages in the course of business; or with whom it might engage; Local Public Officials, Foreign Public Officials, Trade Unions, etc.</p> <p>Also refer to "External Stakeholders" above.</p>