



Directors' Independence and Conflicts of Interest Policy



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1 INTRODUCTION

1.1 This policy summarises the obligations of the directors of BSD Crown Ltd. (the “**Company**”) relating to conflict of interests, and sets out the procedures to be adopted to identify and manage directors' conflicts of interests.

1.2 This policy does not address the requirements of the Listing Rules, including those concerning related party transactions.

2 DUTY TO AVOID CONFLICTS OF INTEREST

2.1 Each of the Company's directors must avoid a situation in which he has, or could have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company. The effect of this duty is such that if there is even the possibility of such conflict arising in the future, a director may already be in breach. The onus is therefore on each director to look one step ahead rather than waiting for a conflict or potential conflict to arise.

2.2 This duty applies in particular to the exploitation of property, information or opportunities, in each case whether or not the Company could take advantage of such property, information or opportunities itself. This would include, for example, a director taking advantage of a contract which he became aware of as a result of his directorship of the Company. The interests of anyone connected with a director (such as family members and controlled companies) should be taken into account in deciding whether or not a director has a conflict.

2.3 Situations where this duty applies include:

- (a) where a director wishes to exploit property, information or an opportunity which derives from his/her position as a director – for example, where an opportunity is offered to the Company which the Company does not wish to accept and the director wishes to pursue independently; and
- (b) where a director of the Company wishes to become a director or member of another company at the same time, and the interests of the two companies might conflict in the future.

2.4 The duty is not infringed where the situation cannot reasonably be regarded as likely to give rise to a conflict of interest, or the matter has been authorised by the directors who are genuinely independent (in the sense that they have no direct or indirect interest in the transaction).



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- 2.5 Each director must, upon appointment and at least annually thereafter, confirm any actual or potential conflict of interest (or that no such conflict exists) to the board of directors of the Company (the “**Board**”) in writing. This written disclosure will be kept on file and will be updated annually or as appropriate. For the avoidance of doubt, such initial and annual disclosures of actual or potential conflicts of interests does not replace the requirement for each director to declare actual or potential conflicts of interests in particular transactions considered by the Board from time to time.

3 **AUTHORISATION OF A CONFLICT**

- 3.1 If a director thinks that there is an actual or potential conflict, he/she should consider whether he/she can remain as a director despite the conflict. If he/she can, he/she should bring the conflict to the attention of the Board and see if it can be authorised. If such authorisation cannot be obtained, he/she should either avoid the conflict or resign.
- 3.2 Conflicts, or potential conflicts, can either be authorised by the members of the Company or by the Board itself (such decisions to be made having excluded any conflicted directors) provided this is done in advance. **Board authorisation of a conflict cannot be retrospective.**
- 3.3 Once the conflict or potential conflict has been referred to the Board, a meeting of the non-conflicted directors of the Company shall meet as soon as possible. The quorum for a meeting of the non-conflicted directors shall be the same as for a meeting of the Board but the conflicted director(s) shall not attend such meeting, shall not be counted in the quorum and shall not vote on such matter.
- 3.4 The non-conflicted directors shall have authority to authorise any matter which gives rise to the conflict of interest concerned on such terms as the non-conflicted directors think fit, in their sole and absolute discretion, including as to attendance and voting at Board meetings in which the matter is due to be discussed, receipt of relevant information by the conflicted director and the ability to vote on resolutions which relate to such matter. The conflicted director shall act in accordance with any such terms determined by the non-conflicted directors.
- 3.5 The non-conflicted directors will need to assess the consequences for the Company of authorising the conflict. They should not authorise a conflict if they consider that, overall, the approval of the situation would operate to the Company's disadvantage. In some circumstances, the non-conflicted directors may not feel able to decide whether to authorise the matter themselves. In these circumstances the conflict should be referred for the members of the Company for consideration.



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- 3.6 Any terms on which the matter in question is authorised may be varied by the non-conflicted directors from time to time and the non-conflicted directors may revoke such authority at any time insofar as it has not already been acted on. The non-conflicted directors shall communicate their decisions promptly to each conflicted director.
- 3.7 A conflicted director shall not be entitled to any information which is relevant to the matter giving rise to the conflict of interest except to the extent authorised by the non-conflicted directors.
- 3.8 Minutes of the meetings of the non-conflicted directors shall be sent to the Company's secretary as soon as practicable (whether the conflict or potential conflict in question has been authorised or not).

4 GROUP COMPANIES

- 4.1 Where conflicts of interest arise due to directorships in multiple companies of the Company's group (the "**Group**"), there may be situations where there are no or insufficient non-conflicted directors to authorise a situation which may give rise to a conflict. In these circumstances, the Board should request that the conflict be authorised by a resolution of the relevant parent company, or if necessary, the members of the Company, all in accordance with applicable law.

5 ASSESSMENT OF INDEPENDENCE

- 5.1 All facts and circumstances will be considered in the Board's determination of the independence of a director of the Company. Whilst it is not always possible to consider all circumstances which could indicate a conflict of interest or lack of independence, a director will normally be considered to be independent if he or she meets the criteria set out below. The Board reserves its discretion to consider a director independent, even where the director does not meet the criteria specified below. In such circumstances, the Board will explain how it arrived at its conclusion.
- 5.2 Directors are under an obligation to update the Board with any new information in relation to interests or relationships relevant to independence. The Board shall assess the independence of directors at least annually and will re-assess determinations of independence when any new interests or relationships are disclosed by a director.
- 5.3 A director is independent if he or she:-
- (a) has no direct or indirect material relationship with the Company;



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- (b) has not served on the Board for a period which could, or could reasonably be perceived to, by the remainder of the Board materially to interfere with the director's ability to act independently and in the best interests of the Company;
- (c) does not have close family ties with any of the Company's advisers, directors or senior management;
- (d) does not hold cross-directorships or have significant links with other directors through involvement in other companies or bodies (excluding members of the Group);
- (e) does not represent a significant shareholder;
- (f) does not serve as a member of the Board for more than nine consecutive years (the "Service Period"). For the purpose of this paragraph 5, absence of less than two years from the Board shall not be considered as sufficient to stop the Service Period;
- (g) for the purposes of (a) above, a "material relationship" is a relationship which could, in the view of the Company's Board, reasonably be expected to interfere with the exercise of a Board member's independent judgement;
- (h) the following individuals are considered, unless shown reasonably not to be compromised by such information, to have a material relationship with the Company:
 - (i) an individual who is, or has been within the last five years, an employee or executive officer of the Company;
 - (ii) an individual whose immediate family member is, or has been within the last five years, an executive officer of the Company;
 - (iii) an individual who is a partner of a firm that is the Company's internal or external auditor, is an employee of such firm or was within the last three years a partner or employee of such firm and personally worked on the Company's audit within that time;
 - (iv) an individual, whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual, is a partner of a firm that is the Company's internal or external auditor, is an employee of such firm or was within the last three years a partner or employee of such firm and personally worked on the Company's audit within that time;



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- (v) an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the Company's current executive officers serves or served at the same time on the entity's compensation committee; and
- (vi) an individual who receives, or whose immediate family member who is employed as an executive officer of the Company received, more than Sterling 10,000 in direct compensation from the Company during any 12 month period within the last three years (excluding any sums payable in consideration of acting as a director of the Company);
- (i) for the purposes of subsection (h) above, direct compensation does not include remuneration for acting as a member of the Board or of any Board committee of the Company; and
- (j) for the purpose of this section 5, a reference to the Company includes a member of the Group.

5.4 Despite any determination made above, an individual who:-

- (a) accepts, directly or indirectly, any consulting, advisory or other compensatory fee from the Company or any member of the Group, other than as remuneration for acting in his or her capacity as a member of the Board or any Board committee, or as part time chair or vice chair of the Board or any Board committee; or
- (b) is an affiliated entity of the Company or any of member of the Group;
- (c) is considered to have a material relationship with the Company.

5.5 The indirect acceptance by an individual of any consulting, advisory or other compensatory fee includes acceptance of a fee by:-

- (a) an individual's spouse, minor child or stepchild, or a child or stepchild who shares the individual's home; or
- (b) an entity in which such individual is a partner, member, an officer such as a managing director occupying a comparable position or executive officer, or occupies a similar position (except limited partners, non-managing members and those occupying similar positions who, in each case, have no active role in providing services to the entity) and which provides accounting, consulting, legal investment banking or financial advisory services to the Company or any member of the Group.



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6 DUTY NOT TO ACCEPT BENEFITS FROM THIRD PARTIES

6.1 Each director must not accept a benefit from a third party conferred by reason of his being a director of the Company, or his doing (or not doing) anything as a director of the Company.

6.2 This duty will not be infringed if the acceptance of the benefit cannot reasonably be regarded as likely to give rise to a conflict of interest or if its acceptance has been authorised by the members. The Board cannot authorise a director's acceptance of a benefit from a third party.

6.3 Hospitality should only be accepted in accordance with the Company's hospitality policy, in effect from time to time.

7 DUTY TO DECLARE AN INTEREST IN A PROPOSED TRANSACTION OR ARRANGEMENT

7.1 If a director is in any way, directly or indirectly interested in a proposed transaction or arrangement with the Company, he/she must declare the nature and extent of that interest to the other directors before the transaction or arrangement is entered into. In such a case, such director is not eligible to cast a vote with regard to such transaction and, if he or she voted, his or her vote shall be disregarded by the Board

7.2 A declaration may be made:

- (a) at a meeting of the Board;
- (b) by providing a written notice to the other directors; or
- (c) by way of a general notice given to other directors.

7.3 There is a continuing duty to update declarations of interest that become inaccurate or incomplete.

7.4 There are circumstances where there is no need to declare an interest; if:

- (a) the situation cannot reasonably be regarded as likely to give rise to a conflict of interest;
- (b) the other directors are already aware or ought to be reasonable aware of it;
- (c) the director is not aware of the arrangement or transaction and would not reasonable be expected to be aware of it; or



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the interest concerns the terms of the director's service contract which are to be, or have been, considered by the other directors.