



Conflict of Interest Policy

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Document Control

Document Information

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Document Approval

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1. Introduction

1.1 Purpose

Directors and employees must perform their functions in good faith, honestly and impartially and avoid situations that might compromise their integrity or otherwise lead to conflicts of interest. Directors and employees must not personally gain any direct or indirect benefit as a result of their position on the Kina Board or their employment with the Kina Group (other than by way of their agreed Board fees or employee remuneration.)

This policy must be read in conjunction with the Securities Trading Policy.

1.2 Background

Given the many different personal, family, professional and business interests that busy directors and senior managers have there is a potential for decisions they are involved in to be construed as having been influenced by personal or related party interest. This Policy explicitly recognises the potential for such conflicts in commercial life and puts in place systems and procedures to ensure that the interests which may create a potential conflict are disclosed in advance and are managed to exclude the conflicted person from involvement in the matter or where the conflict cannot be avoided, that it must be appropriately managed. The policy also establishes procedures to record how actual conflicts were managed to provide assurance that decisions were not influenced by personal or related party interest. Finally the policy establishes sanctions in the event directors or employees are found to have breached the policy.

1.3 Procedure

On appointment or employment, members and employees must disclose whether they have any financial, professional or personal interests that might create a conflict with their duties as a director or employee of Kina. A copy of the Disclosure of Interests form, which is to be completed and updated annually, is attached. In the case of directors it must be addressed to the Chairman of the Board. In the case of the Chairman, it must be addressed to the Chairman of the Audit and Risk Committee. In the case of a senior manager it must be addressed to the Group Compliance manager.

At every Board meeting, an item Declaration of Interests will be included on the agenda and directors will be invited to add to or amend their respective interests and determine whether the recorded disclosures are a complete record. Board members will also declare whether any items on the day's agenda will create a particular conflict of interest.

If directors believe they have an actual or potential conflict on any subject, they must declare a conflict of interest disclosing the nature and extent of their interests to the board. For example,

- i. If involvement in the agenda item under discussion might prevent them reaching an impartial decision they must not take part in the vote and, if necessary, not take part in the discussion. If the board consents the conflicted director may be invited by the board to state their positions, answer questions or comment on matters of fact.
- ii. If there are financial implications leading to personal gain they must leave the boardroom when the item is discussed.
- iii. If the conflicted director is likely to benefit in a significant material way, the director may be excluded from the distribution list of the relevant documentation. The conflicted director is entitled, however, to receive the Notice of Meeting at which the matter is to be considered.
- iv. All disclosures of an interest at a board meeting must be recorded in the minutes of the meeting along with a description of the action taken to manage the conflict.

Rights for the conflicted director to be included in a quorum are determined by the Constitution.

Conflicted directors should volunteer to withdraw from at least part of the meeting to facilitate full and frank discussion of the conflict matter.

As a guide the following types of interest create a conflict and should be disclosed:

- i. Directorships or other employment
- ii. Interests (ownership, partnership or employment) in business enterprises or professional practices
- iii. A material interest owning shares in another company

- iv. Beneficial interests in trusts
- v. Existing professional or personal associations
- vi. Professional and personal associations or relationships with other organisations
- vii. Family relationships where a family member might benefit from a board decision or a family member might be an employee.
- viii. Dealing in securities that may give rise or be considered as actual or suspected insider trading or market manipulation by anyone who may have access to sensitive information or otherwise benefit from movements in the share price as specified in Banking Prudential Standard BPS 300: Corporate Governance.

In general Committee procedures are governed by the same laws as and best practices applying to Board meetings. Conflicted Committee members should not attend committee meetings unless they are invited to do so.

If directors are unsure whether a conflict of interest exists they should discuss the matter with the Chairman and if necessary, legal advice should be taken. If doubt remains the Chairman should take a precautionary approach and treat the matter as a conflict situation.

Directors with a continuing material conflict of interest should consider resigning from the office.

Where a director or employee is considering taking up another board appointment, investing in a venture or taking up some other opportunity that may give rise to a potential conflict of interest they must disclose the matter to the Chair (for directors) or the CEO (for employees) and agree if the potential conflict can be managed or should be avoided altogether.

1.4 Policy Administration

The Kina Board secretary will maintain an up-to-date Register of Directors' Interests to ensure all director interests are declared and there is a complete record of disclosures. The Register will be updated at every regular board meeting and a copy inserted in each board member's Folder. The Group Compliance Manager will maintain an up to date Register of Senior Managers' interests and will require senior managers to refresh their declaration of interests annually. Where Senior Managers disclose an interest that requires ongoing management to avoid any appearance of a conflict the Chief Executive will establish the procedures and systems to manage the conflict.

1.5 Sanctions

Where a director or employee is found to be in breach of the policy the matter will be treated as misconduct or gross misconduct according to the severity of the breach and may result in termination of appointment or employment and loss of accrued benefits. The Risk Committee will determine the severity of the breach and will recommend to the Board the sanction to be applied and the basis for its recommendation.