

**Conflict of Interest Policy**

**Version 1 – 2023**

**سياسة تعارض المصالح**

**الإصدار 1 - 2023**

**Legal and Compliance**

**Compliance Capabilities**

**HSA Group – Yemen Region**

**الشؤون القانونية والامتثال**

**قدرات الامتثال**

**مجموعة اتش اس ايه – إقليم اليمن**

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## 1 Purpose and Policy Statement

Hayel Saeed Anam and Co. - Yemen (hereinafter referred to as the “Group”) is committed to conducting business in a manner that ensures employees’ business judgment and decision making is not influenced by undue Personal Interests.

When employees’ Personal Interests either influence, have the potential to influence, or are perceived to influence their decision making at HSA Group, a conflict-of-interest situation result.

This Policy explains the relevant principles and rules for preventing or managing conflicts of interest and how such principles and rules are to be implemented.

We must handle conflict of interest situations in a professional and ethical manner to avoid those conflicts of interest damage our personal reputation and that of HSA Group. When making decisions related to our work at HSA Group, we have a duty to act in the best interests of HSA Group and avoid even the appearance of a conflict.

Identifying, avoiding, or disclosing and addressing conflicts of interest is an important part of demonstrating objectivity, transparency and integrity when executing our responsibilities and duties at HSA Group.

## 2 Scope

This policy applies to all employees of HSA Group of all levels and grades, whether permanent or temporary, and must be read, understood, and applied in the broader context of responsibilities that you have under HSA Group Code of Conduct.

This policy applies for all HSA companies, employees, Business Partners, including customers, suppliers, services providers, contractors, and shareholders.

This Policy contains HSA Group general standards. In some countries, more stringent applicable laws and regulations may supersede the principles set out in this Policy.

## 3 Definitions and Clarifications

**Addressing a Conflict of Interest** is the process of identifying and implementing practices to minimize the risks associated with the disclosed conflict of interest. Conflicts of Interest arise when:

- the Personal Interests of the employees conflict with the interests of HSA Group or interfere (or even appear to interfere) with your workplace objectivity and responsibilities.
- the decision-making process and / or the judgement ability of individuals are influenced or swayed by external interests.
- Financial, business, social activities, or personal (including Closely Related Persons) relationships interfere, or appear to interfere, with your workplace objectivity or loyalty to HSA Group.
- Conflicts resulting from business, financial or personal ties to parties connected to HSA Group's activities, whether bidders, suppliers, customers, Employees, or other stakeholders, can create risks and may be subject to scrutiny.

*Example: if an employee’s spouse is a Senior Executive at a potential Group supplier, the employee’s Manager may decide*

*the best way to mitigate potential risks to the business interests and reputation of HSA Group is to exclude the employee from any role where he/she can make decisions about or influence the outcome of that supplier's activities.*

We have set out other common examples of conflict-of-interest situations in Annex 1.

#### **Conflict of Interest:**

HSA Group defines "Conflicts of Interest" broadly as following:

- **Actual conflicts of interest** - the employee currently faces a real, existing conflict of interest situation or a conflict-of-interest situation has already occurred.  
*e.g., an associate accepts a gift from a supplier during the bidding process and then selects the supplier to provide goods and/or services to the Group.*
- **Potential conflicts of interest** - the employee is in a situation that is not yet a conflict of interest but based on likely future developments may turn into one.  
*e.g., the brother of an employee is being considered for a position in the Group - a decision over which the employee has some influence.*
- **Perceived conflicts of interest** - the employee is in a situation that may appear to others to be a conflict of interest, even if this is not the actual case.  
*e.g., invitation to speak at an industry event, at no cost to the Group, which includes meals, travel and entertainment.*

**Closely Related Persons:** means any of the following:

- A business associate of an employee (or other person to whom this Policy applies), including, partners, co-owners, shareholders, or individuals holding managerial roles.
- A trust in which the employee (or other person to whom this Policy applies) is a trustee or an estate in which the employee (or other person to whom this Policy applies) is an executor.
- An employee's family members (including 1st and 2nd degree relatives in the same function & up to fourth degree within same company); and
- A close personal relationship or friendship.

**Disclosure:** means sharing the existence, nature, and all relevant facts of a conflict of interest with the employee's Manager and/or other responsible functions as outlined in section 5.3 below.

**Newly Hired Employees:** either (a) are first-time employees with one of the Group's companies or (b) employees who have internally transferred between the Group's companies with or without a break in service of any length.

**Personal Interest:** something that benefits the employee personally, financially or in any other way, whether direct or indirectly.

Personal Interest can arise from many types of relationships including financial investments, personal interactions, family relationships, friendships and board memberships.

## 4 Roles and Responsibilities

### A. All Employees

- All employees are responsible for understanding and adhering to the principles set out in this Policy.
- Employees are required to identify situations that are or could be perceived to be a conflict of interest and to avoid them wherever possible. It is the employees' responsibility to disclose conflicts of interest situations as soon as they arise and ensure that they complete any agreed upon actions to eliminate or mitigate the conflict of interest.

### B. Managers

Managers should strive to create an environment where employees feel safe to discuss and disclose any potential conflicts of interest. They are expected to:

- Lead by example, always demonstrating compliance with this Policy.
- Inform their employees about this Policy and the importance of it.
- Treat the information disclosed by the employee with appropriate confidentiality and without bias.
- Serve as primary point of contact for employees and provide guidance with respect to conflicts of interest.
- Respond swiftly when they receive a disclosure and treat the employee's disclosure sensitively, respecting privacy concerns in particular.
- Evaluate risks to HSA Group of disclosed conflicts of interest and decide on actions needed to ensure disclosed conflicts of interest risks are addressed appropriately, including involving HR, Legal or Regional Compliance in addressing a disclosed conflict as required.
- Have a continual dialogue and support mitigation actions/plans and ensure that the conflict of interest is remediated.

### C. Legal & Compliance

Legal & Compliance (in certain cases jointly with HR) responsible for:

- Providing clarity and guidance to employees and managers as needed regarding this Policy.
- Ensuring the proper implementation and monitoring the execution of this Policy.

### D. Human Resources

The Human Resources Department is responsible for ensuring Conflicts of Interest are disclosed by new hires as part of the hiring process using the Conflict-of-Interest Disclosure Form set out in Annex 2.

In addition, each company's HR Manager is responsible for centrally retaining all disclosed conflict of interest incidents in a formal register as well as all relevant supporting documents including the decision taken in a secured location.

## 5 Principles and Rules

Using HSA Group as a platform to advance Personal Interests (business or otherwise) or to advance the interests of third parties you may be associated with in business, socially or in some other manner, creates an unacceptable conflict of interest. Hiring, promoting or supervising a Closely Related Person or close friend may also create a conflict of interest.

HSA Group has based its approach to Conflict of Interest on the following five pillars:

### 5.1 Employees should understand when a Conflict of Interest may arise:

Types of Conflict of Interest: The following section lists some common types of conflicts of interest. They are divided into the following main categories:

- A. External engagements including outside employment.
- B. Personal financial interests
- C. Family and personal relationships
- D. Gifts, meal, travel, entertainment and other favors

### 5.2 Employees should avoid Conflict of Interest wherever possible.

As part of their employment with HSA Group, Employees have a contractual obligation of loyalty to HSA Group and its companies. Accordingly, employees should avoid Conflicts of Interest at all time especially the ones that represents a high risk to the reputation or business interests of HSA Group.

HSA Group respects its employees' rights and choices and does not wish to interfere with their personal lives. However, employees' avoidance of conflicts of interest is an important part of maintaining the integrity, transparency and sustainability of our business and builds trust and support amongst colleagues and our key stakeholders.

### 5.3 Address conflicts of interest

Disclosing a conflict of interest alone is not sufficient. Every conflict must be addressed together with the Direct Manager and company's HR Manager in order to eliminate or reduce the associated risks.

Most conflicts of interest can be addressed in a simple and mutually acceptable manner through pro-active, open dialogue between employees and their manager. HSA Group expects the direct Manager to:

- Assess the conflict-of-interest situation disclosed by the employee, and fairly evaluate options to address the conflict.
- Consult the HR, Legal and Compliance Business Partner in addressing the conflict depending on the category of conflict of interest as described below:

Types of conflicts of interest	To be reviewed by
External Mandates	Compliance
Outside employment & Outside Business	HR

Other external engagements	<b>Compliance</b>
Family and personal relationships	<b>HR</b>
Personal financial interests	<b>Compliance</b>
Gifts, meals, travel, entertainment and other favors	<b>Compliance</b>
Other situations not listed above	<b>Compliance</b>

- Make a pragmatic and informed decision to address the conflict of interest so that risks to HSA Group are minimized and the personal interests of the employees are protected as far as possible.
- Communicate the decision and its rationale to the employee and follow up to ensure the employee understands and complies with it.
- Retain documentation of these decisions and actions through the Conflicts of Interest formal register or disclosure tool (or paper-based form where the online system is not in place). Finally, provide a copy of the documentation for the employee.

#### 5.4 Employees must disclose Conflicts of Interest

HSA Group understands that avoiding a Conflict of Interest may not always be possible or practical. The required action for an employee who does not or cannot avoid a conflict of interest is to disclose it.

Having a Conflict of Interest is not necessarily wrong; however, it can become a problem or a legal matter if an employee tries to influence the outcome of business dealings for direct or indirect personal benefit. This is why transparency, in the form of disclosure, is critical and helps to protect the integrity, transparency and reputation of HSA Group and the employee.

- Employees must disclose to their managers and/or Human Resources Department any Conflicts of Interest. Please refer to section 6 below relating to the disclosure process.
- Disclosure must take place as soon as the employee identifies that there may be a Conflict of Interest and, whenever possible, before the employee engages in the conduct in question.
- 
- Newly Hired Employees specifically must disclose all Conflicts of Interest with HSA Group to the Human Resources Department during the hiring process so they can be discussed with the hiring manager.

A discussion with the employee's Manager should be the starting point when it comes to disclosing a Conflict of Interest. However, employees must also submit the standard Conflict of Interest Disclosure Form to their Managers and the Human Resources Department to ensure there is a record of each disclosure.

Business is dynamic and when circumstances change, existing disclosures may no longer be accurate or complete. When

this happens, the employee must freshly disclose the Conflict of Interest.

#### **5.5 Managers must ensure Conflicts of Interest are appropriately addressed.**

Disclosure provides transparency to actual, potential, or perceived Conflict of Interest risks to HSA Group. It is a necessary part of mitigating these risks, but disclosure alone is not sufficient. This Policy also requires addressing a Conflict of Interest appropriately.

Addressing a conflict of interest for existing employees is the responsibility of the employee and employee's direct manager.

- Addressing a Conflict of Interest for newly hired employees is the responsibility of the Human Resources Department as part of the hiring process. In addition to the above expectations from HSA Group, the Human Resources Department should:

Follow up with the manager of the newly hired employee to ensure compliance with the decision taken. Retain documentation of the decision using the standard Conflict of Interest Disclosure Form in the employee permanent employment file and provide a copy to the employee and his or her direct manager.

### **6 Disclosure Process**

- A. Where a conflict has been disclosed, the relevant party, as set out in the table contained in section 5.3 above, will review such disclosure and consult with the employee's manager (where appropriate) to determine an appropriate course of action. After alignment between all relevant parties, the direct manager will inform the employee of the results of such a review.
- B. Where a situation presents a Conflict of Interest the employee will be advised on whether such conflict can be managed.
  - Where a conflict can be managed, the employee will be advised on the necessary course of action and will be provided with appropriate recommendations to minimize the risk presented by the conflict. Alternatively, the employee may be instructed to remove (recuse) themselves from the situation. HSA Group may decide to appoint another employee or suitable person to assume the role and responsibility of the recused employee.
  - Where a conflict is not manageable due to a delay or failure to disclose the conflict by the employee, disciplinary actions may be taken against the employee as deemed necessary by the legal & compliance function in cooperation with the appropriate function.
- C. Disclosures made by you, or other employees, are not considered closed cases until such time when the legal & compliance function provides a final response to the employee and their manager / supervisor. Furthermore, where any changes to the circumstances of a conflict take place during the review process such changes must be notified to the Regional Compliance Department.



## 7 Reporting violations/ breaches

Any employee who learns of a potential, actual or perceived violation of applicable laws or this policy is required to report his or her suspicions to the legal & compliance function promptly. Breaches of this Policy will not be tolerated and can lead to disciplinary and other actions up to and including termination of employment.

Violations can be reported through the following:

1. Speaking up to your direct manager or higher manager within your company,
2. Speaking up to the HR function,
3. Sending an anonymous e-mail to Compliance Emails, [Compliance@hsa.com.ye](mailto:Compliance@hsa.com.ye) or [Whistleblowing@hsa.com.ye](mailto:Whistleblowing@hsa.com.ye)
4. Visit speak-up site: [www.hsa-yemen.ethicspoint.com](http://www.hsa-yemen.ethicspoint.com)

At all times, HSA Group will ensure that:

1. There is a ZERO tolerance for retaliation. HSA Group will not retaliate or permit retaliation against anyone who, in good faith, raises questions or concerns about possible misconduct or violations.
2. All reported incidents will be investigated thoroughly without any bias or pressure and in accordance with high level investigation standards and procedures.
3. Confidentiality is respected, and you may choose to remain anonymous after voicing your concerns. However, if you identify yourself, we will be able to follow up with you and provide feedback. Your identity and information will only be shared in line with our strict internal protocols to safeguard our employees privacy.

## 8 Annual Statement

You will be required to submit an annual declaration (in the form set out in **Annex 3** of this Policy) which affirms that you:

1. Have read, understand and received a copy of the Conflict-of-Interest Policy.
2. Have agreed to comply with the Policy requirements.

## 9 Compliance and consequences for non-compliance

- A. HSA Group treats the management of Conflicts of Interest extremely seriously. All employees and others working for or with HSA Group are required to comply with this Policy and HSA Group's Code of Conduct. Failure to disclose actual or possible conflict of interest will result in disciplinary action as well as legal action wherever appropriate.
- B. Employees that fail to adhere to the provisions and the spirit of this Policy will put themselves, their colleagues, and HSA Group at significant risk of civil and/or criminal liability, risks of fines and/or penalties, and reputational damage. Moreover, you may be subject to disciplinary actions and fines or other penalties for failing to follow the provisions of this Policy, up to and including termination of your employment.
- C. We reserve the right, at our discretion, to disclose information about violations of law to the relevant authorities.

## 10 Annex 1: Examples of Conflicts of Interest

### Financial interests in third parties

- Having a financial interest (including holding shares, a partnership or other participation interest, bonds, convertible notes or other financial instruments) in a bidder, supplier, customer or other third party that has a commercial relationship with HSA Group is considered a conflict of interest; notwithstanding the foregoing, generally no conflict will arise where an employee or other person subject to this Policy holds a financial interest as part of a managed portfolio or exchange-traded funds (ETF), or where the financial interest is in a publicly traded or listed company, and where such financial interest could not reasonably be expected to affect the business done by HSA Group with the third party.
- Where due to their role and responsibilities as an employee or otherwise, a person subject to this Policy is involved in a possible securities transaction on behalf of HSA Group, and has existing holdings of such securities, then they must disclose such conflict to the Regional Compliance Department.

### Holding a position as an officer or director in a third party

- An employee or other person subject this Policy that holds a position of an officer, director or any other managerial position in a third-party entity must be disclosed if the entity becomes a bidder or may become a supplier or customer that conducts business with or intends to conduct business with HSA Group.
- An employee or other person subject this Policy who is asked to serve in the position of an official, employee, officer, director or advisor or is otherwise asked to perform any other material role or function in a government agency, body or authority (or any other agency, body or authority holding itself out as a governing or ruling authority or effectively performing or administering governmental functions, regardless of whether such agency, body or authority is officially recognized as a legitimate governing authority) or who is offered a role as an officer, director or employee of any government owned entity must be disclosed prior to accepting the role so as to ensure that the appointment into the public position does not conflict with any obligations owed to the Group as an employee;
- An employee that serves on an advisory board of an external organization or entity must be disclosed to the Group as it may create a perceived conflict where it may be regarded that the employee is granting business or attempting to influence decisions towards the Group.
- An employee who participates in, contributes to, or otherwise supports a community or civic organization, or who contributes the Group's time and resources to it, may create a conflict of interest - even where there may not be any personal economic interests involved. Any such arrangements must be disclosed so as to limit any conflicts arising.

### Closely Related Persons and their employment:

- An employee (or other person to whom this Policy applies) that has a Closely Related Person that works at the Group should disclose such relation to the Regional Compliance Department.

- An employee (or other person to whom this Policy applies) that is in a position to direct or influence decisions concerning the hiring, promotion, compensation or suspension or termination of a Closely Related Person should disclose such relation to the Regional Compliance Department.
- An employee (or other person to whom this Policy applies) that has a Closely Related Person working at an entity doing business, or intending to do business with the Group should disclose this to the Regional Compliance Department.
- A conflict of interest may arise where an employee (or any other person to whom this Policy applies) directs a company within the Group to engage with an entity that is owned, managed, or sponsored by a Closely Related Person.
- A conflict may arise where an employee (or any other person to whom this Policy applies) uses the Group's resources, equipment, materials, and / or personnel for a business or entity that is linked to a Closely Related Person without disclosing such actions; and
- Conflicts may also arise where an employee (or any other person to whom this Policy applies) has a relationship with any party that does business with, or seeks to do business with, the Group. Such relationships could include romantic relationships with consultants, suppliers, vendors, managers, and subordinates.

#### **Gifts, meals, travel, entertainment and other favors**

- Receiving gifts, meals, hospitality, travel and entertainment can serve important business purposes. However, employees must be careful to avoid any conduct that would constitute a conflict of interest.
- Employees must not directly or indirectly solicit or accept from any actual or potential Group supplier, customer or competitor:
  - ✓ Cash or cash equivalents (e.g., stocks, gift certificates, discounts not based on a collective agreement, etc.).
  - ✓ Gifts, unless it is reasonable to believe that accepting the gift does not influence and cannot be perceived as influencing the business judgement of the Associate. Where refusing a gift might reasonably be interpreted as giving offence or causing embarrassment, a gift may be accepted on behalf of the Group but must be disclosed and the employee's manager must determine appropriate disposition.
  - ✓ Meals, hospitality, travel, or entertainment, unless it serves only Group's business interests, is accompanied by a representative of the business providing it and does not influence (and cannot be perceived as influencing) the business judgment of the employee.

#### **Family and Personal Relationships involving other companies.**

- While it is not unusual for employees to have a Closely Related Person who works for a supplier, customer or competitor, such situations often call for extra sensitivity to risks relating to security, confidentiality and conflicts of interest. Just because a Closely Related Person becomes a Group competitor, business partner or customer does not

mean that there is a conflict of interest. However, employees should discuss the relationship with either their Manager, HR, Legal or RC BPs in case of questions.

- In assessing such a situation, among the relevant factors to consider are.
- Whether the employee is involved in a Group business relationship with the Closely Related Person; and
- The access that everyone has to their respective employer's confidential information.