

LEWIS GROUP LIMITED

REGISTRATION NUMBER 2004/009817/06

("The Company" or "Lewis")

BOARD MEMBERS AND OFFICERS CONFLICT OF INTEREST POLICY

INTRODUCTION

One of the legislated duties of a director is to avoid any possible conflict of interests with a company on which a director serves. It is an accepted principle in South African law that, as a result of the trust placed in the director, he or she is bound to put the interests of the company before their own personal interests. Section 75 of the Companies Act makes clear provision for dealing with a director's use of company information and conflict of interest.

It should be noted that section 75 of the Act extends the application of the conflict of interest provisions to prescribed officers and members of board committees (even if those persons are not directors). The conflict of interest provisions apply equally to persons related to the director.

1 PURPOSE AND SCOPE

The purpose of this policy is to assist a Responsible Person in identifying situations that could present potential conflicts of interest and to provide Lewis and its subsidiaries with a procedure which will allow such a transaction, if identified, to be dealt with as valid and binding even though a Responsible Person has or may have an actual or perceived conflict of interest with regard to the transaction. The policy is in compliance with the procedures in the Companies Act, 71 of 2008, as amended, as well as the Listings Requirements of the JSE Limited.

2 DEFINITIONS

- 2.1 "Conflict of interest", will be deemed to be any circumstance as defined in paragraphs 3 and 4 of the policy.
- 2.2 "Contract or transaction", is any agreement or relationship involving the sale or purchase of goods, services, or rights of any kind, the providing or receipt of a loan or grant and the establishment of any other type of pecuniary relationship.
- 2.3 "Family member", is regarded as a spouse, domestic partner, parent, child or spouse

of a child, brother, sister, or spouse of a brother or sister, of a Responsible Person.

- 2.4 “Material financial interest”, is a financial interest of any kind, which, in view of all the circumstances, is substantial enough that it would, or reasonably could, affect a Responsible Person’s or Family Member’s judgment with respect to transactions to which the Company is a party. This includes all forms of compensation.
- 2.5 “Responsible person”, includes an alternate director, a prescribed officer and a person who is a member of a committee of the board of a company, irrespective of whether the person is also a member of the company's board.

3 CONFLICT OF INTEREST

- 3.1 A potential conflict could arise whenever the Responsible Person has an interest in, or connection with, an organisation with which Lewis transacted or might transact business (or with individuals associated with such an organisation) or has an interest in an unrelated business that does not necessarily transacted or intend transacting business with the Company, and where that interest is of such a nature that it might influence the independent judgment of the Responsible Person.
- 3.2 It should be understood that the conflicting interest referred to throughout this policy may be direct or indirect (the interest might be that of the Responsible Person, that of a Family member, or that of an organisation in which the Responsible Person or such other person has an interest).
- 3.3 It is not possible to specify all situations which may give rise to a conflict of interest. The facts of each such potential conflict will determine whether the interest in question is such as to bring it within the area of an actual conflict.
- 3.4 Such facts would include the monetary value of business involved, the extent to which the Responsible Person could influence Lewis’ decisions with respect to the transaction and whether the interest is of such a nature that it might affect the objectivity or the business judgment of the Responsible Person.
- 3.5 In determining whether a conflict is involved, there is no substitute for sound judgment based upon the facts involved in each case.

Types of transactions in which conflicts may arise

- 3.6 Common types of transactions where a Conflict of Interest may arise include, for

example,

- 3.6.1 the selection and use of consultants or other professional advisers;
 - 3.6.2 the selection or supervision of contractors, suppliers, or vendors;
 - 3.6.3 the sale of products or services;
 - 3.6.4 the purchase of materials, supplies and equipment;
 - 3.6.5 the investment and borrowing of funds; and
 - 3.6.6 an interest in a business unrelated to the business of Lewis.
- 3.7 Compensation arrangements and employment contracts directly affecting the Responsible Person involved. In addition, when an opportunity, commonly referred to as a “corporate opportunity” to acquire property or to seize some financial or business advantage comes to the attention of a Responsible Person or as a result of his or her relationship with Lewis in a way that would permit its personal realisation and is relevant to the Company’s present or future purposes or goals, the Responsible Person must first present the opportunity to Lewis.
- 3.8 Only after an informed evaluation and determination by a disinterested majority of the board of directors of Lewis that the Company should not pursue such corporate opportunity, should the Responsible Person be allowed to pursue the matter for his or her own interest or for the benefit of others.

For purposes of the policy, the following will be deemed to be conflicts of interest:

- 3.9 Outside interests
 - 3.9.1 A contract or transaction between Lewis and a Responsible Person or Family Member of the Responsible Person.
 - 3.9.2 A contract or transaction between Lewis and an entity in which a Responsible Person or Family Member has a Material Financial Interest or of which such a person is a director, officer, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian or other legal representative.
- 3.10 Outside activities

3.10.1 A Responsible Person competing with Lewis in the rendering of services or in any other contract or transaction with a third party.

3.10.2 A Responsible Person having a Material Financial Interest in or serving as a director, officer, employee, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian or other legal representative of, or consultant to an entity or individual that competes with Lewis in the provision of services or in any other contract or transaction with a third party.

3.11 Gifts, gratuities and entertainment

3.11.1 A Responsible Person or a Family Member may not accept from a third party any gift to the value of more than R2 000 or any other similar benefit where the gift or benefit results out of the course of the Responsible Person's duties towards or relationship with Lewis subject to the exceptions to mentioned.

3.11.2 Gifts of cash or cash equivalents from a third party to a Responsible Person of any amount are not permitted.

3.11.3 If a Responsible Person is offered any cash or gift to the value of more than R2 000 or similar benefit from a third party, he or she should immediately report it to his or her respective direct supervisor or the chief executive officer or board of directors for approval following the line of protocol applicable to him or her.

3.11.4 The giving or receipt of common courtesies, occasional meals or reasonable entertainment appropriate to the business relationship and associated with business discussions are regarded as consistent with typical business practice.

3.11.5 A Responsible Person may not accept gifts, entertainment or other favours from any individual or entity that:

3.11.5.1 is seeking to do business with Lewis; or

3.11.5.2 is receiving or is seeking to receive a loan or grant, or to secure other financial commitments from Lewis, under circumstances where it might be inferred that such action was intended to influence or possibly would influence the Responsible Person in the performance of his or her duties.

3.11.6 Acceptable gifts and entertainment generally fall into the following categories:

3.11.6.1 Occasional meals of reasonable expense with a business partner;

- 3.11.6.2 Ordinary sports, theatre and other cultural events of a nominal value;
- 3.11.6.3 Other gifts of nominal value or reasonable entertainment.
- 3.11.6.4 An offer, gift, entertainment or anything of value may not be accepted or given if it is:
 - 3.11.6.4.1 Illegal or would result in a violation of law;
 - 3.11.6.4.2 Cash or a cash equivalent (such as gift cards, loans, stock, or stock options);
 - 3.11.6.4.3 a quid pro quo or part of an agreement requiring anything in return for the gift;
 - 3.11.6.4.4 Sexually oriented, or otherwise violates Lewis's Code of Ethics;
 - 3.11.6.4.5 In violation of Lewis's standards or the standards of the recipient's organisation.
- 3.12 Gifts, gratuities or entertainment to government officials may never be offered or provided without prior written approval of the Chairperson of the board of directors.

3.13 Loans

No loans of any nature will be made by Lewis to any of its officers or directors.

4 PROCEDURES

- 4.1 Prior to board or committee meetings on a contract or transaction (whether directly or indirectly) involving a Conflict of Interest, a director or committee member having a Conflict of Interest must, before the meeting of the board or committee at which the question of confirming or entering into the contract or transaction is first taken into consideration, disclose all facts material to the Conflict of Interest.
- 4.2 The Company Secretary will report the disclosures at the meeting and the disclosure will be reflected in the minutes of the meeting.
- 4.3 Directors present at the meeting shall acknowledge that they have read the declaration provided by the director having the Conflict of Interest which will be recorded in the minutes of the meeting.
- 4.4 If it is not possible for the director to make any such declaration at or before a particular meeting of the board, on account of it not being known to the director, he or she may make it at the first meeting of directors held thereafter at which it is possible for him or her to do so and will in that event state the reason in writing why it was not possible to

make the disclosure at such particular meeting.

- 4.5 A director or committee member who plans not to attend a meeting at which he or she has reason to believe that the board or committee will act on a matter in which the person has a Conflict of Interest, will disclose to the Chairman of the meeting all facts material to the Conflict of Interest. The Chairman will report the disclosure at the meeting and the disclosure will be reflected in the minutes of the meeting.
- 4.6 A person who has a Conflict of Interest will not participate in nor be permitted to hear the board's or committee's discussion of the matter and shall recuse himself or herself in terms of the provisions of the Companies Act. Such a person will not attempt to exert his or her personal influence with respect to the matter, either at or outside the meeting.
- 4.7 A person who has a Conflict of Interest with respect to a contract or transaction that will be voted on at a meeting:
 - 4.7.1 Will not be present in the meeting room when the matter is discussed and a vote is taken. Such person's ineligibility to vote will be reflected in the minutes of the meeting. For purposes of this paragraph, a member of the board of directors of Lewis has a Conflict of Interest when he or she stands for election as an officer or for re-election as a member of the board of directors.
- 4.8 Responsible Persons who are not members of the board of directors of Lewis, or who have a Conflict of Interest with respect to a contract or transaction that is not the subject of board or committee action, will disclose to the Chairperson or his or her designee any Conflict of Interest that such Responsible Person has with respect to a contract or transaction. Such disclosure will be made as soon as the Conflict of Interest becomes known to the Responsible Person. The Responsible Person will refrain from any action that may affect Lewis's participation in such contract or transaction.
- 4.9 In the event of it not being entirely clear that a Conflict of Interest exists, the Responsible Person with the potential conflict will disclose the circumstances to the Chairman or his or her designee, who will determine whether there exists a Conflict of Interest that is subject to this policy.

5 CONFIDENTIALITY

- 5.1 Each Responsible Person will exercise care not to disclose confidential information acquired in connection with such status or information, the disclosure of which might be adverse to the interests of the Company.

- 5.2 Furthermore, a Responsible Person will not disclose or use information relating to the business of Lewis for the personal profit or advantage of the Responsible Person or a Family Member.

6 ANNUAL DISCLOSURE

- 6.1 Each Responsible Person will at least annually, or as determined by Lewis, and as and when changes occur, complete a declaration form (as issued and amended by Lewis from time to time) identifying any relationships, positions or circumstances in which the Responsible Person is involved that he or she believes could contribute to or result in a Conflict of Interest.
- 6.2 Such relationships, positions or circumstances might include service as a director of or consultant to an outside company, ownership of a business that might provide goods or services to Lewis.
- 6.3 Any such information regarding the business interests of a Responsible Person or a Family Member will be treated as confidential and will be made available only to the board of directors and Company Secretary, and any other person or committee appointed to address Conflicts of Interest, except to the extent that additional disclosure is necessary in connection with the implementation of this policy.

7 REVIEW OF THE POLICY

- 7.1 This policy will be reviewed annually by the board of directors.
- 7.2 Any changes to the policy will be communicated immediately to all Responsible Persons by the Company Secretary.

8 APPROVAL

This policy was approved by the Lewis Social and Ethics Committee and by the board of Lewis.