



Conflict of Interest Policy

1. Scope of the procedure

This procedure applies to all directors (members of the board of directors - "**Director(s)**") and executive directors (managers having duties delegated from the board of directors based on a mandate agreement "**Executive Director(s)**") of Sphera Franchise Group S.A., a joint stock company incorporated in Romania, registered with the Bucharest Trade Registry under number J40/7126/2017, sole registration code 37586457, with registered seat in 239 Calea Dorobanți, 2nd floor, office 4, district 1, Bucharest, Romania ("**Company**") regarding potential conflicts of interest which may arise in connection to their mandate.

2. Legal Regime Applicable

This Procedure is complemented accordingly with the legal provisions applicable ("**Applicable Laws**") and with the Articles of Association of the Company, particularly, but without limitation to:

- a. Law no. 31/1990 on companies ("**Companies Law**")
- b. Corporate Governance Code of Bucharest Stock Exchange ("**BSE**") ("**Corporate Governance Code**")

In cases of inconsistency between the provisions of this Procedure and the Applicable Laws or the Articles of Association of the Company, the relevant provisions of the Applicable Laws or of the Articles of Association of the Company shall replace the inconsistent provisions of this Procedure.

3. Conflict of Interest

A conflict of interest refers to a situation in which a Director or an Executive Director has a direct or indirect commercial, professional or personal interest which actually or potentially conflicts with his duties towards the Company. It extends to instances when the interests of such a person may be reasonably perceived to conflict with his duties towards the Company.

Potential conflicts of interest may arise from:

- a. approval/refusal to approve and/or lobbying for such a decision in connection with certain agreements with direct impact on the business and/or the results of the Company;
- b. use of corporate property for personal interest or the interest of a third party, i.e. companies or persons other than the Company and its group ("**Third Party**");



- c. association with competitors of the Company, i.e. companies and persons from their management or shareholding who activate in the same business sector, respectively the fast food and restaurant markets in Romania, Italy and Republic of Moldova ("Competitor");
- d. use of information received in the context of director duties for the personal benefit or for the benefit of a Third Party;
- e. related party transactions;
- f. direct or indirect commercial/financial/legal relationships with significant shareholders, with other Directors, Executive Directors or with the middle management; or
- g. simultaneous direct or indirect representation of the interests of the Company and of a Third Party/Competitor.

Directors and Executive Directors have a duty of loyalty to the Company and shall strive to avoid conflict of interests, defined as situations in which their direct or indirect personal or other professional interests makes it difficult to act impartially and independent in the best interest of the Company and all its shareholders and perform their role as a Director/Executive Director. There is a personal interest also when in a particular operation the following persons are involved: spouses, relatives or next of kin up to and including the 2nd degree.

4. Directors and the Executive Directors Obligations

For avoiding any situation of conflict of interest, each Director or Executive Directors have the following obligations:

- a.** to promptly disclose to the Company and to the Audit Committee when they themselves or their family members¹ have a personal interest in a transaction with the Company or have directly or indirectly interests contrary to those of the Company in a particular case;
- b.** to declare any actual or perceived conflict of interest at the beginning of all board meetings at which he/she attends or whenever a conflict of interest exists in connection with a decision to be taken by an Executive Director;
- c.** following disclosure of conflict of interest, to refrain from taking part in the discussions, deliberations (including by not being present where this does not render the meeting non-quorate), from voting on the adoption of a resolution on the issue which gives rise to such conflict of interest, from discussing that matter with any person involved in the decision-making process or from supervising the decision-making process on that matter;

¹ spouses, relatives or next of kin up to and including the 2nd degree relatives of the spouse



- d.** to disclose annually to the Audit Committee, their main professional positions and activities, including their duties in non-profit organisations, and any relevant legal entities in which they themselves or those whom they represent are significant shareholders (the Audit Committee shall satisfy itself that there have been no actual conflicts of interests and shall assess potential conflict of interest deriving from such positions);
- e.** save for the companies that are subsidiaries of the Company or companies that are controlled by the controlling shareholders of the Company to not become board members or executives of any of the Company's Competitors or other institutions whose interests might conflict with or often oppose the interests of the Company.

If a transaction for which a Director or an Executive Director has an actual or potential conflict of interest is unavoidable, the transaction or business relationship with the Company shall be approached with appropriate caution and full transparency.

5. Audit Committee

The Audit Committee should review conflicts of interests in transactions of the Company and its subsidiaries with related parties (i.e. which for these purposes are those set out in the Standards adopted according to the Regulation (EC) 1606/2002 and disclosed in the financial statements).

Any transaction of the Company with its related parties that is equal to or more than 5% of the net assets of the Company (as stated in the latest audited financial statements) should be approved by the Board of Directors following a mandatory opinion of the Audit Committee.

Except for the mandate agreements which are concluded by the Company with the Directors/Executive Directors, any transaction of the Company with its Directors/Executive Directors which is equal to or exceeds EUR 50,000 (or its RON equivalent), must be approved by the board of directors of the Company, following a mandatory opinion of the Audit Committee.