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Conflicts of Interest Policy

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1. Why Have a Policy?

Board Members have a fiduciary duty to act in the best interests of AgDevCo, and in accordance with AgDevCo's Operating Policies and Procedures. Staff have similar contractual obligations.

The purposes of this policy is to ensure the integrity of AgDevCo's decision-making process and to protect the reputation of AgDevCo, its staff, committee members, advisors, and directors.

This policy is meant to supplement good judgment, and Directors, committee members, advisors and staff should respect its spirit as well as its wording.

2. What Is a Conflict of Interest?

A conflict of interest arises when a board member, staff member, consultant or advisor has a personal interest that conflicts with the interests of AgDevCo, or arises in situations where a board/staff member has divided loyalties. This can result in inappropriate financial gain to board/ staff members, or can impact on the integrity in AgDevCo's decision-making process, or may cause AgDevCo's interests not to be properly protected or represented.

Examples of conflicts, or potential conflicts, of interest include:

- ▶ A board or staff member who has an interest (financial or otherwise) in an entity that AgDevCo is considering investing in, or who is a director or partner thereof;
- ▶ A director who is related¹ to a member of staff and there is decision to be taken on staff pay and/or conditions at a committee meeting;
- ▶ A board or staff member who has shares in a business (or who is a director, partner or employee thereof) that may be awarded a contract to provide services to AgDevCo or to a proposed AgDevCo investee entity;
- ▶ A board or staff member who has a direct or indirect interest in a competitor to one of AgDevCo's existing or proposed investees; and
- ▶ A board or staff member who stands to benefit (financially or otherwise) from a transaction that AgDevCo is considering participating in.

(In each of the above examples, any reference to a board or staff member is deemed to include a relative of such board or staff member.)

A conflict of interest could be a direct or indirect *financial interest*, or a *personal interest* (such as the situation where a board member of AgDevCo is also a board member of another non-profit or for-profit entity in the community with which AgDevCo collaborates or conducts business).

Such conflicts can create problems. They can:

- ▶ Inhibit free discussion or analysis in respect of a proposal;

¹ A relative is defined in this Policy as a child, parent, grandchild, grandparent, brother, sister, spouse, civil partner or in-laws of the director, or any person living with the director as his or her partner.

- ▶ Result in decisions or actions that are not in the best interests of AgDevCo; and/or
- ▶ Risk giving the impression that AgDevCo has acted improperly or non-transparently.

3. Disclosing and Monitoring Conflicts of Interest

Board members and staff are required annually to disclose to the General Counsel (on the AgDevCo Annual Declaration of Interests form) any interests they have that could give rise to a potential conflict of interest, and promptly to update any disclosures previously made.

Board and staff members are required to disclose to any of the General Counsel, the Chief Executive Officer, or the Chair of the Board as soon as they are aware of any conflict/potential conflict or appearance of a conflict so that a determination may be made as to the appropriate plan of action to manage such conflict/potential conflict.

If you are not sure what to declare, or whether/when your declaration needs to be updated, please err on the side of caution - the broadest disclosure possible is advisable so that decision-makers can make informed decisions that are in the best interests of AgDevCo. Any failure to disclose an interest that could potentially give rise to a conflict of interest may be a disciplinary offence.

If you would like to discuss this issue, please contact the General Counsel for confidential guidance.

Interests are recorded in AgDevCo's Conflicts of Interest Register, which is maintained by the General Counsel. This is updated in line with disclosures of conflicts or potential conflicts. The register will only reflect current staff and conflicts, with historical versions being kept as records for past disclosures.

If you fail to declare an interest that is known to the General Counsel and/or Chief Executive Officer and/or the Chair of the Board or of a relevant Committee, they will declare that interest.

The General Counsel, Chief Executive Officer and Chair of the Board will also monitor proposed or ongoing transactions of the organisation (e.g. contracts with vendors and collaborations with third parties) for potential conflicts of interest, and disclose any identified to the Board and EC, as appropriate, whether discovered before or after the transaction has occurred.

4. Procedures for Managing Conflicts of Interest

For each interest disclosed, the Chief Executive Officer or the Chair of the Board, or (if so required by AgDevCo's Articles of Association – see below) the full Board, will determine what action (if any) it would be appropriate to take in respect of the conflict/potential conflict.

As per AgDevCo's Articles of Association, when there is a conflict/potential conflict that is faced by one of the Directors, it will be considered by the other Directors. The Director seeking authorisation in relation to the conflict (and any other Director with a similar interest):

- ▶ shall not count in the quorum nor vote on a resulting decision in respect of the conflict; and
- ▶ may, if the other Directors so decide, be excluded from the Board meeting while the conflict is considered.

He/ she may, however, serve as a resource to provide the other Directors with information requested by them to enable them to reach a decision.

In all cases, decisions involving a conflict will be made only by disinterested persons. All decisions under a conflict of interest will be noted by the Chair and reported in the minutes of the meeting. The report will record:

- ▶ The nature and extent of the conflict;
- ▶ The actions taken to manage the conflict.

A person must not be involved in negotiating, managing, or monitoring a contract in which they have an interest.

5. Compliance with Data Protection Policy

Any information disclosed will be processed in accordance with data protection principles as set out in AgDevCo's data protection policy. Data will be processed only to ensure that board members and staff act in the best interests of AgDevCo. Information provided will not be used for any other purpose.