

# **COVIFRA**

**COMPAGNIE DES VILLAGES DE VACANCES  
DE L'ISLE DE FRANCE LTEE**

**CONFLICT OF INTEREST &  
RELATED PARTY TRANSACTIONS**

**COMPAGNIE DES VILLAGES DE VACANCES DE L'ISLE DE FRANCE LIMITEE**  
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# COMPAGNIE DES VILLAGES DE VACANCES DE L'ISLE DE FRANCE LIMITEE

## CONFLICT OF INTEREST & RELATED PARTY TRANSACTIONS

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### 1. Introduction

The objective of the policy is to define the scope of conflicts of interest and related party transactions and to set out policies and procedures that would ensure the integrity and transparency of related party transactions.

### 2. Conflict of Interest

Directors have a legal obligation to act in the best interest of the Company and should make their best effort to avoid situations where there may be a potential conflict of interest or situations where others might reasonably perceive there to be a conflict of interest.

The personal interests of a director, or persons closely associated with the director should not take precedence over those of the organization and its shareholders.

The aim of this policy is to protect both the organisation and the individuals involved from any appearance of impropriety.

### 3. Definition of Conflict of Interest

Conflict of interest can be defined as any situation in which an individual or Company is in a position to exploit a professional or official capacity in some way for their personal or corporate benefit. A potential conflict of interest exists if the Company intends to enter into a transaction with a related party. A conflict of interest also occurs when an individual or organisation is involved in multiple interests, one of which could possibly create unfavorable influence for an act in the other.

### 4. Definition of Related Party Transaction

For the purposes of this policy, a "Related Party Transaction" is any financial transaction, arrangement or relationship or any series of similar transactions, arrangements or relationships in which:

- 1 The Company, the holding company or any of its subsidiaries is a participant; and
- 2 Any 'Related Party' has or will have a direct or indirect interest.

For the purposes of this policy a "Related Party" is

1. A Director of the Company;
2. Immediate family members of any of the foregoing persons, which means any child, stepchild, parent, spouse or sibling of the director or the executive officer.
3. Firms, corporations or other entities in which any of the foregoing persons has 10% or greater beneficial ownership interest.
4. The parent company and its subsidiaries.

### 5. Management of Conflicts of Interest and Related Party Transactions

- Upon appointment, each Director will make a full, written disclosure of interests which will be handed over to the Company Secretary who will be responsible for maintaining an interests' register.
- It is the responsibility of each director to ensure that any interests be reported to the Company Secretary so as to be recorded in this register. Full and timely disclosure of any conflict, or potential conflict, must be made to the Board. This written disclosure will be kept on file and will be updated annually or as appropriate.
- In the course of meetings or activities, Directors shall forthwith after becoming aware of the fact that he is interested in a transaction or proposed transaction with the Company, disclose same to the Board and cause same to be entered in the interests register. If in doubt, the potential conflict must be declared anyway and clarification sought.
- Any Board member having a conflict of interest will not vote or use his or her personal influence on the matter when the matter is discussed by the Board. The minutes of the meeting will reflect that a disclosure was made, and the abstention from voting.
- The Board has developed a corporate code of ethics that addresses issues that relate, inter alia, to conflicts of interest relating to directors.
- All transactions in which there are conflicts of interest with Board Members shall be agreed on terms that are customary for arm's length transactions in the organization business. Decisions to enter into transactions in which there are conflicts of interest with Board members require the approval of the Board.