

Conflict of Interest Policy

1. CONFLICTS OF INTEREST

- 1.1 A Director 'interested' in a transaction (see clause 3.1 below) must notify the Board of the Company and ensure that his or her interest is recorded in the interests register which the Company is obliged to maintain. The disclosure should include the monetary value of the Director's interest (if it can be quantified) and the nature of that interest together with information on the extent of the interest.
- 1.2 A Director may make a general disclosure of interest where he or she is a shareholder, Director, officer or a trustee of another named company or other person, so that the Director should be treated as being interested in any transaction which follows with that company or person.

2. VOTING AND QUORUM

- 2.1 A Director who is 'interested' in a Company matter (as defined in section 139 of the Companies Act and set out in clause 3.1 below) can attend a meeting of the Board at which the matter arises but:

- a. shall not be included among the Directors present at the meeting for the purposes of a quorum; and
- b. may not vote on a Board resolution in respect of any matter,

unless the matter is one in respect of which Directors are expressly required by the Companies Act to sign a certificate. Where Directors are required to sign a certificate or which relates to the grant of an indemnity under section 162 of the Companies Act then a Director can be counted in the quorum and vote in respect of a matter in which they are interested (see Listing Rule 2.10.2 and Schedule 2 of the Constitution).

- 2.2 The same Director may also sign a document relating to the transaction on behalf of the Company, and may do any other thing in their capacity as a Director in relation to the transaction, as if the Director were not interested in the transaction.

3. DEFINITION OF "INTERESTED"

3.1 Section 139 of the Companies Act defines a Director as being "interested" in a transaction where the Company is a party if, and only if, the Director:

- a. Is a party to, or will or may derive a material financial benefit from, the transaction; or
- b. Has a material financial interest in another party to the transaction; or
- c. Is a Director, officer, or trustee of another party to, or person who will or may derive a material financial benefit from, the transaction, not being a party or person that is:
 - i. The Company's holding company being a holding company of which the company is a wholly-owned subsidiary; or
 - ii. A wholly-owned subsidiary of the company; or
 - iii. A wholly-owned subsidiary of a holding company of which the Company is also a wholly-owned subsidiary; or
- d. Is the parent, child, spouse, civil union partner, or de facto partner of another party to, or person who will or may derive a material financial benefit from, the transaction; or
- e. Is otherwise directly or indirectly materially interested in the transaction.

3.2 A Director is not interested in a transaction to which the Company is a party if the transaction comprises only the giving by the Company of security to a third party which has no connection with the Director, at the request of the third party, in respect of a debt or obligation of the Company for which the Director or another person has personally assumed responsibility in whole or in part under a guarantee, indemnity, or by the deposit of a security.

3.3 Note that the term "Interested" is a different concept under the Companies Act from where a Director has a "relevant interest".

4. AVOIDING TRANSACTIONS WITH DIRECTORS

4.1 Where the Company enters into a transaction in which one of its Directors is interested, the Company can avoid that transaction at any time up to three months after the transaction is disclosed to all shareholders unless the Company has received

fair value in respect of the transaction. A general disclosure in the interests register is not sufficient to start the three month period running.

- 4.2 If the transaction is entered into by the Company in the ordinary course of business and on usual terms and conditions, the Company is presumed to have received fair value under the transaction. If that presumption is to be challenged and the question of fair value becomes an issue, this issue is determined on the information known to the Company and to the interested Director at the time the transaction was entered into.
- 4.3 If a Director fails to make disclosure, this does not affect the validity of a transaction but the Director concerned commits an offence and is liable on conviction to a penalty of up to \$10,000.

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