

AFT PHARMACEUTICALS LIMITED

(AFT Pharmaceuticals)

Conflicts of Interest Policy

1. Introduction and policy statement

A conflict of interest occurs when an individual's interests interfere, or appear to interfere, with AFT Pharmaceuticals' interests. It means that his or her independence, objectivity or impartiality may be called into question. AFT Pharmaceuticals expects Relevant Persons (as defined in paragraph 2 below) to act in AFT Pharmaceuticals' best interests and as required by law at all times.

AFT Pharmaceuticals has established this policy and supporting practices to ensure that any actual, perceived or potential conflicts of interests are, wherever possible, avoided or, if they do arise, that they are fully disclosed, transparent and managed appropriately. Even if an activity does not actually create a conflict of interest, the fact that it might appear to be a conflict can be harmful.

For the purposes of this policy:

- an **actual** conflict of interest is where a Relevant Person's interests (unrelated to AFT Pharmaceuticals) (**External Interests**) could interfere with his or her ability to be independent, objective and/or impartial to the detriment of AFT Pharmaceuticals;
- a **perceived** conflict of interest is the perception of external observers that a Relevant Person's interests unrelated to AFT Pharmaceuticals could interfere with his or her ability to be independent, objective or impartial to the detriment of AFT Pharmaceuticals, whether or not that is the case; and
- a **potential** conflict of interest is where it is reasonably probable that, in future, an actual conflict of interest will arise.

As a general rule, Relevant Persons must not, without the prior consent of AFT Pharmaceuticals:

- engage in any business or commercial activities that would conflict with their ability to perform their duties to AFT Pharmaceuticals;
- support a political party or organisation other than in a personal capacity; and
- engage in any other activity that could conflict with AFT Pharmaceuticals' interests.

In addition, Relevant Persons must comply with the procedures set out in paragraph 6 below on the giving, and receipt, of gifts and the policies set out in the Anti-Bribery and Anti-Corruption Policy.

2. **Scope**

This policy outlines AFT Pharmaceuticals' requirements for the treatment of actual, perceived and potential conflicts of interest. The policy applies to all directors, officers, employees, contractors or secondees of AFT Pharmaceuticals and any of its subsidiaries (each a "**Relevant Person**"). Procedures specific to directors are set out in paragraph 5(a) and procedures specific to all other Relevant Persons are set out in paragraph 5(b) of this policy.

3. **Oversight and delegation**

The Audit and Risk Committee is responsible for administering and managing this policy. The Audit and Risk Committee may delegate management of this policy in relation to Relevant Persons (other than directors) to the Chief Executive Officer. All material conflicts in relation to Relevant Persons must still be referred to the Audit and Risk Committee.

4. **Identifying conflicts of interest**

Each Relevant Person is responsible for identifying and, where applicable, notifying conflicts of interest that relate to them in their roles with AFT Pharmaceuticals. Examples of a conflict of interest may include:

Business or personal relationships

- hiring a consultant, contractor or adviser on behalf of AFT Pharmaceuticals who is a relative (e.g., spouse, parent, sibling, etc.) of the Relevant Person;
- awarding a contract to, or taking any other action within AFT Pharmaceuticals that is beneficial to, a business owned by the Relevant Person (and/or his or her relatives) or in which he/she (and/or a relative) has a financial interest;
- engaging in a decision at AFT Pharmaceuticals affecting a contract or arrangement between AFT Pharmaceuticals and a company for which the Relevant Person (or any of his or her relatives) serves as a director;
- taking part in any AFT Pharmaceuticals business decision involving a company that employs a relative;
- a relative of a Relevant Person holds a position of influence at a direct competitor of AFT Pharmaceuticals;
- being related to a direct report or otherwise having responsibility for a relative's salary, appraisal and/or promotion prospects within AFT Pharmaceuticals;
- dating a direct report;
- a Relevant Person failing to disclose that he/she is related to an applicant when involved in the recruitment process;
- receiving personal discounts or other benefits from suppliers, service providers or customers that are not available to all Relevant Persons;

Outside activities or investments

- having a direct or indirect financial interest or financial relationship with a competitor of AFT Pharmaceuticals;
- being a director of, or having an employment, consulting or other business relationship with, a company that does business (including as customer or supplier), or competes (directly or indirectly), with AFT Pharmaceuticals;
- starting a company (outside of AFT Pharmaceuticals working hours) that provides services similar, or related, to those offered by AFT Pharmaceuticals;
- using AFT Pharmaceuticals' facilities or resources in furtherance of private consulting or outside business activities;
- having a second job or business relationship that affects a Relevant Person's ability to satisfactorily perform their role within AFT Pharmaceuticals; or

Political or civic involvement

- using AFT Pharmaceuticals' business resources for personal political activity or supporting a political party or organisation other than in a personal capacity.

The examples above are not an exhaustive list of the situations in which Relevant Persons might experience a conflict of interest. If a Relevant Person has any questions, or is unsure whether an activity gives rise to an actual, perceived or potential conflict of interest, he or she should immediately report it in accordance with the procedures set out in paragraph 5 below.

5. Managing conflicts of interest

(a) Directors

Directors must disclose to the board of directors (**Board**) any actual, perceived or potential conflict of interest as soon as it arises.

If an actual conflict of interest arises, the chairperson of the Board (or, in the case of the chairperson of the Board, the chairperson of the Audit and Risk Committee) will take all reasonable steps to avoid relevant Board papers being circulated to the affected director prior to any Board discussion taking place. The affected director must excuse him or herself from that discussion (unless the Board determines otherwise) and, except where permitted by the NZX Listing Rules, the Companies Act 1993 and AFT Pharmaceuticals' constitution, must not vote on matters in which he or she has an actual conflict of interest.

If a potential conflict of interest arises then, unless the Board determines otherwise, that potential conflict of interest will be treated in the same manner as an actual conflict of interest (as described above) until the Board (if at all) determines the potential conflict of interest will not give rise to an actual conflict of Interest.

If a perceived conflict of interest arises, the Board will determine the process to be followed, including the extent to which the director should receive relevant Board papers, participate in Board discussion and vote on the relevant matter.

Directors must also disclose relevant information in AFT Pharmaceuticals' interests register in accordance with AFT Pharmaceuticals' constitution and relevant legislative

requirements (including the Companies Act 1993). The interests register will be reviewed as a standing agenda item at each Board meeting.

(b) **Relevant Persons (other than directors)**

On the commencement of engagement with AFT Pharmaceuticals, each Relevant Person will be asked to identify any actual or potential conflict of interest. Relevant Persons are also expected to proactively look at their interests and involvements from time to time to consider whether any additional conflict of interest has arisen or may arise.

If a Relevant Person is unsure whether an activity gives rise to a conflict of interest, he or she must immediately bring it to the attention of the Chief of Staff and the CFO.

If an actual, perceived or potential conflict of interest arises, the Relevant Person must immediately bring it to the attention the Chief of Staff and the CFO and complete a Declaration of Interest Form (see Appendix 1). Declaration of Interest Forms must be returned to the Audit and Risk Committee who is then responsible for all record keeping in relation to this policy.

Employees may be asked, on a regular basis, to confirm their conflicts of interest position.

When an actual, perceived or potential conflict of interest is brought to the attention of AFT Pharmaceuticals, AFT Pharmaceuticals shall investigate. All investigations must be documented in writing.

Options for managing a conflict of interest include:

- Restricting: imposing restrictions on the Relevant Person's further involvement in the matter.
- Recruiting: engaging an independent third party to oversee all or part of the process and verify its integrity.
- Removing: where the Relevant Person chooses, or is asked, to be removed completely from the matter.
- Relinquishing: where the Relevant Person relinquishes the private interest that created the conflict.
- Resigning: Where the Relevant Person resigns from his or her position. (This should only be considered in extreme circumstances and where the conflict of interest cannot be resolved in any other workable way.)

6. **Gifts**

"Gifts" can include accommodation, goods, services, hospitality, entertainment, discounts and special terms on loans. Relevant Persons may only receive and keep gifts if:

- the gift has a value of less than \$100; or
- the receipt and keeping of the gift has been approved by:

Gift received by this Relevant Person	Approver
Chairperson of the Board	Chairperson of the Audit and Risk Committee
Director	Chairperson of the Board
Chief Executive Officer	Chairperson of the Board
All other members of the senior management team	Chief Executive Officer
All other Relevant Persons	Manager of the Relevant Person

Relevant Persons should not actively solicit gifts from third parties.

All gifts received from third parties that have a value of \$100 or more must promptly, in the case of a Director, be reported to the chairperson of the Board (or in the case of the chairperson of the Board, to the chairperson of the Audit and Risk Committee) and, in the case of any other Relevant Person, be reported to the Chief of Staff and the CFO, in each case by completing the Declaration of gifts received form (see Appendix 2).

All gifts that exceed the above threshold shall be reported to the Audit and Risk Committee and entered into the Gifts Register. Details entered into the Gifts Register shall be submitted on a regular basis (at least annually) to Board meetings for the information of the Board.

7. **Compliance**

All Relevant Persons are required to comply with this policy and must ensure they are familiar with its requirements. Breach of this policy may lead to disciplinary action, up to and including dismissal (or termination of existing contractual arrangements for contractors or other agents).

Each Relevant Person must report to the Audit and Risk Committee for investigation any known or suspected instances of non-compliance (including inadvertent or accidental instances) or events that have given rise to a material risk of non-compliance.

8. **Policy review**

The Board will review this policy at least annually.

Last updated: **February 2022**

Last reviewed: **February 2022**

Appendix 1 – Declaration of interest

Full name:

Position:

In terms of the AFT Pharmaceuticals Conflicts of Interest Policy, I declare the following interest(s):

Description of interest or involvement:

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.....
.....
.....

Signature:

Manager's signature:

Date:

Appendix 2 – Declaration of gifts received

Full name:

Position:

In terms of the AFT Pharmaceuticals Conflicts of Interest Policy, I declare that I have received the following gifts from third parties.

Description of gift(s) received (with approximate value) and dates gift(s) received:

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.....

Name of organisation and/or individual making gift:

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What is the relationship between the organisation and/or individual and AFT Pharmaceuticals?

.....
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Signature:

Approver's signature:

Date: