

# Conflict of Interest Policy

## 1. Introduction

A conflict of interest arises when someone who has a responsibility to POAL could be affected by some other interest or duty that they have.

A conflict of interest can be:

- actual - where the conflict already exists
- potential - where the conflict is about to happen, or could happen
- perceived - where other people might reasonably think that a person has been, or could be, compromised.

A conflict of interest can be positive or negative. You could be seen to favour or benefit someone, or be against them and disadvantage them.

Ensuring that conflicts of interest are properly managed is crucial to reducing legal and reputational risk and demonstrating the integrity of the person with the conflict of interest and of POAL. It is important that everyone not only behaves ethically, but is seen to behave ethically.

## 2. Purpose

To provide rules for managing conflicts of interest and disclosure or use of information for personal benefit in a way that is fair, transparent, meets regulatory requirements and protects Ports of Auckland Limited ("POAL").

## 3. Scope

This policy applies to directors, employees and contractors of POAL and its subsidiaries.

## 4. Regulatory Requirements

Companies Act 1993 sections 139-148 and 189.

POAL's Constitution.

## 5. Related POAL Policies

Code of Ethics

Gift and Hospitality Policy

Fraud Policy

Legal Compliance Policy

Whistleblowing Policy

## 6. Policy

### **Conflicts of interest**

You must not place yourself in a position where there is an actual conflict, or a substantial possibility that your personal interest conflicts with your duty to act in the best interests of POAL, without POAL's approval.

Personal interests include having family (including parent, child, spouse, or partner) or close friends with a personal interest or being involved with a third party that has a competing interest.

The personal interest must be material (i.e. a minority shareholding in a publicly listed company is not considered a conflict of interest).

### **Disclosure/use of company information for personal benefit**

If you have information regarding POAL due to your position, you must not disclose that information to any person or make use of or act on the information, unless:

- it is disclosed or used for the purposes of POAL;
- it is disclosed or used as required by law; or
- it is disclosed or used with POAL's approval.

### **Requirement to disclose**

Directors and Executives must continuously disclose all positions of power held with third parties and all material shareholdings (or other financial interests) in third parties to the Chairman of the Board and to the Company Secretary for recording in the Interests Register.

You must notify the Company Secretary of all actual or potential conflicts of interest you have, as soon as a practicable possible. The disclosure must include the nature and extent (in monetary value if this can be quantified) of the competing interest. Directors and Executives must at the same time notify the Chairman of the Board.

For material procurement activities each director, employee and contractor involved in the decision must complete and sign a Conflict of Interest Declaration.

You must notify the Company Secretary should you want to disclose or use any of POAL's information for personal benefit. The disclosure must include the nature of the information, the reason for the disclosure/use, the personal benefit obtained and the potential impact on POAL. Directors and Executives must at the same time notify the Chairman of the Board.

Contact the Company Secretary if you are unsure whether an interest, conflict of interest or disclosure/use of information needs to be disclosed.

## Interests Register

POAL will keep an Interests Register to record the following:

- the disclosure of any interest by a Director or Executive; including the name and position of the discloser, the name of the third party, the position of power held, the financial interest, the date of entry in the register and the date of removal from the register;
- the disclosure of any actual or potential conflict of interest by a Director, employee or contractor; including the name and position of the discloser, particulars of the conflict, the action taken by POAL to approve or manage the conflict, the date of entry in the register and the date of removal from the register; and
- the disclosure of any disclosure or use of POAL's information for personal benefit by a Director, employee or contractor; including the name and position of the discloser/user, particulars of the disclosure/use requested, the action taken by POAL to approve or manage the disclosure/use, the date of entry in the register and the date of removal from the register.

The Company Secretary is responsible for maintaining POAL's Interests Register and for performing a six monthly audit:

- to check that Directors and Executives interests have been disclosed by reviewing the New Zealand Companies Register;
- to check that all current actual or potential conflicts of interest and all disclosure/use of information for personal benefit listed are still recorded correctly and are being treated in accordance with this policy.

The Board is to be informed when this audit is undertaken and of any material discrepancies uncovered.

The interests register will be securely stored by the Company Secretary at POAL's registered office and available for immediate inspection during business hours by Directors, Executives or Shareholders (or their authorised representative).

## Approval

POAL must approve all disclosures of conflicts of interest and disclosure/use of company information for personal benefit, as follows:

- disclosures by Directors and Executives must be approved by the Board
- disclosures by non-executive employees and contractors must be approved by the CEO.

Approval will only be given if the approver reasonably believes the granting of approval will not, or will not be likely to, prejudice POAL.

The approver is expected to manage the risk to POAL by placing restrictions on the discloser; for example, excluding the discloser from the decision making process or restricting information flowing to the discloser or how they use that information.

## **Board meetings**

In accordance with POAL's constitution, a Director who is interested in a transaction entered into, or to be entered into, may, at the discretion of the Chairman:

- attend a meeting of the Board at which any matter relating to the transaction arises but shall not be included among the Directors present at the meeting for the purposes of a quorum and may not vote on any matter relating to the transaction;
- sign a document relating to the transaction on behalf of POAL, and may do any other thing in his or her capacity as a Director in relation to the transaction, as if the Director were not interested in the transaction.

Director and Executive Interests will be an agenda item for all Board Meetings to remind participants of those interests and the management of risk.

## **Consequence for breach of this policy**

For directors, breach of this policy may result in your removal from office, you may be sued for compensation or damages, and you may be committing an offence under the Companies Act 1993.

For employees, breach of this policy may be considered a material breach of your employment agreement and may result in your termination without notice.

For contractors, breach of this policy may be considered a material breach of your contract and may result in the immediate termination of your contract without notice.

POAL may also have a legal right to avoid any transaction where a conflict of interest was not declared.

**Approved by the Board: 19 August 2019**

**Policy Owner: Governance and Risk Manager**

**Review: Biennially**