



Conflict of Interest Policy

1 July 2022



1. Overview

All persons employed by Solvar Limited, and its subsidiaries (the Group) owe a duty of loyalty to the company.

Employees of the Group must avoid any circumstances which may lead to a conflict between an employee's personal or their family's private interests or activities and the interests or activities of the Group.

2. Purpose

The purpose of this Policy is to provide guidance on the management of the following:

- a) conflicts of interest;
- b) the receipt of gifts; and
- c) the use of company funds and facilities.

3. Application

This Policy applies to all Group:

- a) permanent employees (including full time and part time);
- b) fixed-term employees;
- c) casual employees; and
- d) contractors and temporary staff.

4. What is a conflict of interest?

A conflict of interest arises in circumstances where an employee's personal interests' conflict with their professional duties as an employee.

For the purposes of this Policy, a "conflict of interest" can be classified as:

- a) actual;
- b) potential; and
- c) perceived.

An actual conflict of interest means that the employee, at this present time, has a conflict between the employee's personal interests and the employee's professional duties. An example of an actual conflict of interest is an employee who spends extensive time with a customer because the employee is receiving gifts from the customer.

A potential conflict of interest means that no conflict exists at the present time but there is a reasonably foreseeable possibility of such a conflict of interest arising in future. An example of a potential conflict of interest is an employee who is involved in the recruitment procedure and the candidate for the role is a colleague, acquaintance, or family member of the employee.

A perceived conflict of interest means a conflict where others may perceive that an employee's decisions are influenced by, or potentially influenced by, the employee's personal interests. An example of a perceived conflict of interest is where an employee accepts a gift from a customer and is perceived by others to be unduly influenced by that customer on the basis of receiving the gift.

5. Identifying Conflicts of Interest

A conflict of interest includes, but is not limited to, the following:

- a) employees and/or their families benefiting from a business transaction that rightfully should be made available to the company;
- b) personal transactions, situations, or involvement in which employees and/or their family's personal interests actually conflict or have the appearance of conflicting with those of the company or its related parties, e.g., interests in companies in competition with the company;
- c) employees engaging in other employment or activity that prevents or restricts the employees from performing to their best ability;

- d) company information of a confidential nature being used or disclosed without proper authorisation;
- e) employees who receive and accept more than a token gift or benefit from a third party about their duties for the Group; and
- f) business actions which have the potential to embarrass or harm an employee or the company.

6. Prohibition on Receipt of Gifts

Further to the above examples of a conflict of interest, employees must not solicit, accept or agree to accept, at any time, for themselves, or on behalf of the Group, any gift (as defined below) which directly or indirectly benefits them, from any third party which has or seeks to have a business relationship with the Group.

For the purposes of this Policy, the term "gift" is broadly defined to include, but is not limited to, the following:

- any tangible item of value;
- any service of value received for no charge, nominal charge or at a price lower than the price which is usually charged;
- any favour that enhances the employee materially;
- any other benefit or item of value (including cash or certificates) which is received by an employee without the payment of fair and adequate consideration.

Exceptions may apply if an employee receives a token gift which is not cash. If you receive a gift, please notify your Manager immediately. Managers may contact the Managing Director/Chief Executive Officer (CEO) if they have any questions. Receipt of gifts will be noted on a gift register which will be held by Risk & Compliance.

7. Entertainment and Gift Giving

The Group recognises that reasonable and proper entertainment to selected or potential clients, suppliers, prospective employees and business associates is, at times, in the best interest of the Group. Such entertainment must be at all times in accordance with all applicable legislation and industry regulations; and in accordance with the Groups approval and reporting procedures.

Employees may furnish gifts, services, or facilities at the Groups expense only if:

- the employee offering the gift has the approval of their Manager or CEO;
- the gifts, services and facilities do not constitute a misuse of the Group's funds, assets, services, or facilities;
- the gifts are not in the form of cash, bonds or similar items. Such gifts must not be given, regardless of amount;
- the gifts, services or facilities are in accordance with generally accepted business practices;
- the practice is reasonable and in accordance with generally accepted ethical standards in all governing jurisdictions;
- the public disclosure of all facts is not likely to embarrass the Group; and
- the practice complies with all applicable laws and regulations.

Where an employee is unsure whether a gift intended for a client, supplier, prospective employee or business associate would contravene any of the requirements listed above, the employee must consult their Manager prior to the offering of that gift.

8. Employee, Friends, and Family Member Loans

Employees who wish to apply for a staff loan must submit all relevant documentation to their Manager or the authorised person in their department. Employees must not process their own loans. All staff loans need to be signed off by the Chief Financial Officer.

Where an employee's friend, relative or business associate applies for a loan, the relationship must be disclosed, and application referred to the Team Leader who will then assign the application to an independent analyst for assessment and approval.

Where an employee's friend, relative or business associate contacts the Group regarding matters associated with the maintenance of their loan or financial situation, the relationship must be disclosed, and matter must be referred to a Team Leader who will then assign an independent agent.

Should the Group require an agent to contact a customer who is a friend, relative or business associate in relation to dishonours, arrears, collections, defaults, or debt recovery, then the relationship must be disclosed to the Team Leader who will assign the matter to an independent agent.

Where a staff member is required to investigate, resolve, or manage a grievance, complaint or dispute received by a friend, relative or business associate, the staff member must disclose the relationship and transfer the matter to their Team Leader or Manager.

9. Interest in Third Parties

Group employees must disclose to their manager as soon as reasonably practicable any interest held in any third-party organisations involved in the provision of services or supplies to the Group including but not limited to finance broker businesses, IT hardware and software providers and mercantile agents.

10. Roles and Responsibilities

10.1 Considering and Avoiding Conflicts of Interest

Employees are responsible for:

- ensuring that their activities are not actual, potential or perceived conflicts of interests; and
- disclosing any conflicts of interest which are defined above.

10.2 Reporting Conflicts of Interest

All conflicts of interest (including Senior Management) must be disclosed to the:

- CEO;
- Risk & Compliance Manager; or
- Company Secretary.

Depending on the circumstances, Management will decide on how to handle the situation and which action will be most appropriate for the situation.

If there are any changes to the conflict of interest, please immediately send an email to the person dealing with the conflict.

If an employee has any doubt as to whether a conflict of interest exists, they should contact their Manager to discuss the matter and see whether they will need approval from the Group before engaging in the activity which may constitute a conflict of interest.

11. How Will Conflict of Interest Situations be Handled?

Each disclosed situation will be reviewed on a case-by-case basis.

Risk & Compliance will maintain a confidential conflict of interest register which lists the potential conflicts of interest that have been disclosed to the Group. Senior Management will have a separate conflict of interest register which will be kept by the Company Secretary.

Depending on the matter, the Group may not require anything to be done after the interest is disclosed. However, the Group may find it necessary to ask you to take action such as undertaking alternative duties or disposing of the interest.

12. A Breach of the Policy

Failure to comply with this Policy may lead to disciplinary action being taken by the Group, including written warnings or termination of employment. This action will be taken in accordance with the Performance Management Procedure and will involve Human Resources.

13. Further Information

If you require further information, please contact your Manager.