

CONFLICTS OF INTEREST POLICY

1. 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.

2. SCOPE

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

3. DEFINITIONS

- **Conflict** includes both conflicts of commitment and conflicts of Interest.
- **Close family Member or associate** includes spouses, children, parents and siblings. Other blood relatives may need to be considered if there is the perception of a conflict.
- **NZPM** means NZPM Group 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 company.
- Senior management position in any entity.
- Important relationships with any person or entity.

Interests of close family members and close friendships 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.

c. Conflict of commitment

A conflict of commitment occurs when the time or effort that Personnel devote to external activities interferes 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.

4. ROLES AND RESPONSIBILITIES

Conflicts Committee of the Board of Directors

Responsible for ensuring that interests disclosed by a General Manager 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

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.

5. POLICY

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 General Manager of the business unit and copied to the Financial Controller (for entry onto the Interest Register). The General Manager must meet with the Chief Financial Officer and agree an appropriate mitigation with the person making the disclosure. The mitigation will be recorded on the Interests Register.

The new disclosures will be reported to the Board monthly within the Chief Financial Officer's report and the full Interests Register provided on a semi-annual basis to the Audit and Risk Committee.

Any disclosure of the interest by a General Manager 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 responsible General Manager 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:

- Authorise the individual in writing to continue in his/her current duties;
- 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.

Conflict and sales and purchasing decisions

Personnel must not be or remain involved in any sales or procurement process for NZPM where they (or any close family Member 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 responsible General Manager 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 the any NZPM Personnel.

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

6. POLICY APPROVAL AND REVIEW

Reviewed by: A&R Committee – 27 July 2017

Approved by: NZPM Board – 27 July 2017

Policy Owner: Chief Financial Officer

Review Frequency – Biannual

Next Review Date – July 2019



CONFLICTS OF INTEREST NOTIFICATION

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: _____

GM acknowledgment: _____

Return this form by email to your Business Unit General Manager (Rob Kidd or Garry Ivill) and copy to Laura George (NZPM Group Financial Controller).