

Conflict of Interest Protocol

1. Purpose

The purpose of this protocol is to provide guidance to the members (**Board Members**) of the Board of the Group in the event of a conflict of interest arising for those Board Members (either duty v's duty or duty v's personal interest) and to provide for the establishment of procedures to facilitate good corporate governance and legal compliance with duties arising.

2. Background

2.1 Each Group member is regulated for these purposes by their individual Constitutions and the *Corporations Act 2001 (Cth)* (**Corporations Act**). The law surrounding the disclosure of interests with respect to the Group is substantially contained in sections 191 to 193 of the Corporations Act. The Constitution of the relevant Group member will need to be considered. Group subsidiaries of the Company are more likely to be proprietary companies but may from time to time include a public company. Stricter statutory obligations are imposed with respect to public companies (refer to section 195 of the Corporations Act).

2.2 This policy document is confined to "conflicts of interest" and does not purport to extend to the broader general common law and statutory duties of Board Members.

3. Adoption and Monitoring

3.1 This policy document has been adopted and endorsed by the Board.

3.2 The Board will periodically monitor compliance with this policy document.

4. Principal Obligations

4.1 Generally (Constitutions of Group Members)

- **(Constitutions read subject to Corporations Act)** rules prescribed in the Corporations Act take priority over any conflicting Constitutional provision.

4.2 Subsidiaries of the Company (sections 191 to 193 of the Corporations Act)

- **(disclosure)** a director of a Group member who has a material personal interest (not defined) in a matter that relates to the affairs of the Group must give the other directors notice of the interest unless one of the exceptions in section 191(2) applies;
- **(contents of notice)** the notice must give details of the nature and extent of the interest and the relation of the interest to the affairs of the Group;
- **(timing of notice)** the notice must be given at a directors' meeting as soon as practicable after the director becomes aware of the interest in the matter;

- **(minutes)** the details must be recorded in the minutes of the meeting;
- **(standing notice)** a director of a Group member may give standing notice of an interest, including before the interest becomes a material personal interest (refer to section 192 of the Corporations Act); and
- **(participation)** the ability of a director to participate in the board meeting at which the matter will be considered and to count towards the quorum of that meeting will be governed by the Group member's Constitution.

4.3 The Company and public company subsidiaries of the Company (section 195 of the Corporations Act):

- **(generally)** special rules apply to such entities in addition to the references in sections 4.1 and 4.2 of this policy document.
- **(restrictions on voting and being present)** a Director of the Company who has a material personal interest in a matter being considered at a Board meeting must not:
 - be present while the matter is being considered;
 - vote on the matter;

unless S.191 (2) of the Corporations Act excuses the need to disclose the interest or any the following 3 paragraphs apply:

- **(participation with Board approval)** the other directors who don't have a material personal interest pass a resolution identifying the relevant director (and the extent and nature of his/her interest and its relation to the affairs of the Company) and stating they are satisfied the relevant director should not be disqualified from being present and voting; or
- **(participation with ASIC approval)** an ASIC order under S.196 of the Corporations Act is made; or
- **(participation with shareholder approval)** if a quorum of non conflicted Directors is not possible, the Directors may convene a meeting of shareholders to resolve the matter (notwithstanding the conflict of those Directors).

5. Board Procedures to Assure Good Corporate Governance

5.1 Each of the following are examples of circumstances which are likely to give rise to a Board Member having a conflict of interest or prospective conflict of interest **(Relevant Circumstance)**:

- a Board member or a Related Party has a direct or indirect pecuniary interest in a contract or proposed contract with a Group member;
- a Board Member or a Related Party holds an office in an entity with which a Group member may have dealings;

- a Board Member or a Related Party has an investment in an entity with which a Group member may have dealings, other than a mere portfolio investment where investment discretion substantially resides with a third party; or
- any other transaction or circumstance affecting a Group Member where the Board Member (acting in good faith with objectivity and reasonableness) may believe that they might not be able to exercise judgement with impartiality in the best interests of the Group member).

For the purpose of this policy

- (a) a Related Party refers primarily to a Board Member's spouse or other "close" family member (depending upon the circumstances without prescriptive intent) or other corporate, trust or nominee entity or person over whom the Board Member or other persons as aforesaid may substantially exercise control; and
 - (b) a Relevant Circumstance excludes a circumstance, event or conflict arising only from the Board Member (or Related Party)
 - being a member of the Company;
 - being the recipient of services from a Group Member in the ordinary course of the Group's operations; or
 - holding a position of office in a Group Member.
- 5.2 Each Board Member must give notice in writing, in the form of attachment F (1), to the Company Secretary of the nature and extent of each Relevant Circumstance as soon as he or she becomes aware of it (or in the case of the Company Secretary, to the Chairman).
- 5.3 The Company Secretary should cause every notification or disclosure of a Relevant Circumstance to be recorded in a Register of Relevant Circumstances – Conflicts of Interest of Board Members ("**Register**") to be maintained by the Board (under the control of the Company Secretary) in accordance with system set out in attachment F (2) and which Register is to be available for inspection at any time on request.
- 5.4 It is the obligation of each Board Member to ensure that the particulars in the Register with respect to themselves are current, complete and accurate in all material respects.
- 5.5 Unless there be special reason to the contrary (in the interests of the Group member and for efficiency of meeting process), as determined by the person presiding at the meeting and with the agreement of all the remaining Board Members, the affected Board Member shall absent himself or herself from the Board meeting whilst the meeting considers the relevant matter.
- 5.6 The person presiding at the meeting may request the affected Board Member to address the meeting preliminary to the relevant subject matter being under consideration and to respond to

specific queries at the meeting, but the Board Member shall not be under any obligation to so address or respond if the affected Board Member considers it inappropriate to do so.

- 5.7 In particular, each Board Member affected by a Relevant Circumstance may not take part in any deliberations, decisions or voting on a matter at a Board Meeting in which the Relevant Circumstance gives rise to a conflict of interest of the Board Member, subject to any exceptions referred to in paragraph 4 above.