

DIRECTORS CONFLICTS MANAGEMENT POLICY

1. Purpose

The purpose of this Policy is to set out procedures for the Board, and its committees, to manage conflicts that may arise for any Director of the Company. The Board agrees to ensure that any person appointed as a Director after adopted, is made aware of this Policy and, before becoming a Director, agrees to comply with it.

2. Corporate Governance Framework

- (a) The duties of Directors are to direct and control the business and administration of the Company and to act in the interests of the Company. A Director has several general legal duties in doing this, including (without limitation):
- (i) a duty of care, diligence and skill in carrying out his or her functions as a Director;
 - (ii) a duty as a fiduciary to act loyally and in good faith in the best interests of the Company and for a proper purpose;
 - (iii) a duty to avoid any actual or potential conflict between the obligations owed by the Director to the Company and the Director's personal interests or other duties to which the Director may be subject;
 - (iv) a duty to not improperly use the Director's position to gain an advantage for that Director or someone else or to cause detriment to the Company; and
 - (v) a duty to not improperly use information obtained from the Director's position in the Company, to gain an advantage for that Director or someone else or to cause detriment to the Company.
- (b) Amongst other things, the fiduciary nature of the position means that Directors must maintain the confidentiality of information obtained in the course of the Directorship and not allow their own interests and responsibilities to conflict with those of the Company.
- (c) If a matter arises which may potentially cause a conflict between the interests of any Director and their duties to the Company or between the duties of any Director to the Company and that Director's duties to any entity, business or person other than the Company (each a **Potential Conflict Matter**), then it is the responsibility of the Director to consider whether or not the Potential Conflict Matter gives rise to a conflict and if so must remove himself or herself from the position of conflict.
- (d) Each Director is also obliged to disclose to the Board any "material personal interest" in a matter that relates to the affairs of the Company, subject to certain exceptions (section 191 of the *Corporations Act 2001* (Cth) (**Corporations Act**)). Section 195 of the Corporations Act also applies where a Director has a material personal interest in a matter being discussed at a Board meeting (including Board committee meetings). Where that section applies, the Director is required to withdraw himself or herself from the meeting while the matter is being considered and to abstain from voting, except where the other Directors who do not have a material personal interest resolve to

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waive that exclusion or where a prescribed exception applies.

3. Fiduciary Override

This Policy is not exhaustive in relation to Directors' duties and nothing in this Director Conflicts Management Policy:

- (a) limits the duties and requirements of a Director under the Corporations Act and the general law; or
- (b) requires the Company or a Director to do anything, or refrain from doing anything, where to do so would, in the reasonable opinion of the Board, constitute a breach of the duties of a Director owed to the Company.

4. Conflicts

4.1 Participation in Board and committee deliberations

- (a) In addition to each Director's own obligations relating to any Potential Conflict Matter involving them, if the Chair (**Conflict Adjudicator**) considers, after conferral with the relevant Director, that a Potential Conflict Matter exists in relation to that Director, the Conflict Adjudicator may request the Director to consider the actual or perceived conflict and determine whether in the Director's view a conflict exists and if so will:
 - (i) (not present) not be present at a Board meeting or other committee meeting (or any relevant part of such meeting) when the Potential Conflict Matter is being considered;
 - (ii) (not vote) not vote on the Potential Conflict Matter; and
 - (iii) (no access to Conflict Information) agree not to receive any non-public information relating to the Potential Conflict Matter (Conflict Information),

except to the extent the full Board is required by law to determine a particular matter (for example, a proposed resolution considered by the full Board to approve the issue of a target's statement under section 639(1) of the Corporations Act).

If a Potential Conflict Matter exists in relation to the Chair, the "Conflict Adjudicator" will be another person determined by the Board, which person is not affected by, and has no material personal interest in, that Potential Conflict Matter.

- (b) Subject to compliance with applicable laws, each Director that is subject to the Potential Conflict Matter must decide whether or not he or she will comply with the Conflict Adjudicator's request in section (a). That decision must be promptly confirmed in writing by the relevant Director to the Board, together with that Director's reasoning for his or her conclusion, and details of how the Director will comply with their duties to the Company notwithstanding the Potential Conflict Matter.

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- (c) This Director Conflicts Management Policy does not prevent a Director from:
 - (i) providing any assistance or advice to the Board in relation to a Potential Conflict Matter at the request of the Board;
 - (ii) drawing the Board's attention to a material issue that the Director is aware of and should be considered by the Board in dealing with a Potential Conflict Matter; or
 - (iii) in the context of a takeover offer or other control transaction for the Company, participating in the Board deliberations, where it is reasonably determined by the Director that no conflict of interest arises.

4.2 Access to Information


- (a) Without limiting the circumstances in which information may be withheld from a Director when required by applicable laws, if a Director provides written notice to the Board under section 4.2(b) that he or she has determined that he or she has a conflict and intends to comply with the Conflict Adjudicator's request, the Board agrees that the Director will not be provided with any Conflict Information, except to the extent the full Board is required by law to determine a Potential Conflict Matter (as contemplated by section (a) above) and in that case only to the extent required to enable that Director to comply with their duties as a Director of the Company.
- (b) Subject to compliance with applicable laws, if a Director provides written notice to the Board under section (b) that he or she has determined that he or she does not have a conflict and does not intend to comply with the Conflict Adjudicator's request, the Board agrees that, in the absence of clear evidence that the Director has misused, or will misuse any Conflict Information, the Director will be provided with a full copy of all Conflict Information, unless otherwise requested by the Director.
- (c) Subject to compliance with applicable laws, if any information is withheld from a Director pursuant to this section 0, the Board agrees to provide, at the Director's request, a full copy of all such withheld information to an independent legal adviser nominated by the Company (on the basis that such information must not be passed on to the Director without the Board's prior written consent, excluding that Director) for the purpose of confirming whether or not such information has been withheld in accordance with this Policy.

4.3 Duty of confidentiality

- (a) A Director must maintain the confidentiality of all information (including Conflict Information) obtained in the course of their Directorship.

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- (b) Any Conflict Information provided to a Director under section 0 above is provided to the Director solely in their capacity as a Director of the Company and for the sole purpose of the proper discharge of their duties as a Director of the Company.
- (c) A Director is not permitted to disclose any Conflict Information to any other person without the prior written consent of the remainder of the Board.



Steven Michael
Managing Director / Chief Executive Officer

Flinders Mines Ltd