



ADELAIDE BRIGHTON LIMITED
ACN 007 596 018

BOARD PROTOCOL – POTENTIAL CONFLICTS AND INTERESTS

The Board of Adelaide Brighton Limited (the **Company**) has adopted this Protocol.

It outlines the practices and procedures of the Board concerning the circumstances in which directors must disclose existing and potential conflicts and interests, and the manner in which the Board will respond to such disclosures.

It is intended that this Protocol be read together with the Company's Board Charter.

1 Conflicts and Declarations of Interests

The Corporations Act imposes obligations on directors in relation to disclosure of interests. Specifically, the Act provides that:

- (a) a director who has a material personal interest in any matter that relates to the affairs of the Company is required to give the other directors notice of the interest, except in certain circumstances specified in the Act. These include where the director is a member of the Company and the interest is an interest in common with other members of the Company;
- (b) directors may choose to give standing notice about an interest to each of the other directors; and
- (c) a director who has a material personal interest in a matter that is being considered at a directors' meeting must not, unless otherwise resolved by the other directors:
 - (1) be present while the matter is being considered at the meeting; or
 - (2) vote on the matter.

As a matter of practice, the Board has developed the following protocol:

- (a) directors must disclose all interests and other directorships;
- (b) directors may choose to submit standing notices of interest to all Board members, or must disclose their interest in a matter being considered by the Board at that time;
- (c) directors must warn of potential conflict with duty to another company and ensure any change in circumstances is advised;
- (d) the Board will continually consider the application of the relevant provisions of the Corporations Act and, if the Lead Independent Director determines that a director's interest in a matter may be sufficiently material, or may result in a conflict of interest arising, the Lead independent Director will discuss the matter with the director concerned. If:

- (1) they agree that a material personal interest or conflict exists;
- (2) failing agreement, an independent adjudicator, agreed by the Lead Independent Director and the director concerned, considers that a material personal interest or conflict exists; or
- (3) failing an independent adjudicator being agreed to within 7 days, the Company obtains and discloses to the director concerned, external written legal advice that confirms that a material personal interest or conflict exists,

the director:

- (4) will not receive Board Papers on the subject of interest, but will be advised that applicable Board Papers have been excluded;
 - (5) cannot be present at the meeting when the matter is considered unless the other directors resolve that the director in question can stay; and
 - (6) cannot vote on the matter unless the other directors resolve that the director in question can vote;
- (e) where the Chairman has a material personal interest or conflict, the Lead Independent Director, rather than the Chairman, will work with the Company Secretary to settle the relevant Board Papers;
- (f) directors must obtain the Company's consent before disclosing Company information to another company or third party;
- (g) the Company and its directors must take all reasonable steps to preserve legal professional privilege in any legal advice shared under this protocol;
- (h) acquisitions and disposals of assets with a value of \$50m or more may only be approved by a unanimous resolution of the Board.

In accordance with the Listing Rules, each director is required to enter into an agreement with the Company to provide details of his or her "relevant interest" in the Company's securities on appointment, within 5 business days (or such lesser period as set out in the relevant agreement) of a change in the "relevant interest", and following retirement. Any change in a director's interest must be notified to the ASX within 5 business days by lodgement of Appendix 3Y.

Each director has a duty to avoid conflicts of interest, and, as noted above must notify the Board of any potential conflicts he or she may have, including any which may arise as a result of his or her duty to another company.

Each director has a duty to maintain the confidentiality of information he or she learns by virtue of his or her position as director. Disclosure of such information by the director should only be made after consultation with the Chairman or the Board (or where it relates to disclosure by the Chairman of the Board or another director who is a nominee of the same shareholder as the Chairman of the Board, after consultation with the Lead Independent Director).

2 Business conflicts

A director who is a nominee of a shareholder who:

- is party to a transaction, joint venture or other business dealing with the Company or any of its subsidiaries; or

- has operations which compete with the business of the Company or any of its subsidiaries,

will, in the first instance, direct to the Lead Independent Director any communications the director may wish to make with anyone else at the Company in relation to the relevant transaction, joint venture, business dealing or operations (collectively, **Conflict Areas**). They will agree an appropriate protocol for any communications which may be required on the matter with anyone else at the Company.

3 Competition law advice

The Lead Independent Director will seek competition law advice on behalf of the Company as and when required in connection with this Protocol, including in relation to the Conflict Areas. The directors will comply at all times with the competition laws.

Adopted by resolution of the Board made 18 May 2005.

Amended by resolutions of the Board made 23 June 2017 and 25 March 2019

Chairman

Secretary