

CONFLICT OF INTEREST POLICY V1.2

MAINSTREAM GROUP HOLDINGS
LIMITED

Level 1
51-57 Pitt Street
Sydney NSW 2000
AUSTRALIA

Phone +61 2 9247 3326
Fax +61 2 9251 3525
Email enquiries@mainstreamgroup.com



1. PURPOSE

The objective of this policy is to ensure that actual, potential and perceived conflicts of interest are identified and managed effectively.

Proper management of conflicts of interest is required to ensure we are in compliance with licence requirements and applicable laws and regulations.

2. SCOPE

The principles and procedures in this Policy apply to all Mainstream Group entities and to all people who work within the Mainstream Group of entities including:

- › Board Directors and Board Committee Members,
- › Executives, managers and employees (whether full time, part time, casual, Permanent or temporary), and
- › Individual contractors and consultants.

3. POLICY STATEMENT

The Mainstream Group of entities is committed to ensuring that conflicts of interest are identified and managed so that they do not affect the services, activities or decisions of the organisation.

To achieve this, we will:

- › Identify and declare all conflicts of interest;
- › Develop, implement and monitor action to appropriately manage the conflict;
- › Report all identified conflicts to:

- › The Board for recording in the Board minutes (for Directors conflicts only);
- › The relevant Committee for recording in Committee minutes (for Board Committee Members conflicts only);
- › Declare and record conflicts in the Conflicts of Interest Register (for all Workers);
- › Record conflicts in the individual's personal file (where appropriate or required); and
- › Deal appropriately with breaches of this Policy

4. DEFINITIONS

Mainstream Group

Mainstream Group Holdings Limited and its subsidiaries.

Worker

Any person performing work for a Mainstream Group entity. All Board Directors, Board Committee members, Executives, Employees, Individual Contractors and Consultants are workers for the purposes of this policy to the extent that they contribute to work interests.

Work interests

The interests of one or more Mainstream Group entity in pursuit of its vision, goals and objectives.

Private interests

Personal, professional or business interests including those of individuals, groups or organisations that workers associate with outside of the Mainstream Group.

Pecuniary interest

A private interest involving actual or potential financial gain or loss by a worker or a worker's relative or other close associate if they own property, hold shares or are associated with a firm bidding for work or a client of Mainstream Group.

Non-pecuniary interest

A private interest without a financial component where there may be a tendency for favouritism or prejudice to arise due to friendship, animosity or other personal involvement with another person or group.

Conflict of interests

A clash between a worker's private interests and work interests that gives, or may give or be perceived to give, advantage to the worker or to others who are associated with the worker.

Personal Relationship

A personal relationship is where a worker has a personal relationship with someone that has or could have a working relationship with Mainstream. A personal relationship could be a relative or friend or acquaintance that you may interact with on a personal level and of which is the kind of relationship between people exemplified by shared understanding, mutual trust and social bonding.

Conflict of Interest Register

A register kept at the local entity level to record conflicts of interest for reporting to the local subsidiary board

Conflict of duties

A competing interest between an official duty for one entity and the official duty of another (e.g. a director, executive or manager in the Mainstream Group who is a director of another entity). A competing

interest between duties for two entities within the Mainstream Group is exempt from this Policy.

5. ROLES AND RESPONSIBILITIES

Everyone in the Mainstream Group of entities is responsible for identifying, disclosing and resolving conflicts of interest. Specific responsibilities are to:

5.1 BOARD DIRECTORS AND COMMITTEE MEMBERS

Retain awareness when conflicts of interests arise to ensure conflicts are disclosed and resolved with all pertinent details recorded in the meeting minutes.

5.2 HUMAN RESOURCES

Maintain a central Conflict of Interest Register at the local subsidiary level.

5.3 CHIEF EXECUTIVE OFFICER AND EXECUTIVE LEADERS

Document any Conflict of Interest and Ensure the 'tone at the top' has an integrity focus by complying with the spirit of this Policy when conflicts of interest arise.

5.4 RISK AND COMPLIANCE

Monitor compliance with this policy and review this policy on an annual basis to ensure it is operating effectively. Act as an escalation point in conflict of interest resolution where required.

5.5 MANAGERS

Provide leadership in implementing and giving effect to this Policy. Facilitate compliance with this Policy. Participate in conflict of interest resolution with those they supervise and lodge the resolution in the conflict of interests register. Take appropriate action for breaches of this Policy.

5.6 WORKERS

Retain awareness of potential conflicts of interest that might affect them and avoid them where possible. Promptly identify and disclose any actual or potential conflicts of interest that might be perceived to affect the proper performance of their work.

6. APPLICATION - MANAGING CONFLICTS OF INTEREST

There are three key components to management of a conflict of interest:

- › 6.1 Report;
- › 6.2 Resolve; and
- › 6.3 Record.

6.1 REPORTING A CONFLICT OF INTEREST

When we become aware that we may have a conflict of interest we must report that fact to our manager. Reporting a conflict allows us to work with our manager to resolve it. Remember that a conflict may be actual, perceived or a potential conflict and it may be pecuniary or non-pecuniary. If not managed properly, either kind can be equally damaging to our own and our organisation's reputation.

When Directors or Board sub-committee Members have a conflict of interest or conflict of duties, the conflict is reported to the meeting members.

Examples of conflicts of interest:

- › Purchasing goods or services supplied by a business of a Worker in which there is a Private Interest, or by a business or individual where a Worker has a Personal Relationship.
- › Participating in a tender for goods or services where a relative or friend will be submitting a bid
- › Accepting and not declaring gifts greater than USD500.
- › Involvement in selection of a relative or friend as an employee

- › Sale of an entity asset to a Worker without an equitable process
- › A Worker voting on a decision which directly affects their private interests
- › A Worker knowing Mainstream Group confidential information that could impact private interests
- › A Worker holding shares or an investment in a client or a client portfolio

6.2 RESOLVING A CONFLICT OF INTEREST

The main ways resolution can be achieved are:

- › Restrict
 - › Remove
 - › Relinquish
- i)** Restricting the person with the conflict in the participation of decision making is an appropriate method where the conflict is not likely to arise frequently. Restriction could include one or more of the following:
- › Not participating in any critical criteria setting or decision making role in the process
 - › Refraining from debate about the plan or proposal
 - › Limiting access to information and/or denying access to sensitive documents or confidential information in the process
 - › Withdrawing from discussion of the plan or proposal
 - › Abstaining from voting on the decision
- ii)** Removing the person with the conflict from the process is appropriate where there is ongoing serious conflict of interest and restriction is not practical or feasible. Removal could include one or more of the following:
- › Removing the person with the conflict from any involvement
 - › Abstaining from any formal or informal discussion about the matter
 - › Separating the person with the conflict from the situation where there may be a perception of exerting a covert influence on decisions or actions
 - › Re-arranging duties and responsibilities to a non-conflicting function but not to a person who is supervised by the person with the conflict
 - › Transferring to another project or another area of the organisation
- iii)** Relinquishing the private interest that gives rise to the conflict, including:
- › Liquidating the private interest in an arm's-length transaction
 - › Divesting or withdrawing support for the private interest

- › Assigning the conflicting interest to a genuinely 'blind trust' or 'blind management' arrangement for at least the duration of the conflict

6.3 RECORDING A CONFLICT OF INTEREST

All conflicts of interest must be registered in the Conflicts of Interests Register. This Register is kept by the HR Department/or representative at the subsidiary level and helps us show that the conflict has been declared and resolved. It adds transparency to the situation.

The Company Secretary ensures that all conflicts of interest reported by Directors and Board Committee Members that are recorded in the meeting minutes are also registered in the Conflict of Interests Register.

Disclosures of conflicts of interest are reported to the Mainstream Group Ltd Audit and Risk Committee to ensure overall governance at the Group board level. Each local HR representative reports conflicts of interest to their local subsidiary board.

6.4 DATA PROTECTION AND PRIVACY

Information that is reported and disclosed as part of a conflict of interest will be processed in accordance with Mainstreams Privacy Notice and all subsidiary and location country data protection policies.

Information relating to disclosures of conflicts of interest are managed confidentially with managers who are authorised to handle this information.

All information reported to the local Mainstream boards and the Mainstream Group Limited board comply with all data protection legislation, policies and processes Mainstream has in place to ensure data protection and integrity.

7. BREACH OF POLICY

Failure to disclose a known conflict of interest is a breach of the Code of Conduct and for Directors is also a breach of the Board Charter. It may result in initiation of disciplinary action that could involve severance from the organisation if deemed to be an incident of misconduct, wrongdoing or an abuse of power or authority.

8. AUTHORITY

This Policy is approved by the Executive Leadership Team following review by the Board's Audit & Risk Committee.

9. RELATIONSHIP WITH OTHER POLICIES

Other organisational policies that should be read in conjunction with this policy include:

- › Code of Conduct
- › Whistleblower Policy
- › Privacy Notice