

This policy applies to all Synlait Milk Limited sites.

Synlait Milk Limited shall achieve this by:

This policy (Policy) was approved by the Board of Directors (Board) of Synlait Milk Limited (Company) on 11 July 2013.

Introduction and Purpose

- This Policy is to ensure that the Directors of the Company conduct themselves impartially at all times and that any conflicts of interest are identified and impartially managed.
- This Policy also sets out how a Director should behave when there is a potential commercial conflict between the shareholder that appointed that Director and the Company.
- Where there is a conflict of interest, there is an obligation to disclose that conflict to the Board, and enter it in the Interests Register in accordance with the Board Charter. There are also issues as to the extent to which an interested Director may participate in and be present at the meeting when the conflict matter is being dealt with.

When a Director is “Interested” in a Transaction of the Company

- Where a Director of the Company is “interested” (as that term is defined in section 139 of the Companies Act 1993 (the Act), attached as Appendix 1 to this Policy) in a transaction entered into, or to be entered into, by the Company, that Director must, promptly after becoming aware of the fact that he or she is interested in the transaction:
 - disclose the nature, extent and monetary value (if applicable) of the interest to the Board; and
 - cause that interest to be entered in the Interests Register.
- A Director who is interested in a transaction entered into, or to be entered into by the Company:
 - may attend a Board meeting at which any matter relating to that transaction arises, but shall not, while the Company is listed on the NZX Main Board, be included among the Directors present at the meeting for the purposes of a quorum and may not vote on any matter related to the transaction; and
 - may sign a document, or do any other thing in his or her capacity as a Director, as if that Director were not interested in the transaction.
- The Constitution provides that a Director may, in relation to a matter in which he or she is interested, be included among the Directors present at the meeting for the purposes of a quorum and may vote if that matter is one in respect of which, pursuant to an express provision of the Act, Directors are required to sign a certificate or one which relates to the grant of an indemnity pursuant to section 162 of the Act.

Director not Accountable

If a Director has disclosed an interest in compliance with this Policy and has otherwise complied with the obligations under this Policy, the Constitution and at law, then the Director is not accountable to the Company for any profit he or she may obtain from the transaction or matter.

Application of Policy

- The Board may approve updates, amendments to and exemptions to this Policy from time to time, which may be implemented by written notice to you and/or posting on moogle.
- To the extent of any inconsistency with any previous Policy or rules relating to this subject matter, this Policy prevails over them.

For this policy to be successful, the active participation and support of all our employees are essential.



Leon Clement
Chief Executive Officer
Synlait Milk Limited



Deborah Marris
Director, Legal, Risk and Governance
Synlait Milk Limited

1. Document Information

1.1 Reference Documents

- Appendix 1: Companies Act 1993 – Section 139.

1.2 Revision History

Section Number	Date	Revision	Description of what has changed
Whole document	21/07/2020	2	Change of template

The previous revision of this document is available in the Document Control System (DCS). To access please contact the Document Controller.

APPENDIX 1

COMPANIES ACT 1993 – SECTION 139

Section 139 - Meaning of “interested”

- (1) Subject to subsection (2) of this section, for the purposes of this Act, a director of a company is interested in a transaction to which the company is a party if, and only if, the director—
- (a) Is a party to, or will or may derive a material financial benefit from, the transaction; or
 - (b) Has a material financial interest in another party to the transaction; or
 - (c) Is a director, officer, or trustee of another party to, or person who will or may derive a material financial benefit from, the transaction, not being a party or person that is
 - (i) The company's holding company being a holding company of which the company is a wholly-owned subsidiary; or
 - (ii) A wholly-owned subsidiary of the company; or
 - (iii) A wholly-owned subsidiary of a holding company of which the company is also a wholly-owned subsidiary; or
 - (d) Is the parent, child, spouse, civil union partner, or de facto partner of another party to, or person who will or may derive a material financial benefit from, the transaction; or
 - (e) Is otherwise directly or indirectly materially interested in the transaction.
- (2) For the purposes of this Act, a director of a company is not interested in a transaction to which the company is a party if the transaction comprises only the giving by the company of security to a third party which has no connection with the director, at the request of the third party, in respect of a debt or obligation of the company for which the director or another person has personally assumed responsibility in whole or in part under a guarantee, indemnity, or by the deposit of a security.