



CONFLICTS OF INTEREST POLICY



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1. OVERVIEW AND OBJECTIVES

Hillgrove Resources Limited (“the Company”) is committed to:

The conflicts of interest policy provides the Company with a system for dealing with potential or actual conflicts of interest.

A conflict of interest arises where a Director or an employee has an interest that jeopardises independence or objectivity.

Should a conflict of interest occur, Directors or employees should disclose them in the appropriate manner.

2. Corporations Act Requirements

Section 191 of the *Corporations Act* requires that a Director gives notice to the other Directors of a Conflict of Interest where:

- A Director has a material personal interest in a matter related to the affairs of the Company, unless an exception applies.

Exceptions

A Director does not need to give notice of a Conflict of Interest where:

The interest arises:

- (i) due to the Director being a shareholder of the Company;
- (ii) due to the Directors remuneration;
- (iii) due to a contract the Company is proposing to enter into that is subject to the approval of the members; or
- (iv) merely because the Director is a guarantor or has given security for all or part of a loan to the Company.

Or, the interest:

- (i) relates to a contract that insures a Director against the liabilities the Director incurs as an officer of the Company;
- (ii) relates to any payment made by the Company in respect of an indemnity permitted under s199A of the Corporations Act.

Or, **all** of the following conditions are satisfied:

- (i) the Director has already given notice of the nature and the extent of the interest and its relation to the affairs of the Company;
- (ii) if a person was who was not a Director of the Company at the time when the notice was given is appointed a Director of the Company, the notice is given to that person;
- (iii) the nature and extent of the interest has not materially increased; and

- (iv) the Director has given a standing notice of the interest.

3. Conflicts

Examples of conflicts of interest include, but are not limited to:

- affiliations of relatives
- outside jobs or employment
- personal interest in investments
- acceptance of hospitality or gifts

4. Disclosure and Procedures

A Director must give notice to the other Directors of the Company of any material personal interest unless an exception applies under s191 of the Corporations Act.

A material personal interest is deemed to be that which may impair the judgment of the Director towards acting in the best interest of the Company.

Disclosure should be made by the Director:

- as soon as practicable after the Director becomes aware of the interest; or
- in the standing notice of material personal interests.

A standing notice of interests should be circulated to each Director annually. Directors should update their standing notice of interests for any changes as soon as practicable.

Where a Director has a material personal interest in a matter (unless agreed unanimously by all other Directors) the Director in question:

- must not be present at a meeting at which the matter is being considered;
- vote upon the matter.

The minutes of the meeting should record any decision taken by the Directors who do not have an interest in the matter.

5. Contravention

Where a Director does not give notice of a conflict of interest, the Director will be deemed to have committed an offence under section 191 of the Corporations Act. The Company will deal with the contravention as deemed appropriate.