



**CONFLICT OF  
INTEREST  
POLICY**

**A. RATIONALE:**

This policy is designed to assist employees and the company in assessing the actual or potential "conflict of interest" situations. Observing the policy will allow the proper assessment of actual or perceived conflicts of interest situations and enable the company and employees to work together to avoid any actual conflict, thereby guarding against impropriety and possible mortification.

**B. POLICY STATEMENT**

The company expects each representative to be constantly aware of situations that could involve an actual or perceived conflict of interest. Although complete avoidance of all conflicts of interest is not always possible, the company expects the ethical consciousness that will motivate an individual to recognize such situations and circumstances in order to take appropriate action to address and resolve.

**C. SCOPE & ELIGIBILITY**

All employees regardless of rank, tenure and employment status are covered under this policy.

**D. DEFINITION OF TERMS**

- a. Conflict of Interest – a situation where an employee has an obligation to or relationship with any person or organization with whom the company competes or does business with which could affect an employee's judgment in fulfilling his or her responsibilities to the company.
- b. Personal Interest – a situation where an employee, who is in a position of authority and/or trust, makes use of his/her authority and/or position for personal gain & advantage, whether monetary or non-monetary form

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- c. Financial Interest – a situation where an employee, who is in a position of authority and/or trust, makes use of his/her authority and/or position for personal gain & advantage, and receives financial gains from it
- d. Offer of Inducement – an offer received by an employee, whether tangible or non-tangible, in monetary or non-monetary form, that may affect or influence a decision

### **E. IMPLEMENTING GUIDELINES**

The company's best interests should always be the only basis on which businesses decisions are made. Employees must never use their position to benefit themselves, relatives, friends and/or other business associates. If an employee's work involves dealing with a company or organization which employs a person with whom the employee has a close personal relationship (such as a relative), every effort must be taken to avoid a potential conflict of interest or even the appearance of favorable treatment.

It is not the company's intention to infringe on an employee's personal life or affairs. However, an employee's personal business affairs could potentially compromise or appear to compromise their ability to make impartial business decisions. Consequently, it is important that disclosure be made promptly within the company to enable the matter to be properly assessed and an appropriate course of action determined.

Potential for conflict of interest arises when it is likely that an employee could be influenced, or it could be perceived that they are influenced, by a personal interest when carrying out their duties.

Conflict of interest that leads to biased decision making may constitute corrupt conduct. Situations that may give rise to a conflict of interest includes the following:

- a) Financial interests in a matter the company or a member of the group deals with or an employee is aware that their friends or relatives have a financial interest in the matter
- b) Investments or financial interests in suppliers, customers or competitors, held directly or indirectly by the employee or any relative
- c) Investments or financial interests in businesses doing business with the company's suppliers or customers, held directly or indirectly by the employee or any relative
- d) Other financial or business relationships, including any direct or indirect financial or business relationships with any supplier or customer of the company, which is not reported above and which could present an actual or perceived conflict of interest in relation to the employee's position with the company

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- e) Directorships/management of outside organizations or outside employment that may create conflicts of interests or diminish productivity and effectiveness  
*Note: Shares held either directly or indirectly in publicly listed and traded companies which may be suppliers, customers or competitors of the company would not normally give rise to a conflict of interest situation.*
- f) Membership of boards or outside organizations.  
*Note: Non-remunerated activity on behalf of registered charities, religious or not-for-profit organizations is generally exempt from the disclosure requirement*
- g) Personal relationships with people the company or member of the group is dealing with which go beyond the level of a professional working relationship
- h) Secondary employment, business, commercial, or other activities outside of the workplace which impacts the employee's duties and obligations to the company or a member of the group
- i) Secondary employment, business, commercial, or other activities outside of the workplace which impact on the employee's duty and obligations to the company or a member of the group
- j) Access to information that can be used for personal gain
- k) A reporting relationship, either direct or indirect, to a relative. Employees should not be in a position of influence regarding the employment terms and conditions or performance of a relative
- l) Offer of an inducement. An employee must not submit or accept any bribe, or other improper inducement.
- m) A spouse or other close relative working for a supplier, customer or competitor

The above list is by no means exhaustive and could not possibly attempt to cover all situations where a conflict may arise.

### F. EMPLOYEE DISCLOSURE RESPONSIBILITY

Many questions relating to conflicts of interest can be avoided by timely and adequate disclosure of the facts to an appropriate member of management. Among other things, disclosure enables management to determine whether to consent to the activity where the appearance of a conflict exists.

Employees must advise their manager or supervisor of situations that could involve an actual or perceived conflict of interest. Full disclosure is important to ensure that the facts are properly considered and assessed. The employee's supervisor or manager must in turn report the matter to the Human Resources Director. The HR Director will report the situation to the Internal Audit Division. An assessment will be performed in consultation with the Legal Department. If a conflict of interest is deemed to exist, the matter will be recorded and will be dealt with in accordance to the Code of Conduct.

On an annual basis, the company may require employee to disclose any actual or potential conflict of interest situations. The Conflict of Interest (see Annex A) must be submitted to HR. It must be emphasized that the annual conflict of interest process does not replace the continuing obligation of all employees to disclose relevant information to the company.



Shang Properties, Inc. and subsidiaries

**Conflict of Interest Form**

**PERSONAL INFORMATION**

<b>Employee Name:</b>		<b>Employee ID no.:</b>	
<b>Position Title:</b>		<b>Div./Dept.</b>	

**CONFLICT OF INTEREST DETAILS**

(Please check applicable boxes)

- Business Ownership  
Type of Business: \_\_\_\_\_
- Freelance Work  
Please indicate: \_\_\_\_\_
- Family/ Relatives with Business with SPI and/or its subsidiaries  
Please indicate: \_\_\_\_\_
- Family/ Relatives with Business Affiliations with SPI and/or its subsidiaries  
Please indicate: \_\_\_\_\_
- Government or Political Post:
  - Employee
  - Immediate Family Member
  - Relative up to the 4<sup>th</sup> degree of affinity and con
 Please indicate: \_\_\_\_\_

*I hereby declare that the above-mentioned items are true and correct. I acknowledge that misrepresentation and manipulation or deletion of facts under this declaration will result to the jurisdiction and provisions of the Company Code of Conduct.*

<b>Signed by:</b>	<b>Noted by:</b>
_____	_____
<b>Printed Name and Signature</b>	<b>Printed Name and Signature</b>
<b>Date:</b>	<b>Date:</b>