

HOSPITALITY PROPERTY FUND LIMITED
(“Hospitality” or “the Company”)

CONFLICTS OF INTEREST POLICY

1. Introduction

This Conflict of Interest policy is binding on all directors and employees of Hospitality and its subsidiaries ("Hospitality Group").

Directors have both a common law duty to avoid any conflict of interest and a statutory duty to act in the best interest of the company at all times and to disclose any conflict of interest as laid down in the Companies Act, 2008.

Conflicts of interest may arise where a director or employee’s personal interests and/or loyalties or the interests of a related person / party to the director or the employee conflict with those of the Company.

Certain conflicts of interest are fundamental and should be avoided. Other conflicts (whether real or perceived) should be disclosed in good time and in full detail by directors to the board and by employees to the Company Secretary or his / her immediate Manager, who is responsible to report the conflict of interest to the Company Secretary. Conflicts of Interests will be recorded by the Company Secretary and should be appropriately managed.

The aim of this policy is to protect both the Company and the individuals involved from any appearance of impropriety and to ensure compliance with statutory and best practice requirements. The disclosure requirements which are outlined below should be strictly followed in order to achieve this.

2. Declarations

2.1 General

At any time, a director may disclose any personal financial interest in advance, by delivering to the board or to the Company Secretary for circulation to the board and tabling at the directors meeting to follow, a notice in writing (the use of a form Cor36.4 is optional, copy attached) setting out the nature and extent of that interest, to be used as a general declaration until changed or withdrawn by further written notice from that director.

Directors of Hospitality will be required to make annual general declaration of interests, which should contain:

- (i) the name, registration number and registered address of any company of which he / she is a director or shareholders and the extent of his / her interest in the Company;

- (ii) the name, registration number and registered address of any trust of which he / she is a trustee or a beneficiary; and
- (iii) any other interest which he / she deems necessary to declare.

In order for the General Declaration of Interests to be effective, it should not only be updated annually, but also when changes occur. Note that the interest can also be indirect via a family member, spouse or partner.

2.2 Personal Financial Interests

In terms of section 75(5) of the Companies Act, 2008 a director who has a personal financial interest (see *definition* on page 3) in respect of a matter to be considered at a meeting of the board, or knows that a related person has a personal financial interest in the matter –

- (a) must disclose the interest and its general nature before the matter is considered at the meeting;
- (b) must disclose to the meeting any material information relating to the matter, and known to the director;
- (c) may disclose any observations or pertinent insights relating to the matter if requested to do so by the other directors;
- (d) if present at the meeting, must leave the meeting immediately after making any disclosure contemplated in paragraph (b) or (c);
- (e) must not take part in the consideration of the matter, except to the extent contemplated in paragraphs (b) and (c);
- (f) while absent from the meeting:
 - (i) is to be regarded as being present at the meeting for the purpose of determining whether sufficient directors are present to constitute the meeting; and
 - (ii) is not to be regarded as being present at the meeting for the purpose of determining whether a resolution has sufficient support to be adopted; and
- (g) must not execute any document on behalf of the company in relation to the matter unless specifically requested or directed to do so by the board.

If a director acquires a personal financial interest in an agreement or other matter in which the company has a material interest, or knows that a related person has acquired a personal financial interest in the matter, after the agreement or other matter has been approved by the company, the director must promptly disclose to the board, the nature and extent of that interest, and the material circumstances relating to the director or related person's acquisition of that interest.

The *definition* of Personal Financial Interest in terms of the Companies Act, 2008, when used with respect to any person:

- (a) means a direct material interest of that person, of a financial, monetary or economic nature, or to which a monetary value may be attributed; but
- (b) does not include any interest held by a person in a unit trust or collective investment scheme in terms of the Collective Investment Schemes Act, 2002, unless that person has direct control over investment decisions of the fund or investment.

“Material” means significant in the circumstances of a particular matter, to a degree that is:

- (a) of consequence in determining the matter; or
- (b) might reasonably affect a person’s judgment or decision-making in the matter.

3. **Gifts and Hospitality**

In addition to the specific disclosures referred to above, directors and employees have to declare gifts or hospitality in excess of R500 (five hundred rand) received in connection with their role in the company. These disclosures must be made in writing (including e-mail) and addressed to the company secretary as and when the relevant incidents occur.

If any uncertainty exists regarding a declaration or the extent thereof, please contact the company secretary for guidance.

Interests will be recorded on the company’s register of interests, which will be maintained by the company secretary.

4. **Steps to follow in the event of a Conflict of Interest**

If a director has a conflict of interest, for whatever reason, he/she should declare his interests as set out above and follow the guidelines on withdrawing from decisions or any involvement that could affect the relevant area of interest.

If an employee has a conflict of interest, for whatever reason, he/she should declare his interests as set out above and withdraw from decisions or any involvement that could affect the relevant area of interest.

If a director fails to declare an interest that is known to the company secretary and/or a director of the board, the secretary or such director has an obligation to declare that interest.

If an employee fails to declare an interest that is known to the company secretary and/or his immediate manager, or any other employee, the person to whom the conflict of interest is known, has an obligation to the Company to declare that interest.

6. **Decisions taken where a Director has an Interest**

All disclosures of a conflict of interest and all decisions under a conflict of interest will be recorded by the secretary and reported in the minutes of the meeting. The following will be recorded:

- The nature and extent of the conflict;
- an outline of the discussion; and
- the actions taken to manage the conflict.

Independent external arbitration will be used where conflicts cannot be resolved through the documented procedures.

5. **Managing Contracts**

If a conflict of interest exists, the relevant director must not be involved in managing or monitoring a contract in which he has an interest.

6. **Additional Guidelines**

This policy is in addition to, and must be read with, the Board Charter.

The disclosure of information policy was approved by the Board on **30 November 2016** and is signed by the Chairman as confirmation thereof.



CHAIRMAN
HOSPITALITY PROPERTY FUND LTD

30 November 2016

DATE