

## **HMRI**

### **Conflicts of Interest Policy**

#### **1. Preamble**

The first step to managing conflicts of interest is to recognise that there is one.

Directors must be aware of, and vigilant to identify, any extraneous interest, duty, or loyalty that might (but not necessarily will) influence director's judgement about the company and its affairs. While they are usually financial matters, they may not be.

Conflicts of interest mostly involve variations on two kinds of situations:

- i. a clash between personal interest and duty to the company; or
- ii. a clash between competing duties or loyalties, such as a duty or loyalty to someone else (including another company) and the company in question.

#### **2. General**

Directors are bound by law to act in the best interests of HMRI Limited (the Company). These duties arise out of their fiduciary and contractual relationships with the Company, as well as under specific parts of the *Corporations Act* which place strict duties on Directors.

This policy assumes that Directors will act honestly and legally. It does not seek to summarise the law applying to Directors. Instead, it seeks to establish procedures and expectations for dealing with actual and potential conflicts over and above the strictures of the law.

#### **3. Expectations**

##### **3.1. Avoidance of Conflict**

As far as is practicable and reasonable, Directors will avoid situations where a conflict may arise.

Executive Directors should not hold a fiduciary position with any competing company. Non-Executive Directors should only take up or retain fiduciary roles with competing companies with the fully informed consent of the Company, and after carefully weighing the likelihood that confidential information may be consciously or unconsciously misused.

##### **3.2. Advance Notice**

Where it seems possible that a conflict may arise sometime in the future, notice to that effect will be given as soon as the possibility arises.

##### **3.3. Confidentiality**

All board papers, discussions and related information about the company must be treated as confidential.

##### **3.4. Gifts**

Directors will avoid receiving gifts from parties who have dealings with the Company where it might be perceived that the gift will lead to a conflict of interest. It is recognised that token gifts may be offered to Directors as a gesture of appreciation. These may be accepted provided that they are not intended to secure favour and do not exceed a nominal value of \$100. Any gifts must be declared to the Company Secretary for recording on the HMRI Gifts Register.

## 4. Procedures

### 4.1. Disclosure

Directors will disclose all material personal interests in a matter which relates to the affairs of the Company. Likewise, when any conflict or personal conflict arises (whether arising out of a material personal interest or not), Directors will immediately disclose to the Board the full extent of the conflict and the reason why a conflict exists or may arise between that interest and the interests of the company.

In addition, each Director will give standing notice of their interests which may relate to the affairs of the Company. On appointment, Directors will declare all current interests to the Company Secretary for inclusion in the Register of Interests. It is the responsibility of each Director to ensure that this notice is up to date.

The first item of business on the agenda of each board meeting will be devoted to the disclosure of conflicts. Opportunity will be given for Directors to give notice of new interests and conflicts. This is also an opportunity for Directors to highlight conflicts which have already been disclosed through a standing notice, but which relate particularly to the business to be considered at that meeting. Any interests of conflicts will be recorded in the Register of Interests and the minutes of the meeting.

At the first Director's Meeting of each calendar year, each Director is required to review and confirm the Register of Interests in their name.

### 4.2. Board Papers

Where a Director has disclosed a material personal interest in a matter to be considered at a board meeting, the Company Secretary will prevent the Director from receiving board papers or other material relating to that matter.

### 4.3. Breaches

Where a breach of obligations to the Company becomes apparent, immediate and full disclosure of that breach must be made to the Board.

### 4.4. Minutes

Where a Director has a conflict and must be absent from voting, the entry and exit of that Director from the room will be recorded in the minutes.

<b>Approved by:</b>	<b>HMRI Board</b>
<b>Date Approved:</b>	<b>10 April 2008</b>
<b>Date for Review:</b>	<b>April 2009</b>
<b>Policy Contact Position:</b>	<b>Chief Operating Officer</b>
<b>Amendment History:</b>	<b>Original approved 10 April 2008</b>