

## 1. Introduction

### 1.1. Summary of Policy

This policy provides a system for Directors of GrainCorp Limited (**GrainCorp**) dealing with any actual or potential conflicts of interest.

Directors must ensure that they comply with their legal obligation to disclose any material personal interest that they may have in a matter that relates to the affairs of the company.

This policy sets out procedures for Directors to follow:

- To disclose interest that they have.
- Should a material personal interest occur.

### 1.2. Application

This policy applies to the Directors of GrainCorp and its subsidiaries (**GrainCorp Group**).

## 2. Material Personal Interest Obligations

### 2.1. Source of Obligations

The source of Directors obligations in relation to a material personal interest is the Corporations Act 2001 (Cth) (**Corporations Act**).

### 2.2. Corporations Act Obligations

#### a) Requirement to Give Notice

A Director of a company who has a material personal interest in a matter related to the affairs of the company must give the other Directors notice of the interest unless an exception applies. *Section 191(1) of the Corporations Act.*

#### b) Exceptions

A Director does not need to give notice of an interest where:

##### I. The interest:

- Arises due to the Director being a shareholder of GrainCorp.
- Arises in relation to the Directors remuneration.

- Arises because the Director is guarantor of a debt in favour of GrainCorp.
  - Relates to any payment by the company or a related body corporate in respect of an indemnity.
  - Is in a contract, or proposed contract, with, or for the benefit of, or on behalf of, a related body corporate and arises merely because the Director is a Director of the related body corporate, or
- II. The company is a proprietary company and the other Directors are aware of the nature and extent of the interest and its relation to the affairs of the company, or
- III. All of the following conditions are satisfied:
- The Director has already given notice of the nature and extent of the interest and its relation to the affairs of the company.
  - If a person who was not a Director when a previous notice was given, is appointed a Director of that company, that notice is given to that person.
  - The nature and extent of the notice has not materially increased above the level disclosed in the notice.
  - The Director has given a standing notice of the nature and extent of the interest.

### 2.3. **Contravention**

If a Director does not provide disclosure of a material personal interest, the Director will have committed an offence under section 191(1A) of the Corporations Act.

## 3. **Disclosure of Interests**

### 3.1. **Guiding Principle**

A Director should disclose to all Directors:

- a) Any material personal interest they have in a matter which related to the affairs of the company.
- b) Any other interest which the Director believes is appropriate to disclose in order to avoid any conflict of interest or a perception of a conflict of interest.

The disclosure should be made either:

- a) As soon as practicable after the Director becomes aware of the interest, or

- b) In the Standing Notice of the Disclosure of Interest.

Details of the disclosure must be recorded in the minutes of the meeting at which the disclosure is made of the meeting held following the disclosure.

### **3.2. Standing Notice of Disclosure of Interest**

A standing notice of disclosure of interest for each Director should be distributed to all Directors at least annually and shall be tabled at a meeting of Directors and recorded in the minutes of that meeting.

Directors shall disclose any changes to the Standing Notice of Disclosure as soon as practicable. Such changes should be recorded in the minutes of the meeting at which Directors are advised of the change.

### **3.3. Material Personal Interest**

A material personal interest is any matter that may reasonably be expected to affect the independent judgement or undivided loyalty of the Director towards the best interests of the company. Examples include being a non-executive Director of a company which is negotiating or has a contract and any financial interests that is significant to the Director.

## **4. Procedures for Handling a Material Personal Interest**

### **4.1. Actions a Director Should Take**

A Director who has:

- a) A material personal interest in a matter which relates to the affairs of the company, or
- b) Any other interest which the Director believes is appropriate to disclose in order to avoid any actual conflict of interest or the perception of a conflict of interest.

May not be present at a meeting, while the matter is being considered nor vote on the matter unless Directors who do not have such an interest in the matter agree that the interest should not disqualify the Director from being present whilst the matter is being considered or from voting on the matter.

### **4.2. Minutes of Meeting**

The minutes of the meeting should record the decision taken by the Directors who do not have an interest in the matter.