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# McPherson's Limited Conflict of Interest Policy

July 2024

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# Conflict of Interest Policy

## 1. SCOPE OF POLICY

- (a) The Board of McPherson's Limited (**Company**) is committed to managing actual, potential or perceived conflicts of interests in its business relationships.
- (b) This policy has been developed to provide a framework for all directors and ELT members to properly and adequately disclose actual, potential or perceived conflicts of interest promptly and without delay after they become known.
- (c) Accordingly, this policy provides guidance on what constitutes a conflict of interest and how it will be managed and monitored by the Company.

## 2. APPLICATION OF POLICY

- (a) This policy applies to directors of the Company and all members of the Executive Leadership Team (**ELT**) of the Company.
- (b) The ELT comprises the Chief Executive Officer & Managing Director (**CEO**) and all executive direct reports CEO.

## 3. POLICY OBJECTIVES

The objectives of this policy are to:

- (a) protect the integrity of the decision-making process of the Company by avoiding legal, financial, corporate, ethical and other conflicts of interest;
- (b) set out the requirements that all directors and ELT members must comply with in order to avoid actual, potential or perceived conflicts of interest;
- (c) provide guidance for dealing with any conflict of interest in an open and transparent manner;
- (d) give all stakeholders confidence in the Company's decision-making processes; and
- (e) protect the integrity and reputation of the Company, the directors and the ELT.

## 4. OVERVIEW OF CONFLICTS OF INTEREST

- (a) A conflict of interest may be **actual, potential or perceived**:
  - (i) An **actual conflict of interest** is where there is a real or material conflict between:
    - (A) a director's personal interests and the performance of that director's duties to act in the best interest of the Company, as a whole; or
    - (B) an ELT member's personal interests and the performance of that ELT member's role and responsibilities as an executive and employee of the Company.
  - (ii) A **potential conflict of interest** is an actual conflict of interest which may occur at some time in the future, either based on current circumstances or a change in circumstances.
  - (iii) A **perceived conflict of interest** is where a third party may reasonably form the view, based on available information, that a conflict of interest may exist. A situation that looks like a conflict of interest, whether actual or potential, may be enough to undermine stakeholder

confidence, even if in fact there is no actual conflict or the conflict has already been resolved.

- (b) A director owes certain legal and fiduciary duties, including to act care and diligence, act in the best interests of the Company, as a whole, and for a proper purpose, not to improperly use their position or misuse confidential information to advance their own personal interests, to manage conflicts of interest and to prevent insolvent trading.
- (c) An ELT member owes certain duties, including the duties of loyalty, diligence and confidentiality to the Company which require that the ELT member to act in good faith and exercise their role and responsibilities for the benefit of the Company and not for their own personal or another person's or parties' personal interests.
- (d) A perceived conflict of interest may be as potentially harmful as an actual conflict of interest. Such a situation may undermine trust and confidence in the Company by external parties and stakeholders which may not be adequately restored even when mitigating facts of the situation are brought to light. On this basis it has been determined by the Board that conflicts must be carefully and appropriately managed.

## **5. KEY PRINCIPLES**

- (a) The Board is committed to the transparent disclosure, management and monitoring of actual potential and perceived conflicts of interest. All directors have a duty to avoid actual, potential or perceived conflicts of interest under the *Corporations Act 2001* (Cth).
- (b) A director or ELT member must avoid being placed in, or being seen to be placed in, an actual or potential situation of making a decision in relation to the business of the Company that might be affected by another business or material personal interest of the director or the ELT member.

## **6. RESPONSIBILITIES**

- (a) Under this policy all directors and ELT members are required to:
  - (i) disclose actual, potential or perceived conflicts of interest on their appointment as a director or ELT member;
  - (ii) keep these disclosures up to date; and
  - (iii) refrain from attempting to influence any decisions in which they have, may potentially have, or be perceived to have, a conflict of interest.
- (b) The Board will manage conflicts of interest under this policy through the following actions:
  - (i) A director must promptly disclose to the Board (via the Chair, the Company Secretary or at a Board meeting), and an ELT member must promptly disclose to the Company Secretary, any personal or outside interest, relationship, holding of office or position of responsibility (including without limitation, in connection with a legal, financial, corporate or ethical relationship), any direct or indirect interest in or involvement with a competitor, customer or supplier of goods or services to the Company, or otherwise held by the director or ELT member with respect to:
    - (A) any current business undertaken by the Company; or
    - (B) any actual or potential transaction, agreement or other matter which is or may be presented to the Board, the Company or the ELT for consideration even if such interest, relationship or responsibility has otherwise generally been disclosed to the Company or the Board.
  - (ii) At the commencement of each Board meeting:

- (A) directors are required to disclose or amend a previously disclosed actual, potential or perceived conflict of interest; and
  - (B) the Company Secretary will advise the Board of any new or amended disclosures made by ELT members since the previous Board meeting.
- (iii) The Company Secretary will respond to disclosures by:
- (A) recording in the minutes of the Board meeting a director's disclosure of a conflict of interest generally or relating to a particular agenda item;
  - (B) record in the minutes of the next Board meeting a director's conflict of interest disclosure made outside a Board meeting; and
  - (C) keeping copies of declarations and standing declarations of conflicts of interest in a Conflicts of Interest Register.
- (iv) The Conflicts of Interest Register will record:
- (A) names, affiliations and conflicting agenda items of directors;
  - (B) names, affiliations and details of conflicts disclosed by ELT members;
  - (C) conflicts identified;
  - (D) risk assessments, controls and consequential actions implemented to manage the conflict of interest;
  - (E) any reports considered by the Board on conflicts of interest matters; and
  - (F) copies of any written conflict of interest disclosures made to the Board or the Company Secretary.
- (v) The Conflicts of Interest Register will be tabled by the Company Secretary at Board meetings for directors' consideration at six monthly intervals.
- (vi) If a director believes another director or an ELT member has an undeclared conflict of interest they are required to specify the basis of their opinion either verbally or in writing prior to or at the commencement of the respective Board meeting through the Chair for resolution. Should this issue not be resolved through discussion, final resolution rests with the Chair. If a director believes the Chair has an undeclared conflict of interest they are required to specify the basis of their opinion either verbally or in writing prior to the respective Board meeting through the Company Secretary for resolution.
- (vii) Where a conflict of interest (or a material personal interest) has been raised prior to or at a Board meeting or in relation to a specific resolution, subject to the directors determining to deal with the matter in accordance with the *Corporations Act 2001* (Cth), the director concerned must withdraw from the Board meeting and leave the room. In such case, the director who has disclosed the conflict cannot vote on that item or take part in any formal Board discussion on that topic. The Chair and remaining directors can, on a case-by-case basis, reach agreement on an appropriate course of action.
- (viii) For any conflict of interest, the Board, with the abstention of the interested director(s), may decide whether such director(s) may participate in any reporting, discussion or vote on the issue that gave rise to the conflict of interest (or material personal interest). The Chair may direct the Company Secretary or management to withhold any information on such matters from the Board papers and materials

distributed to the applicable director(s) and take all such other action necessary to comply with this policy and the *Corporations Act 2001* (Cth).

- (ix) Any director with such an interest, relationship or responsibility which conflicts with the interests of the Company shall excuse themselves from any reporting, discussions and any vote on the matter that gave rise to the conflict of interest and, if necessary, from the Board meeting, or applicable part thereof.

**7. NON-COMPLIANCE**

- (a) A failure to comply with this policy by an ELT member may lead to disciplinary action, up to and including termination of employment.
- (b) A failure by a director to comply with this policy or the *Corporations Act 2001* (Cth) may lead to that director being asked to resign.

**8. REVIEW**

This policy will be reviewed regularly by the Board having regard to the changing circumstances of the Group.

**9. RELATED DOCUMENTS AND POLICIES**

- (a) Board Charter;
- (b) Statement of Values;
- (c) Continuous Disclosure Policy;
- (d) Ethical and Responsible Business Conduct Policy; and
- (e) Code of Conduct.

**10. DOCUMENT CONTROL**

Version	Description	Date
1	Renewed Document	July 2024