

Arran Isle Limited and its Subsidiary Companies (“Arran Isle”) Conflicts of Interest and Related Parties Policy Statement

Introduction

Overall it is assumed that employees will always act in the best interests of Arran Isle. Conflicts of interest are not always clearly defined. As a result, conflicts of interest which remain undeclared and undetected may be harmful to the Group and/or its stakeholders.

You may have close connections with people in other parts of the industry; you may well place work with them for very justifiable business reasons. For your own protection it is important that you let your Managing Director (or equivalent) know of these connections. Once declared, Group staff can work with you to agree what, if anything, you need to do.

Policy

- Related party transactions and conflicts of interest should be avoided at all levels.
- Staff must seek to avoid situations in which there is, or there may be, a perception of a conflict between the best interests of the Group and the self-interests of the staff member.
- If such a conflict is considered unavoidable or advantageous for the business, it must first be authorised in writing by the business unit’s Managing Director (or equivalent).
- A “Register of Conflicts of Interest and Related Parties” is required to be maintained at each business unit by the Finance Director (or equivalent).

Procedures

General

A conflict of interest exists when employees and/or their immediate families have direct or indirect personal interest, or derive benefits from transactions to which a business, or businesses within the Group are also a party. Such situations must be avoided and prevented at all times in the interest of honest and bona fide business practices. For example:

- An employee uses, or encourages the use of, a supplier in which the employee, their partner, or another member of their family, has a financial interest.
- An employee encourages a client to do business with a third party in which the employee, their partner, or another member of their family, has a financial interest.
- An employee, partner or family member (either as an employee or a significant investor) who competes against, does business with, or supplies services to any Arran Isle Group business, (for example, someone in your family works for an interconnected company outside Arran Isle). One Arran Isle company competing with another is not a conflict in this sense.

Disclosure

New Employees

- The Arran Isle Group’s Conflict of Interest and Related Parties Policy Statement should be included in the Employee Handbook (or similar document).
- Upon joining the Group, all new employees should receive a copy of the Employees’ Handbook and they should be asked to declare all related parties or any conflicts of interests (upon starting).
- Any related parties or conflicts of interests should then be recorded in the business unit’s “Register of Conflicts of Interest and Related Parties”.

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Existing Employees

- The onus rests on all employees to disclose all related party transactions and all (real and potential or perceived) conflicts of interest in writing as soon as the conflict situation arises. These disclosures must be made to the business unit’s Finance Director (or equivalent) who is responsible for maintaining the business unit’s “Register of Conflicts of Interest and Related Parties”.

Management

- If a conflict is considered unavoidable or advantageous for the business, it must first be documented and authorised by the business’s Managing Director (or equivalent).
- For all disclosed related party transactions or conflicts of interest issues, the Managing Director must decide if it is acceptable (ie do nothing), or if the issue is not acceptable in conjunction with the Arran Isle Corporate Services Director.
- If it is deemed not acceptable, then appropriate mitigating control/s must be developed and implemented to address the conflict. For example, if it is deemed that it is commercially sensible for the situation to continue (for example the related party supplier is “the best”, by an appropriate measure), then the employee must have no involvement with signing contracts or developing terms and conditions, including pricing, and must not be responsible for monies passing to or from the related party.

Reporting

- Business unit’s “Register of Conflicts of Interest and Related Parties” must be kept up-to-date at all times and be available for inspection as and when required.
- Any significant related parties or conflicts of interest issues must be reported immediately to the Arran Isle Corporate Services Director.

Implementation & Review

This policy will be reviewed annually by the Group Board of Directors and implemented and maintained by senior managers and relevant employees who interact at any level with customers, suppliers and other external parties.

Communication

It is the responsibility of the legal entity or business unit’s Managing Director (or equivalent) to ensure that this policy is regularly communicated to all employees and to all new employees when they join the business.



Martin Wardhaugh
Group Chief Executive
February 2019