

# Conflict of Interest Policy

Status	Final
Version	6.1
Policy Owner	Chief Executive
Policy Approver	Board of Directors
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# Conflict of Interest Policy

## Purpose

The purpose of this policy is to define and manage actual or perceived conflicts of interest.



A conflict of interest can arise where:

- the interests of PGW and the personal interests of PGW directors, PGW Team members or contractors may overlap and/or compete, and/or
- the interests of two PGW business units overlap and/or compete.

**Conflict of interest examples are provided in Appendix A.**

## Key points

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1. A conflict of interest can arise where different interests overlap.
  2. A conflict of interest occurs when your interests interfere, or appear to interfere, with PGW's interests. PGW expects its people to act in PGW's best interests at all times.
  3. The existence of a conflict of interest does not necessarily mean that you have done anything wrong. What it means is that the conflict may need to be managed.
  4. Where unavoidable, conflicts of interest need to be identified, disclosed and effectively managed to protect both PGW and you. It is about preserving individual and organisational integrity. It is your responsibility to identify and disclose a conflict of interest at the appropriate time – e.g. at the time the conflict is identified and/or during the scheduled Annual Declaration process.
  5. Prior approval to hold, or continue to hold, a conflict of interest must be obtained.
- PGW will keep a Register of Interests and will require directors and selected Team members to annually complete and submit a declaration listing specified personal interests.
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## Scope

This policy applies to all PGG Wrightson Group businesses and PGW Team members.

PGW Team members include: permanent and fixed term employees, temporary and casual workers, independent contractors (including Real Estate and Livestock agents), and any third-party contractors (including consultants). PGW businesses include: PGG Wrightson Ltd, business units, its subsidiaries, associated companies over which PGW has significant influence and joint ventures.

## About this policy

### Breaches

Any breaches of this policy must be reported to your manager and the Policy Owner. Breaches of this Policy include (but are not limited to):

- Failing to declare a conflict of interest
- Pursuing an activity that is or might be a conflict of interest without prior approval
- Approving conflicts of interest above authority limits
- Acting in a way that is not in PGW's best interests, but in your own best interests (or the interests of a third party).

Any breach of this policy will be considered on a case-by-case basis. Disregard for, or failure to comply with, this policy may result in disciplinary action, up to and including dismissal, for employees, and termination of contract for independent contractors and consultants.

## Clarification and Exceptions

If you require clarification about any aspect of this policy, please contact Human Resources, Risk and Assurance, Legal Counsel, or the Policy Owner.

There are no current exceptions to this policy. Exceptions to this policy can only be approved by the Policy Owner or Policy Approver.



If in doubt, declare.

Other actions that are sometimes thought of as conflicts of interests are instead classified elsewhere:

- **Unauthorised use of staff accounts:** The Staff Debtors Account Section in the Credit Manual specifically excludes transactions for larger on-farm or commercial purposes. Please refer to the Credit Manual for more guidance.
- **Accepting or supplying gifts or entertainment:** Please refer to the Code of Conduct, the Delegation of Authority Policy, and the Gifts, Entertainment & Hospitality Policy.
- **Use of corporate property or assets for personal use:** Please refer to Fraud Prevention and Response Policy and Procurement Policy.
- **Disclosure of information:** Unauthorised disclosure of confidential information. Please refer to the PGW Communications Policy for more guidance.



No PGW Team member reporting in good faith a suspected breach of this conflict of interest policy should be concerned about any retaliation or a negative impact on their position.

## Compliance

Monitoring compliance with this Policy is the responsibility of General Managers and GM equivalents, who will report to the Policy Owner, including any material issues that arise.

## Legislation

The following is a list of legislation that is relevant for this policy:

- Companies Act 1993 – e.g. required disclosures and record keeping.
- Fair Trading Act 1986 – e.g. misleading or deceptive conduct (undisclosed conflicts)
- Crimes Act 1961 – e.g. corruption and bribery
- Privacy Act 2020 – e.g. use of private or confidential personal information

- Real Estate Agents Act (Professional Conduct and Client Care) Rules 2012 – e.g. conduct of agents
- Other: NZX Listing Rules – rules re directors conflicts of interest and related-party transactions

### Related policies and documents

The following is a list of documents that support this policy, including standards, processes, procedures, guidelines, templates.

Declaration form:	<a href="#">Conflict of Interest Policy - Declaration Form.docx</a>
Sample form:	<a href="#">Conflict of Interest - sample declaration form.pdf</a>
<a href="#">Code of Conduct.pdf</a>	<a href="#">Fraud Prevention and Response Policy.pdf</a>
<a href="#">Communications Policy.pdf</a>	<a href="#">Gifts, Entertainment &amp; Hospitality Policy.pdf</a>
<a href="#">Credit Policy.pdf</a> and Credit Manual	<a href="#">Procurement Policy.pdf</a>
<a href="#">Delegation of Authority Policy (DLA).pdf</a>	<a href="#">Whistle Blower Policy.pdf</a>
<a href="#">Disciplinary Policy.pdf</a>	

### Review

This Policy is to be reviewed every 3 years. Minor changes to this policy can be approved at any time by the Policy Owner.

# Supporting Information

## Purpose

The purpose of this Conflict of Interest policy is to:

- Document PGW's expectations relating to conflicts of interest and of its directors, Team members and contractors when faced with a conflict of interest,
- Provide good practice guidelines surrounding the identification, disclosure and management of such conflicts of interest,
- Help protect PGW and directors, Team members and contractors from any appearance of impropriety; and,
- Provide assurance to the Board and stakeholders that processes are in place to adequately prevent or manage any conflicts of interest.

## General rules

You should perform your authorised functions in the best interests of the PGW Group and in good faith, honestly and impartially. You should avoid situations that might, or might appear to, compromise your ability to perform your work in the best interests of the PGW Group and/or lead to conflicts of interest.

### Directors

Directors may not participate in Board discussions or vote on matters in which he or she has a Conflict of Interest.

### Team member relationships

Team members may encourage relatives and friends to apply for roles at PGW. The relationship must be declared prior to, or during the recruitment process (prior to a decision or offer being made). These applications will be considered in the same way as all other applications. The Team member must not be involved in the selection decision.

No Team member may be appointed to a role where they would be in a reporting or management relationship with a spouse, partner, relative or close personal friend; or be in a position where there is the possibility of collusion; or participate in a decision which involves a possible benefit to that person (e.g. remuneration and leave). This is intended to protect both PGW and the Team member from possible suspicion or unfounded allegations. Where the situation is unavoidable, an exemption must be requested from the Business Unit GM / equivalent or the GM HR and additional reasonable controls will be required (please consult with your HR Business Partner).

The above restrictions also apply to Team members in a reporting relationship who enter into a close personal relationship during the term of their employment, where a real or perceived conflict of interest could occur. This must be declared to the Team member's manager (or two-up manager) within a reasonable time period and Conflict of Interest form completed (including any mitigations agreed if required). Information provided in declarations of this type will be kept secure and only

disclosed to those who need to know (e.g. to seek approval or get guidance on appropriate mitigations), as is generally the case with all conflicts of interests that are declared.

### **Bribes, prizes and gifts**

Under no circumstances may bribes be accepted. Any attempted bribes need to be reported immediately to the General Manager Corporate Affairs.

The acceptance of gifts, prizes (including from suppliers, customers and/or any party associated with PGW) and gratuities (in the normal course of business) should comply with the Delegated Authorities Policy (including notification(s) and adding to the gift register where required), and the Gifts, Entertainment & Hospitality Policy.

### **Conflicts of interest in competing businesses**

No PGW director, Team member or independent contractor, or any related person of a PGW director, Team member or contractor, may directly or indirectly have an equity interest in, or a significant beneficial connection with, any business or individual that competes with, or is a customer of or supplier to, PGW unless approved under this policy. Ownership of shares in a listed company that deals with or competes with PGW does not breach this rule, provided that no more than 1% of the shares in that company are involved.

Please refer to your employment contract regarding secondary employment.

### **No personal benefit**

You must not use your position, PGW time or resources, or any PGW information, for personal benefit or to benefit any other business or person.

### **Need to disclose**

PGW understands that you may have a number of personal and professional interests and roles, and occasionally some of these roles and interests will overlap. PGW recognises that you – where appropriate - may take part in legitimate financial, business, charitable and other activities outside your PGW role/employment, but any potential conflict of interest raised by those activities must be disclosed properly to management as soon as possible.

### **Conflicts of interest create risks and need to be managed fairly and effectively**

If you are uncertain whether a situation could involve an actual, perceived or potential conflict of interest, consider the following questions to help clarify, and discuss with your manager:

- What would a reasonable person think?
- What would this look like as headline news?
- Would you be willing to stake PGW's (and your personal) brand and reputation on the impartiality and good faith of your decision?

The existence of a conflict of interest does not imply that you have done anything wrong. Managing conflicts of interest is not only good practice, but it also protects PGW and you. PGW has adopted

transparent procedures for identifying, disclosing and managing conflicts of interest to help maintain accountability.

# Procedure for dealing with Conflicts of Interest

There are 3 main stages: identify/disclose, manage and monitor.

## Step 1: Identify and disclose a conflict of interest

Conflicts of interest can arise at any time – see Appendix A for examples.

One way to identify whether a conflict of interest may exist is to ask whether a “reasonably informed objective observer would infer from the circumstances that your judgement is likely to be influenced to the detriment of PGW’s best interests” or, in simple terms: “Could someone think your own personal interests are contrary to the best interests of i PGW?”.

A conflict of interest doesn’t require a person to actually act in a way that is contrary to the interests of PGW – it is enough for there to be the appearance that a person could act in a way that is contrary to the best interests of PGW.

This tells us two things:

1. The test for a conflict of interest is an objective one. Would a reasonable observer see a conflict?
2. That the potential for a conflict of interest is equally important to recognise.

If you have a conflict or potential conflict, you are obliged to identify it, and disclose it to the relevant people in a timely and effective manner.

If in doubt, disclose. It is better to err on the side of caution when deciding whether something is a conflict of interest. If you are uncertain about whether something constitutes a conflict, it is safer and more transparent to disclose it anyway. The matter is then out in the open and the expertise of others can be used to judge and determine whether the situation comprises a conflict of interest and warrants further action.

## Step 2: Managing Conflicts of Interest

Your direct Manager (or in the case of a Director the Chair of the Audit Committee) will determine the next steps to adequately avoid or mitigate the effects of the conflict of interest. Where necessary, PGW Human Resource Staff, Legal Counsel and Risk and Assurance should be consulted.

Any legal requirements or relevant PGW policy must be followed. The choice of strategy will depend on an assessment of a number of factors:

- The type and size of the conflict of interest;
- The nature and significance of the decision or activity being carried;

- The degree to which the Team member’s private interest could influence their professional role;
- The nature and extent of the Team member’s involvement in the decision or activity.

The major options for managing conflicts of interest are detailed in table 1 below. These options may be used singularly or in combination. Whichever strategy is chosen, transparent decision making and record keeping are essential. For low risk conflicts of interest, formally recording and declaring the conflict can be sufficient and no further action needs to be taken. In other cases, additional safeguards need to be put in place to guarantee transactions are conducted at arm’s length.

• *Table 1: Options for managing conflicts of interest*

Strategy	Possible action	When most suitable
<b>Restrict</b> <i>(imposing restrictions on your further involvement in the matter)</i>	Your involvement is limited by: <ul style="list-style-type: none"> <li>• Withdrawing from discussion or any decision-making role in the process</li> <li>• Agreement not to do something</li> <li>• Withholding certain confidential information or placing restrictions on access to information.</li> </ul>	Where you can be effectively separated from parts of the process or activity. Conflict is not likely to arise frequently.
<b>Recruit</b> <i>(engaging an independent third party to oversee all parts of the process and verify its integrity)</i>	Engage an independent third party to oversee or review the integrity of the process.  Implement additional oversight or review.	It is not feasible or desirable to remove you from the decision making process. Your expertise is necessary and not easily replaced.
<b>Remove</b> <i>(where you ask, or are asked, to be removed completely from the matter)</i>	Remove you from any involvement in the matter by: <ul style="list-style-type: none"> <li>• Assigning certain tasks or duties to another person (not reallocated to someone supervised by you)</li> <li>• Removing you from any formal or informal discussion about the matter</li> <li>• Transferring you (temporarily or permanent) to another position)</li> </ul>	For ongoing serious conflicts of interest, where restrictions or recruitment of others is not practical/appropriate.
<b>Relinquish</b> <i>(where you relinquish the private interest that created the conflict)</i>	Remove the private interest in an arm’s length transaction. You divest yourself of private interest. Assign conflicting interest to a genuinely “blind Management” arrangement for the duration of the conflict.	Where your commitment to PGW outweighs your attachment to the other interest.

### Step 3 Monitoring Conflicts of Interest

The PGW Team member who approved the Conflict of Interest Form (including the mitigation actions) is responsible for monitoring and reviewing the conflict of interest and ensuring the chosen management strategy and the way it was implemented remains relevant. Formal records should be kept of all reassessments and decisions and a copy provided to the CFO’s Executive Assistant (for record keeping purposes).

# Periodic declarations of interest

In addition to dealing with conflicts of interests as and when they arise, PGW also requires directors and selected Team members and contractors to annually complete and submit a declaration in the form in Appendix B listing specified personal interests.

Register	Persons to be included	Process
<b>Directors and Officers Interests Registers</b> <i>(administered by GM Corporate Affairs)</i>	<ul style="list-style-type: none"> <li>Directors of PGG Wrightson Ltd and subsidiaries</li> <li>CEO and direct reports</li> </ul>	Annual Declaration
<b>Central register</b> <i>(administered by the CFO's Executive Assistant)</i>	<ul style="list-style-type: none"> <li>CEO and direct reports</li> <li>Direct reports to CEO</li> <li>Direct reports to CFO</li> <li>Direct reports to GM or GM equivalent</li> </ul>	<p>Completion of Declaration in the form of Appendix B annually and as required.</p> <p>Review of CEO declarations to be undertaken by the GM Corporate Affairs (as Company Secretary), with subsequent approval by the Board Chair when appropriate.</p>
<b>Business Unit Specific</b> <i>(administered by the CFO's Executive Assistant)</i>	<p>Team members or contractors identified through Policy requirements e.g., those:</p> <ul style="list-style-type: none"> <li>who can influence decisions relating to purchasing, contract negotiations, investments</li> <li>who can influence decisions relating to Team member hiring and compensation</li> <li>who have routine contact with vendors.</li> </ul> <p>Any other Team members or contractors identified by Business Unit Managers.</p>	Completion of Declaration in the form of Appendix B annually and as required.

## Annual reminder

In addition to the above roles being asked to make an annual declaration, communication will be sent to all Team members as a reminder, so they can consider if anything has changed that might result in them now needing to declare a possible conflict. For example: have they joined an industry body or lobby group, changed a personal relationship, taken up secondary employment with a firm that completes with PGW, or bought/control an economic farming unit – where there could be an actual or perceived conflict of interest.

# Appendix A –

## Examples of Conflicts of Interests

A conflict of interest may be financial or non-financial, it may be direct or indirect, it may be professional or personal.

A conflict of interest could result in financial loss or direct disadvantage to PGW. It may also relate to the risk that you could use PGW funded resources to advance your own interest or be influenced in your decision making by a sense of loyalty or obligation to someone else or by an unduly fixed view.

The following outlines the most common conflicts of interest that may occur within PGW. This policy is general in nature and cannot specifically identify every conflict that may arise. Do not assume that a scenario not listed below is exempt from this Policy or otherwise permitted.

Type of Conflict of Interest	Details
<b>Property Transactions</b>	Examples include directly or indirectly leasing, renting, trading or selling real estate property to or from PGW or a PGW customer owning property adjacent to PGW's property, whose value may be affected by PGW activity.
<b>Personal relationship with suppliers</b>	The selection of suppliers must be made on the basis of objective criteria, including integrity, quality, price, delivery, adherence to schedules, product suitability, and maintenance of adequate sources of supply. A conflict of interest may exist where you have social or other relationships with suppliers and could exert a business influence based on that relationship.
<b>Personal or family relationships with other Team members, clients, contractors, competitors, suppliers or other colleagues</b>	The relationship will likely be seen to influence your judgement. This includes using PGW confidential information for outside purposes.
<b>Related Party transactions</b>	<p>Transactions between PGW and companies in which you have a business interest, especially if you are in a position to influence major decisions, or if you are responsible for review, negotiation and approval of contracts or directing PGW business.</p> <p>Examples of related party transactions include (but are not limited to):</p> <ul style="list-style-type: none"> <li>• Direct supplying to PGW</li> <li>• Personal livestock transactions with PGW: For guidance on the requirements when conducting personal livestock transactions with PGW please refer to the Livestock Policy.</li> </ul>
<b>Family Interests</b>	If your duties include contact with an organisation that employs or is owned by a relative, precautions should be taken to avoid a potential conflict of interest or even the appearance of preferential treatment. PGW should receive no advantage or disadvantage because of your family relationship.

Type of Conflict of Interest	Details
<b>Financial interest in other business</b>	Holding direct or indirect material interests in a supplier, customer or competitor, might give rise to a conflict of interest as your judgement could be influenced by personal financial gain. This includes taking up opportunities offered to but declined by PGW and offering services or acting in an advisory capacity to PGW, PGW customers or to a competitor.
<b>Outside employment, contracting or consulting</b>	
<b>Any activities that put directors or Team members in direct competition with PGW or could conflict with PGW's interests</b>	
<b>Support a political party or organisation other than in a personal capacity</b>	
<b>Competing interests of two or more PGW business units</b>	<p>Examples include where:</p> <ul style="list-style-type: none"> <li>• Real Estate wish to sell a property that Credit has registered a caveat or mortgage over for debt security</li> <li>• One BU wishes to sue a customer for a disputed debt and that may upset the commercial relationship where the customer is a good customer of another BU</li> <li>• One BU (eg Retail) wishes to offset proceeds to be paid to a customer by another BU (eg Livestock)</li> </ul>
<b>Additional for Directors</b>	<p>Examples include:</p> <ul style="list-style-type: none"> <li>• Recommending board remuneration</li> <li>• Considering a company merger or restructure, knowing that it may cost the position on the board</li> <li>• Circumstances where a director is "interested in a transaction" as defined in section 139 of the Companies Act 1993</li> </ul>

# Appendix B - Conflict of Interest Declaration Form

Available on Bushwire: [Conflict of Interest Policy - Declaration Form.docx](#)

An example of a completed form also on Bushwire: [Conflict of Interest - sample declaration form.pdf](#)

## Part 1: Declaration of Conflict of Interest

1. I have read, understood and agree to comply with the PGW Conflict of Interest Policy and Procedure  Yes  No
2. Conflicts of interest can take many forms, but the most likely to occur within PGGW are:
  - having a financial interest in any PGW supplier, customer and/or competitor
  - having a family or personal relationship with any employee / PGW Team member under my direct supervision
  - entering in related party transactions with PGW such as direct supplying, leasing buildings
  - duties include contact with organisations that employ or are owned by an immediate family member
  - holding a personal relationship with suppliers
  - having any other relationships or interest that could compromise the ability to perform work functions in the best interest of PGW and in good faith, honestly and impartially

I hereby declare:

- I have no existing / potential conflicts of interests to report.**

*Please sign declaration and proceed to Part 3.*

**Or**

- I have existing / potential conflicts of interest to report.**

*Please sign declaration and proceed to Part 2.*

I confirm that the above details are correct to the best of my knowledge and I make this declaration in good faith. I understand that it is my responsibility to update this statement as necessary to keep it current or as requested periodically by PGW.

.....  
Signature

.....  
Name (Printed)

.....  
Role

.....  
Date



# Declaration of Conflict of Interest

**Part 2: Identification of conflicts of interest**

Please provide details of any Conflict of Interest identified in the above and current mitigants in place:

Background & Relationship	Conflict	Duration	Approx annual transactional value	Mitigants in place

## Part 3: Manager review and declaration

I have reviewed the above declaration and:

- Agree that there is no existing / potential Conflict of Interest that would compromise the Team member's ability to perform their work functions, and/or not be in the best interest of PGW and in good faith, honestly and impartially.

Or

- Recommend the following actions to be taken to mitigate the declared conflict.

<p><b>Possible options for managing or resolving a Conflict of Interest</b> (can be used singularly or in combination):</p> <ul style="list-style-type: none"> <li>• <b>Restrict</b> the Team member's further involvement</li> <li>• <b>Recruit</b> an independent third party to oversee part or all of the process</li> <li>• <b>Remove</b> the Team member from the process</li> <li>• <b>Relinquish</b> the private interest that created the conflict</li> </ul>	
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### Approved by

.....  
Signature

.....  
Name (Printed)

.....  
Role

.....  
Relationship to the person making the declaration (e.g. direct manager)

.....  
Date

Approval should be in accordance with the below table as per the Conflict of Interest Policy:

Monetary value of the Conflict of Interest	Approval level	Report to
<100k	One up manager	GM or GM equivalent
>100k and <300k	GM or GM equivalent	CFO or CEO
>300k	CEO	Board (via the Audit Committee)
Conflicts relating to CEO or direct reports to CEO – regardless of \$ value	CEO	

## Part 4: Once completed

Declarations are to be kept in accordance with PGW Conflict of Interest Policy and Procedures. In all instances a completed and approved copy should be sent to the CFO's Executive Assistant for recordkeeping purposes.