

CONFLICTS OF INTEREST POLICY

PURPOSE

The purpose of this Policy is to provide clear guidelines to assist NZPM Personnel, and Advisors to NZPM to manage and avoid both conflicts of interest and conflicts of commitment as they carry out NZPM business.

SCOPE

This policy applies to Personnel and Advisors of NZPM. The Board Charter includes an equivalent policy for members of the Board of Directors.

DEFINITIONS

- **Conflict** includes both conflicts of commitment and conflicts of interest.
- **Close family member** includes spouses, partners, children, parents, and siblings. Other relatives may need to be considered if there is the perception of a conflict.
- **Close friendship or associate** includes any relationship excluding a close family member that may need to be considered if there is the perception of a conflict.
- **NZPM** means NZPM Co-operative Limited, NZPM Properties Limited, Plumbing World Limited and Metrix Imports Limited.
- **Personnel** means employees and contractors.

a. Interests

An interest can occur from, but is not limited to:

- Financial interest in any entity.
- Directorship or trusteeship in any entity.
- Senior management position in any entity.
- Important relationships with any person or entity.

Interests of close family members and close friendships or associate may also constitute an interest for the purposes of this policy.

b. Conflict of Interest

A Conflict of Interest occurs when an individual's personal or business interests or obligations do or could conflict, or be perceived to conflict, with their obligations to NZPM. It means that the individual's independence, objectivity or impartiality could be called into question.

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c. Conflict of commitment

A conflict of commitment occurs when the time or effort that Personnel devote to external activities interferes or could interfere with the fulfilment of assigned NZPM responsibilities and obligations; or when Personnel make unauthorised use of NZPM resources in the course of an external activity.

ROLES AND RESPONSIBILITIES

Conflicts Committee of the Board of Directors

Responsible for ensuring that interests disclosed by the Chief Executive Officer or the Chief Financial Officer are assessed in accordance with this policy and, where a conflict is identified, that an appropriate action is put in place.

Financial Controller and Reporting Manager

Responsible for maintaining the Interests Register for all disclosures.

Chief Financial Officer

Responsible for ensuring that:

- Their own interests are disclosed and adhering to agreed mitigations in accordance with this policy;
- Considering potential conflicts of Personnel as to whether a conflict exists, as well as prescribing necessary actions to address the conflict;
- Reporting interests and conflicts of Personnel to the Audit & Risk Committee in accordance with this Policy.

Personnel

Employees are required to read and agree to this policy once they are employed by NZPM. Contractors are required to read and agree to this policy once they commence work for NZPM.

Personnel who hold positions of Manager are responsible for:

- Ensuring that all interests are disclosed in accordance with this Policy; and
- Adhering to agreed mitigations or processes put in place in accordance with this Policy.

All Personnel must disclose to their manager any activity that is, or risks, a conflict of interest. If unsure whether a situation is, or may become, a conflict of interest, the person should discuss the circumstances with their manager in the first instance who will advise the Company's position.

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General principles

Personnel are expected to act at all times in an open and honest manner and in a way that does not interfere or conflict with their NZPM obligations. This includes acting in the best interest of NZPM at all times.

Personnel must ensure that there is no actual or perceived conflict between their personal or other interests and their NZPM duties and responsibilities.

Conflicts of Commitment and Conflicts of Interest are assessed in terms of the likelihood that Personnel possessing a particular interest could be, or could appear to be, improperly influenced in the performance of their duties.

Disclosure of Interests

All Personnel must immediately disclose an interest, or amendments to an existing interest, upon becoming aware of its existence.

The disclosure of the interest must be in writing to the Chief Executive Officer and copied to the Financial Controller and Reporting Manager (for entry onto the Interest Register). The mitigation will be recorded on the Interests Register.

The Conflicts of Interest Register will be reported to the Audit & Risk Committee at each Committee meeting.

Any disclosure of interest by Chief Executive Officer or the Chief Financial Officer should be made directly to the Chair of the Conflicts Committee.

Assessing and mitigating conflicts of Interest

Once a disclosure has been made by NZPM Personnel, the Chief Executive Officer and the Chief Financial Officer will carefully consider whether there is a conflict and whether the conflict is such as to require action.

Where it is determined that a conflict exists one of the following actions will be taken:

- Send the completed and signed Conflict of Interest form back to the person as acknowledgement of the conflict;
- Put in place additional processes or mitigations to ensure impartiality of the individual in performing their duties; or
- Re-organise the duties of the individual to remove the conflict.

The decision as to whether an actual or perceived conflict exists and a record of action (if any) should be included on the Interests Register.

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Conflict and sales and purchasing decisions

Personnel must not be or remain involved in any sales or procurement processes for NZPM where they (or any close family member or close friendship or associate) may derive a financial benefit as a result of the decision to sell / procure.

Application to Advisors

It is intended that this Policy applies to all advisors to NZPM, who will be required to disclose potential or actual conflicts to NZPM. The Chief Executive Officer will ensure that all contracts with advisors require adherence to this Policy.

It is not acceptable for advisors to work simultaneously for NZPM and counter-parties in the negotiation of an investment or procurement activity. There are some instances where simultaneous work will be acceptable because it is in the Interests of both NZPM and counter-parties and is not related to the negotiations of terms between the parties.

The Chief Financial Officer will be responsible for assessing potential conflicts of interest and carefully considering whether there is a conflict and where the conflict is such as to require action.

Failure to comply

Failure to comply with this Policy may constitute serious misconduct for any NZPM Personnel.

Failure to comply with this policy by Advisors may be considered a serious breach of any contract.

POLICY APPROVAL AND REVIEW

Reviewed by: A&R Committee – 8 November 2023

Approved by: NZPM Board – 23 November 2023

Policy Owner: Chief Financial Officer

Next Review Date – November 2026

CONFLICTS OF INTEREST POLICY

CONFLICTS OF INTEREST NOTICIATION

Name of Employee: _____

Employing manager _____

Date of disclosure _____

Description of conflict _____

Description of how conflict is managed to protect the company and employee: _____

Employee signature: _____

Manager signature: _____

CEO acknowledgment: _____

Return this form by email to the Chief Executive Officer (Rob Kidd) and copy to Emma Fennelly (NZPM Financial Controller and Reporting Manager).