

**HR Policy**

<b>Subject:</b> CONFLICTS OF INTEREST	<b>Policy Number: 1:1</b>	
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**1. PURPOSE**

- 1.1. To define potential Conflicts of Interest in employment.
- 1.2. To provide a code of practice for the maintenance of satisfactory business conduct in respect of the declaration of any interest that might be considered to impair an employee's impartiality in business/commercial matters.

**2. RELATED POLICY**

- 2.1. PACCAR Standard Policy 20 Conflicts of Interest.
- 2.2. HR Policy 1.2: Gifts, Entertainment and Social Events

**3. SCOPE**

- 3.1. This policy applies to all employees of Leyland Trucks and PACCAR Parts UK Ltd. and in particular, those in the following categories, need to exercise extra caution:
- 3.2. All employees in management grades 15 and 16 and above.
- 3.3. All other employees who hold positions which require them to conduct business on the Company's behalf with external enterprises, or are in a position to influence materially other employees with such responsibilities.
- 3.4. All employees having access to confidential information which has business implications for the Company and could be exploited in any way.
- 3.5. All employees who have incidental business or investment connections with other companies with which the Company does business.

**4. GENERAL PRINCIPLES**

- 4.1. The Company has no wish to enquire unjustifiably into the personal affairs of its employees or members of their families and respects the right of all employees to participate in outside activities and relationships which do not conflict with their positions as employees. Nevertheless, a significant financial interest held by any employee or by close relatives of an employee in non-Company organisations with which the Company has a business relationship could involve actual or potential conflict of interests, and employees should be reminded that one of the fundamental

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implied terms of any employment contract is the duty of care and trust between the two parties.

- 4.2. The Company should, therefore, have on record, in strict confidence, information concerning significant interests of employees and (to the best of their knowledge), their close relatives in those enterprises with which the Company has a business connection or with which it is in direct or indirect competition.
- 4.3. Even though it is to be expected that such interests will, in most cases, involve no serious conflict, disclosure to the Company should protect the reputation of employees and permit the Company to express an opinion in any situation which could involve misunderstanding.
- 4.4. By 'close relatives' it is meant at least: partner, husband, wife, son, daughter, sister, brother, mother, father, step-mother, step-father, mother-in-law, father-in-law, son-in-law, daughter-in-law, step-son, step-daughter, step-sister, step-brother, half-sister, half-brother.
- 4.5. Employees who are aware that other relatives may have interests that might be relevant to the requirements of this policy should consult the Human Resources Director.

**5. REPORTABLE INTERESTS**

- 5.1. The categories of employees defined in the scope of this policy must report any interest they (or, to the best of their knowledge) their close relatives have in any of the following:-
- 5.1.1. Suppliers of goods or services to the Company.
  - 5.1.2. Distributors or Dealers for the Company.
  - 5.1.3. A Company which is trying to establish a business connection with the Company.
  - 5.1.4. Any other organisation which is in business competition with the Company or an agent or subsidiary of that organisation.
  - 5.1.5. Any transaction or proposed transaction between the Company and an external person or organisation.
  - 5.1.6. Any enterprise which has at the relevant time a business relationship with the Company, except insofar as such interests amount to bona fide investment not exceeding 5% of the issued shares in a company which is quoted on the London or some other recognised Stock Exchange.

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5.2. No action in respect of an interest reported under this section will be taken by the Company without prior discussion with the employee concerned. Factors to be taken into account will be the type and extent of the interest, how and when it was acquired and the Company's interest in the particular situation.

**6. ACTIVITY ON BEHALF OF OTHER ENTERPRISES**

6.1. The written consent of the Human Resources Director is required before an employee may (whether for reward or not) represent, or be a Director or employee of, or render services to, an enterprise with which the Company has, at the relevant time, a business or competitive relationship. Requests for consent should be submitted to the Human Resources Director.

6.2. If a close relative of an employee as defined in 4.4 above, should render services to an organisation outside the Company in the way described above or be employed in a senior capacity, the Human Resources Director should be advised, so that the employee can be informed whether or not a conflict of interest might arise.

**7. OTHER EMPLOYMENT**

7.1. An employee involved to any significant extent either in gainful business activity or with professional or other bodies or institutions outside and separate from his/her paid employment with the Company must declare such activity in the same way for the 'Reportable Interests' in paragraph 5.1 above.

**8. BUSINESS INFORMATION**

8.1. Employees must not directly or indirectly exploit or use for profit any confidential information obtained in the course of employment.

**9. PROCEDURE**

9.1. Any individual employee in a job or personal situation included in any of the categories defined in Sections 3.1 to 3.4 above should be given the opportunity to report any relevant interests or to confirm that there are none. This should be done before the employee commences the job in question.

9.2. If such a conflict exists, they must be recorded in writing and sent to the Human Resources Director, and a copy kept on file in the Human Resources Department.

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9.3. Employees will be asked to complete and sign a Declaration Form during their induction training. This will be held on file in the Human Resources Department as part of the induction records.

9.4. The Conflict of Interest Declaration Form includes a requirement for employees to inform the Company of any change in his/her situation or that of any close relative. It is not necessary, therefore, to require employees to sign further declarations with subsequent job offers. The repetition of requests to sign Declarations should be avoided except where the Policy is reissued on a general basis as a reminder to all relevant employees.

**10. AUTHORITIES**

10.1. Responsibility for implementing this Policy (including providing guidance on the definition of conflicting interests) – Human Resources Director.

10.2. Departmental Managers are required to identify employees to whom this policy applies as defined in paragraphs 3.2 and 3.5.

10.3. Responsibility for determining action following declaration of interests and for authorising action on behalf of other enterprises – Human Resources Director.

**FURTHER INFORMATION**

Further information on this Policy may be obtained from the Human Resources Department.

This document is non-contractual unless otherwise stated.

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**APPENDIX A****PERSONAL AND CONFIDENTIAL****CONFLICTS OF INTEREST POLICY****DECLARATION**

I have read the Company Policy on Conflicts of Interest and I confirm that:-

I do not have any interest in organisations outside the Company of the type defined in Section 5 of the Policy.

To the best of my knowledge, no close relative of mine as defined in Section 4 has any interest in organisations outside the Company of the type defined in Section 5 of the Policy.

I do not represent nor am I a director or employee of, nor render services to, any enterprise with which the Company has a business or competitive relationship, as defined in Section 5 of the Policy.

To the best of my knowledge none of my close relatives is a Director or employee of, or renders services to, any enterprise with which the Company has a business or competitive relationship, as defined in Section 5 of the Policy.

I am not involved in other employment as defined in Section 7 of the Policy.

I undertake to inform you if any change in my position, or, to the best of my knowledge, that of any close relative, should occur in respect of the above declaration.

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**INDUCTION PACK SIGNATURE SHEET**

I confirm that I have received the Leyland Trucks/PACCAR Parts Induction booklet Issue 12 – April 2017.

I have read, understood and agree to abide by the Policies contained therein:

Substance Misuse Policy 2.2 – Issue no. 5

Security

Patents and Non-Disclosure of Confidential Information – SP21 (6/05)

Conflicts of Interest Policy 1.1 – Issue no. 4

Gifts, Entertainment & Social Events Policy 1.2 – Issue no 5

Use of Company E-Mail, Internet/Intranet Facilities Policy 1.5 – Issue no. 3

Print Name:

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Signed:

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Date:

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