

# PILOT ENERGY LIMITED

## CONFLICTS OF INTEREST POLICY

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### 1 Overview

- 1.1 This Conflicts of Interest Policy has been developed to provide a framework for all directors of Pilot Energy Limited (Pilot or Company ) (“Directors”) to disclose actual, potential or perceived conflicts of interest.
- 1.2 This policy provides guidance on what constitutes a conflict of interest and how it will be managed and monitored by Pilot.
- 1.3 The Board of directors of Pilot (the “Board”) has determined this policy is applicable to Directors. The Board is committed to managing actual, potential or perceived conflicts of interests in its business relationships.
- 1.4 A conflict of interest may be actual, potential or perceived.
  - (a) An actual conflict of interest is where there is a real or material conflict between the Directors and the performance of his duties in the best interests of the Company.
  - (b) A potential conflict of interest is an actual conflict of interest which may occur at some time in the future either based on current circumstances or a change in circumstances.
  - (c) A perceived conflict of interest is where a third party may form the view, based on available information, that they may be a conflict of interest. A situation that looks like a conflict of interest may be enough to undermine stakeholder confidence, even if in fact there is no conflict or it has already been resolved.
- 1.5 A Director owes certain fiduciary duties, including the duties of loyalty, diligence and confidentiality to the Company which requires that the Directors act in good faith on behalf of the Company and to exercise his or her powers for stakeholders’ interests and not for their own or others interest.
- 1.6 The mere appearance of a conflict may be as serious and potentially damaging as an actual conflict. This may undermine public trust and confidence in the Company which may not be adequately restored even when mitigating facts of the situation are brought to light. On this basis it has been determined by the Board that conflicts will be carefully and appropriately managed.

### 2 Purpose of this Policy

- 2.1 The purpose of this policy is to:
  - (a) Protect the integrity of the decision-making process of the Company by avoiding legal, financial, corporate, ethical and other conflicts of interests
  - (b) Set out the requirements that all Directors must comply with in order to avoid actual, potential or perceived conflicts of interest
  - (c) Provide guidance for dealing with any conflict of interest in an open and transparent manner

- (d) Give all stakeholders confidence in the Company's decision-making processes, and
- (e) Protect the integrity and reputation of the Company and Directors.

### **3 Conflict of Interest Policy**

- 3.1 The Board is committed to the transparent disclosure, management and monitoring of actual potential or perceived conflicts of interest. All Directors have a duty to avoid actual, potential or perceived conflicts of interest under the *Corporations Action 2001*.
- 3.2 A Director must avoid being placed in or a potential situation of making a decision in relation to business of the Company that might be affected by another business or material personal interest of the Director.

### **4 Procedure**

- 4.1 Directors are required to disclose actual, potential or perceived conflicts of interest on appointment as a Director, are required to keep these disclosures up to date and are required to sign a statement agreeing to refrain from attempting to influence any decisions in which they may have, may potentially have or be perceived to have a conflict of interest.
- 4.2 The Board will manage conflicts of interest under this policy by three actions:
  - (a) A Director shall promptly disclose to the Board any personal or outside interest, relationship or responsibility (legal, financial, corporate, ethical or otherwise) held by the Director with respect to any potential or actual transaction, agreement or other matter which is or may be presented to the Board for consideration, even if such interest relationship or responsibility has otherwise generally been disclosed to the Company or the Board. Directors are required to disclose actual, potential or perceived conflicts of interest prior to the commencement of each Board meeting. The company secretary will respond to disclosures by:
    - (i) recording in the minutes of the Board meeting a Director's disclosure of a conflict of interest relating to particular agenda items
    - (ii) record in the minutes of the next Board meeting a Director's conflict of interest disclosure made outside of Board meeting times
    - (iii) keeping copies of declarations and standing declarations of conflicts of interest in a Conflicts of Interest Register.
  - (b) The Conflict of Interest Register will record:
    - (i) Names, affiliations and conflicting agenda items of Directors
    - (ii) Conflicts identified and actions taken
    - (iii) Any reports considered by the Board on conflicts of interest matters; and
    - (iv) Copies of written conflict of interest disclosures to the Board.
  - (c) If a Director believes another Director has an undeclared conflict of interest they are required to specify the basis of their opinion either verbally or in writing prior to the respective Board meeting through the Chairperson for resolution. Should this issue not be resolved through discussion, final resolution rests with the Chairperson. If a Director believes the Chairperson

## CONFLICTS OF INTEREST POLICY

has an undeclared conflict of interest they are required to specify the basis of their opinion either verbally or in writing prior to the respective Board meeting through the company secretary for resolution.

- (d) Where a conflict of interest matter has been raised, the Director concerned shall withdraw from the meeting and leave the room. The Director who has disclosed the conflict cannot vote on that item or take part in any Board discussion on that topic. The Chairperson and remaining Directors can, on a case-by-case basis, reach unanimous agreement on an appropriate course of action.
- (e) For any conflict of interest, the Board, with the abstention of the interested Directors, may decide whether such Directors may participate in any reporting, discussion or vote on the issue that gave rise to the conflict of interest. The Chairperson may direct the company secretary to withhold any information on such matters from the Board materials distributed to the applicable Directors and take all such other action necessary to effectuate this policy.
- (f) Any Director with such an interest, relationship or responsibility which conflicts with the interest of the Company or its shareholders shall excuse himself or herself from any reporting, discussions and vote on the matter that gave rise to the conflict of interest and, if necessary, from the Board meeting, or applicable part thereof.

### **5 Review of Policy**

This policy shall be reviewed by Pilot on a regular basis and if required be amended to suit the requirements of the Company and adherence to the law.