

Tegel Group Holdings Limited – Conflicts of Interest Policy

This policy (**Policy**) was approved by the board of directors (**Board**) of Tegel Group Holdings Limited (**Company**) on 2 May 2016.

1. Introduction and purpose

- 1.1 This Policy is to provide that the directors of the Company (**Directors**) conduct themselves impartially at all times and that any conflicts of interest are identified, disclosed and impartially managed.
- 1.2 Directors of the Company should avoid placing themselves in a position, entering into any arrangement, or participating in any activity that may lead to:
 - (a) an actual or a potential conflict of interest or duty; or
 - (b) a reasonable perception of an actual or potential conflict of interest or duty; or
 - (c) a negative impact on the Company's reputation.
- 1.3 Where there is a conflict of interest, there is an obligation to disclose that conflict to the Board and enter it in the Interests Register. There are also issues as to the extent to which an interested Director may participate in and be present at the meeting when the conflict matter is being dealt with.

2. When a Director is “interested” in a transaction of the Company

- 2.1 Where a Director of the Company is “interested” (as that term is defined in section 139 of the Companies Act 1993 (**Companies Act**), attached as the Schedule to this Policy) in a transaction entered into, or to be entered into, by the Company, that Director must, promptly after becoming aware of the fact that he or she is interested in the transaction:
 - (a) disclose the nature, extent and monetary value (if applicable) of the interest to the Board; and
 - (b) cause that interest to be entered in the Interests Register.
- 2.2 In accordance with clause 26 of the constitution of the Company, altered from time to time (**Constitution**), a Director who is interested in a transaction entered into, or to be entered into by the Company:
 - (a) may attend a Board meeting at which any matter relating to that transaction arises, but shall not, while the Company is listed on the Main Board of NZX, be included among the Directors present at the meeting for the purposes of a quorum and may not vote on any matter related to the transaction; and
 - (b) may sign a document, or do any other thing in his or her capacity as a Director, as if that Director were not interested in the transaction.
- 2.3 In accordance with clause 26.4 of the Company's Constitution, a Director may, in relation to a matter in which he or she is interested, be included among the Directors present at the meeting for the purposes of a quorum and may vote if that matter is one in respect of

which, pursuant to an express provision of the Companies Act, Directors are required to sign a certificate or one that relates to the grant of an indemnity pursuant to section 162 of the Companies Act.

3. **Director not accountable**

- 3.1 If a Director has disclosed an interest in compliance with this Policy and has otherwise complied with the obligations under this Policy, the Company's Constitution and at law, then the Director is not accountable to the Company for any profit that he or she may obtain from the transaction or matter.

4. **Application of Policy**

- 4.1 The Board may approve updates, amendments to and exemptions to this Policy from time to time, which may be implemented by written notice including by publication on the Company's intranet.
- 4.2 To the extent of any inconsistency with any previous Policy or rules relating to this subject matter, this Policy prevails over them.

Last updated 2 May 2016.

SCHEDULE

Companies Act 1993 – Section 139

139 Meaning of “interested”

- (1) Subject to subsection (2) of this section, for the purposes of this Act, a director of a company is **interested** in a transaction to which 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.
- (2) For the purposes of this Act, a director of a company 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.