

# Conflicts of Interest and Related Party Transactions Policy

December 2015



**Contents**

<b>1</b>	<b>Purpose of this policy</b>	<b>2</b>
<b>2</b>	<b>Overview</b>	<b>2</b>
<b>3</b>	<b>Process Overview</b>	<b>3</b>
<b>4</b>	<b>Process Steps</b>	<b>4</b>
<b>5</b>	<b>Questions and concerns</b>	<b>9</b>
<b>6</b>	<b>Review of policy</b>	<b>9</b>
<b>7</b>	<b>Definitions</b>	<b>9</b>
	<b>Annexure A - When to use this policy</b>	<b>11</b>
	<b>Annexure B - Meaning of Related Party Transactions</b>	<b>12</b>
	<b>Annexure C - Exceptions to the requirement to seek shareholder or unitholder approval in relation to Related Party Transactions</b>	<b>14</b>
	<b>Annexure D - Arm's length dealing</b>	<b>15</b>
	<b>Annexure E - Transaction with a person of influence</b>	<b>17</b>

# Conflicts of Interest & Related Party Transactions Policy

## 1 Purpose of this policy

The purpose of this policy is to ensure that the APN Group has adequate arrangements in place to effectively manage and assess actual, apparent or potential conflicts of interest and Related Party Transactions which may arise in relation to the activities of the APN Group and/or its representatives.

## 2 Overview

APN Group has particular legal obligations with regards to managing conflicts of interest and related party transactions. These obligations arise for a number of reasons, such as:

- each of APN PG and APN FM are public companies;
- APN PG is a listed company;
- APN FM is an AFSL holder;
- APN FM is the responsible entity of a number of MISs (including some listed MISs); and
- APN FM is a financial services provider.

There are obligations under the Corporations Act, ASX Listing Rules and general law in relation to conflicts of interest. These obligations apply differently depending on the capacity in which an APN Entity is acting (see above). Obligations with regards to conflicts of interest are part of a wider legislative and regulatory context. Each APN Entity must be cognisant of this context when applying this policy.

Where a conflict of interest exists, there is potential for the impartiality of a decision maker to be undermined, or the perception that impartiality has been undermined. This may limit an APN Entity's ability to discharge its responsibility for another entity (eg another APN Fund). Related party transactions are a particular circumstance where a conflict of interest may be present. Being cognisant of conflicts of interest and related party transactions within the APN Group is important for the purposes of legal compliance, investor protection and maintaining investor confidence. A summary of potential conflicts is listed in Appendix A.

### 3 Process Overview

Steps	Action Required
Step 1	Identify conflicts of interest in a Transaction
Step 2	Raise a Conflict of Interest Notice
Step 3	Identify any Material Personal Interests
Step 4	Review, liaise and attempt to resolve the conflict
Step 5	Compile report for the Audit Committee/Board
Step 6	Audit Committee/Board to assess and resolve outstanding conflict
Step 7	Determine whether shareholder/unitholder approval is required
Step 8	Hold shareholder/unitholder meeting (if required)
Step 9	Determine any form of disclosure required
Step 10	Implement additional controls (if necessary)
Step 11	Update and retain records

## 4 Process Steps

### Step 1: Identify whether there are conflicts of interest present

APN Staff are required to identify whether there is an actual, apparent or potential conflict of interest. This should include a consideration of:

- (a) whether directors or other APN Staff of the decision making entity have a Material Personal Interest in the decision;
- (b) whether the Transaction involves a Related Party (see Annexure B) and could, therefore, constitute a Related Party Transaction; and
- (c) whether the Transaction may favour some shareholders but not others, or some unitholders but not others.

### Step 2: Raise a Conflict of Interest Notice

Any APN Staff who becomes aware of an actual, apparent or potential conflict of interest between APN (or its representatives and/or its Related Parties) and its clients, must immediately notify Compliance by completing a 'Conflict of Interest Notice'. APN Staff must provide the following details in the 'Conflicts of Interest Notice':

- the nature and likely duration of the conflict;
- the nature of any financial arrangements, including an estimate of the total amount of money received or paid (or to be received or paid) under the relevant transaction;
- whether it is possible to avoid the conflict;
- whether or not the transaction is at arm's length terms (refer to Annexure D) and evidence of this; and
- any other information known in order to resolve or make a determination about the conflict.

### Step 3: Identify any Material Personal Interest

APN Staff (with the guidance of Compliance) are required to identify whether any directors or other APN Staff have a Material Personal Interest in the Transaction.

If one or more directors or other APN Staff have a Material Personal Interest in the Transaction, the Company Secretary/Compliance must ensure that those directors / APN Staff:

- are not present at meetings while the Transaction is being considered;
- are not able to vote on the Transaction (provided that those directors are permitted to vote on a proposal to call a general meeting to decide on the Transaction); and
- are not counted when determining whether a quorum at a board meeting exists (unless ASIC grants specific relief).

#### **Step 4: Review, Liaise and attempt to Resolve the Conflict of Interest**

Compliance will review all 'Conflicts of Interest Notices' and liaise with the relevant parties to resolve, where practical and possible in the circumstances, the conflict of interest. Resolution of the conflict of interest will involve one or a combination of either **controlling, disclosing** or **avoiding** the conflict of interest. Where appropriate, Executive Management will be involved in the resolution of all conflicts of interest.

Any matter that cannot be resolved at this Step 4 must be reported to the APN PG board (if related to a corporate transaction or other matter involving APN PG) or the APN FM board and its Audit, Risk and Compliance Committee (if related to APN FM or any APN Fund) for consideration and resolution (refer to Step 6).

#### **Step 5: Compile report on conflict of interest**

All conflicts of interest (regardless of status - ie, whether resolved under Step 4 or still to be resolved by the Board under Step 6) will be reported to the Audit, Risk and Compliance Committee and the APN FM board (in the case of APN FM) or the APN PG Board (in the case of matters involving APN PG) at the next meeting.

Compliance will provide a report detailing any conflicts of interest that have arisen in the period, the status of the conflict, how any conflicts were resolved or where appropriate, highlighting conflicts that require Board resolution.

#### **Step 6: Audit Committee/Board assessment and resolution of outstanding conflict of interest**

The APN PG Board or APN FM Board (as the case may be) must attempt to resolve any unresolved conflicts of interest reported to it.

The APN PG or APN FM Board must assess, evaluate and provide a sign off as to whether the Transaction involving a conflict of interest should proceed. In assessing and evaluating the Transaction and the conflict of interest, they must consider whether:

- the Transaction will be consistent with the management, governance and objectives of the relevant APN Group company, APN Fund or mandate for a Client;
- the terms and conditions of the Transaction are appropriate, taking into account:
  - where the Transaction involves two APN Group entities: whether a senior manager of each APN Group entity represented each party's interests in negotiating the relevant terms and conditions;
  - whether the transaction has been, or will be, conducted to the extent possible on the basis that each party is an independent knowledgeable party; and
  - whether the terms and conditions are no more favourable than the terms and conditions that would be available to a non-related party transacting a similar transaction and where necessary, seeking independent advice on this matter;
- the rationale for the transaction given that there is a conflict of interest;

- the options open to the APN Group parties in pursuing an alternative transaction with independent third parties;
- entering into the Transaction will have a serious potential impact on the APN Group's business and reputation;
- whether the conflict of interest can be adequately managed through controls and disclosure; and
- it would be in the best interests of shareholders or unitholders to enter into the Transaction. This usually relates to their financial interests.

### **Step 7: Determine whether shareholder/unitholder approval is required**

APN staff (with guidance from Compliance) must determine whether the Transaction is considered:

- a Related Party Transaction (see Annexure B); and/or
- with regard to listed entities (such as APN PG, Generation Healthcare REIT, Industria REIT or the APN Regional Property Fund), a transaction with a person of influence (see Annexure E).

If the Transaction is considered a Related Party Transaction (see Annexure B), APN staff (with guidance from Compliance) must consider whether the Related Party Transaction is considered material.

If the Related Party Transaction is considered material and there is no readily available evidence of standard or usual market terms for a similar transaction:

- an independent valuer should be engaged to value the asset or service unless there is a predetermined valuation mechanism (e.g. in the constitution); and
- APN Staff should not proceed with the Transaction unless and until either:
  - independent advice is obtained in respect of the Related Party Transaction stating that it is on arm's length terms (see Annexure C); or
  - shareholder or unitholder approval has been obtained.<sup>1</sup>

If the Related Party Transaction is considered not to be material:

- APN Staff (with guidance from Compliance) must consider whether any exceptions (such as where the Transaction is on arm's length terms) apply (see Annexure D); and
- if no exceptions apply (see Annexure C), shareholder or unitholder approval must be sought.

<sup>1</sup> Part D ASIC RG 76 includes a description of the approval process, which includes providing shareholders or unitholders with sufficient information on the Related Party Transaction to enable them to decide whether the Financial Benefit to be given to a related party is in the interests of the APN PG, APN FM or the APN Fund (as relevant). That material must be lodged with ASIC at least 14 days before the notice convening the meeting is given to shareholders or unitholders.

Table 2 in ASIC RG 76 provides specific guidance on the content of information that must be provided.



All Related Party Transactions valued (in aggregate) above \$5,000 in any year (being those for which member approval has not been obtained or those for which another of the statutory exceptions does not apply) are exempt from the requirement for member approval. However, there is otherwise no materiality threshold that applies to the requirement for a public company (such as APN PG or APN FM) or MIS to obtain member approval for a Related Party Transaction under the Corporations Act.

If the Transaction is considered a transaction with a person of influence to which Chapter 10 of the Listing Rules applies (ie relating to the acquisition/disposal of substantial assets of, or issue of securities in, the listed APN Entity), the listed APN Entity must obtain shareholder approval in accordance with Chapter 10 of the ASX Listing Rules.

If the Transaction is considered neither a Related Party Transaction nor a transaction with a person of influence, no shareholder approval or unitholder approval is required.

### **Step 8: Hold shareholder/unitholder meeting (if required)**

Hold the shareholders' or unitholders' meeting if required. The procedure for obtaining approval is set out in Division 3 of Part 2E.1 of the Corporations Act (for companies) and Part 5C.7 of the Corporations Act (for managed investment schemes).

### **Step 9: Determine whether any disclosure required**

APN Staff (with guidance from Compliance) must determine whether disclosure is required and the method of disclosure required. This can include:

- disclosure in a prospectus (if related to APN PG or APN FM), a product disclosure statement (if related to a registered APN Fund) or an information memorandum (if related to an unregistered APN Fund);
- continuous disclosure obligations (refer to the APN Property Group Continuous Disclosure Policy for guidance); or
- disclosure in a Financial Services Guide or Statement of Advice (where it concerns APN FM providing financial services, including personal financial product advice to retail clients).

APN Staff must ensure that adequate disclosure is made to shareholders and unitholders such that legislative content requirements are met.<sup>2</sup> In general terms, this means disclosure that investors (in an APN Group entity or an APN Fund) reasonably require to make informed decisions about whether to acquire shares or units<sup>3</sup>.

Disclosure must be made before or when the financial service is provided, or before the investor acquires shares or units (as relevant).

In considering what disclosure is appropriate, APN Staff must consider whether any information is considered confidential or inside information. If there are such concerns, APN Staff should refer the matter to Compliance.

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<sup>2</sup> With regard to an offer of shares in APN PG or APN FM by a prospectus, the content requirements in sections 710, 711 and 713(5) apply. With regard to the offer of units in an APN Fund, any information that might reasonably be expected to have a material influence on the decision of a reasonable person, as a retail client, whether to acquire the product must be included in the PDS. For a summary of content requirements that apply to other types of disclosure documents, please refer to Table 3 in RG 76.



Where the Transaction involves a Related Party Transaction, APN Staff must ensure that shareholders and unitholders must be given information about:

- the value of the Financial Benefit, in particular the Financial Benefits paid under the Related Party Transaction in dollar terms;
- details about the proportion of the company or APN Fund's revenue, expenses, assets or liabilities that is attributable to Related Party Transactions;
- the nature of the relationship, in particular how the entities are related;
- whether the Transaction is on arm's length terms, reasonable remuneration or other exemption in the Corporations Act applies;
- whether shareholder or unitholder approval has been sought;
- the risks associated with the Related Party Transaction; and
- the policies and procedures that the APN Entity has in place for entering into Related Party Transactions, including how compliance with these policies and procedures is monitored.

### **Step 10: Implement additional controls (if considered necessary)**

Compliance may implement additional controls to monitor any conflict of interest or Related Party Transaction. The controls may include (but are not limited to):

- appointing a particular person to be in charge of monitoring any changes or ensuring that there are periodic reviews by an internal or external auditor with regard to the Transaction, or the business of the relevant APN Entity;
- additional reporting, such as the completion of a related party transaction form;
- a declaration from each of the relevant representatives; and
- where there is a significant change, reconsidering the conflict of interest or Related Party Transaction in light of the requirements of this policy.

### **Step 11: Complete and retain records**

Compliance must maintain a register of matters considered and determined under this policy for at least seven years, including copies of:

- all Conflicts of Interest Notices showing the assessment of the conflict of interest, determination of whether the Transaction is a Related Party Transaction and any other controls to manage the conflict of interest;
- minutes of the Board/committee for any matter referred to and considered by it;
- any third party advice (e.g. legal, valuation etc.) obtained in respect of the Transaction giving rise to the conflict of interest;

- any documents given to investors to disclose or seek approval for the conflict of interest;
- minutes of any meetings of unitholders or shareholders at which approval is sought (i.e. in relation to a Transaction which is a Related Party Transaction).

## 5 Questions and concerns

If any member of APN Staff has any questions or concerns from time to time about the subject matter or requirements of this Policy, that person should contact Compliance in the first instance.

## 6 Review of policy

This policy will be reviewed at least annually (or more regularly if there are changes to the legal or regulatory framework which applies to this policy) to ensure it is renewed and updated appropriately.

## 7 Definitions

In this policy, unless the context otherwise requires:

**AFSL** means Australian financial services licence.

**APN Entity** means any member of the APN Group and any of the APN Funds.

**APN FM** means APN Funds Management Limited.

**APN Fund** means any managed investment scheme managed by APN FM or any other member of the APN Group.

**APN Group** means APN PG and any of its controlled or related entities (which includes APN FM).

**APN PG** means APN Property Group Limited.

**APN Staff** means and includes any director, officer, senior manager or other employee of APN PG or APN FM and any other employee of or consultant to an APN Entity as designated by the board of APN PG or APN FM.

**Applicable Stock Exchange** means the ASX, the National Stock Exchange of Australia or such other stock exchange on which an APN Entity is listed.

**ASX** means the Australian Securities Exchange.

**Audit, Compliance & Risk Management Committee** means APN FM's Audit, Compliance & Risk Management Committee.

**Client** means a person to whom APN FM provides financial services and includes unitholders in an APN Fund.

**Compliance** means the person(s) responsible for overseeing the regulatory and compliance function at APN.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Financial Benefit** has the same meaning as in section 229 of the Corporations Act (see Annexure B).

**Material Personal Interest** means, in general terms, an interest that has the capacity to influence a vote of a director. In particular:

- (a) the term material implies that the interest needs to be of some substance or value, rather than merely a slight interest;
- (b) an interest that has the capacity to influence the vote of a director would be considered material;
- (c) the prohibition on voting at and attending meetings applies when a director's interest is personal, as well as material;
- (d) an interest may not be personal if it affects a director as a member of a wide group or class in the same manner and to the same degree that it affects the other members of the group or class;
- (e) where a director is also a shareholder, the director will not be considered to have a Material Personal Interest if his/her interest as a shareholder is held in common with all other shareholders of the company;
- (f) in interpreting the phrase, 'material personal interest', and in considering whether the prohibition applies, you should bear in mind that a purpose of the prohibition is to minimise risks or harm to the company arising from conflicts of interest; and

if in doubt, directors and APN Staff should seek legal advice.

**MIS** means managed investment scheme.

**Related Party** has the meaning described in Annexure B.

**Related Party Transaction** means a transaction that is subject to Chapter 2E of the Corporations Act or, in relation to APN Funds, Part 5C.7 of Chapter 5C of the Corporations Act (which applies Chapter 2E to registered managed investment schemes) (see Annexure B).

**Transaction** means any of the circumstances listed in paragraph 3.

## Annexure A - When to use this policy

### **Circumstances in which this policy should be consulted (non-exhaustive)**

- Considering fees APN FM will receive as responsible entity / trustee from an APN Fund (particularly since there is a risk that a responsible entity / trustee could act other than in the interests of investors in this situation).
- Considering any other remuneration or benefits APN FM will receive as responsible entity or trustee of another APN Fund.
- Considering remuneration or any other benefits APN FM will pay or grant other service providers from the registered APN Fund.
- Considering fees APN FM will receive as an investment manager, particularly where fees depend on whether financial advice is followed.
- Making a decision for an APN Fund to invest in a particular asset where it or an associated person or Related Party has an interest in the asset.
- Making a decision to invest in a particular MIS or an asset owned by a particular MIS of which APN FM is the responsible entity or trustee.
- Entering into a services arrangement with a Related Party of the APN Entity.
- Selling or acquiring assets (including property assets) from a Related Party.
- Providing a loan to, or guaranteeing obligations of, a Related Party.
- Entering into any other form of commercial arrangement with a Related Party.
- Considering remuneration paid to APN Staff.
- Considering equity incentive arrangements to be offered/granted to APN Staff.
- Two or more APN Entities bid or express an interest in the same potential acquisition or other form of commercial transaction.

## Annexure B - Meaning of Related Party Transactions

### 1 General

Related Party Transactions involves a public company or a responsible entity of a registered MIS giving a Financial Benefit to a Related Party.

#### 1.1 Public companies

For a public company, or an entity that the public company controls, to give a Financial Benefit to a related party of the public company, the public company or entity must obtain approval of shareholders or the transaction must fall within an exception (see Annexure C).

#### 1.2 Registered APN Funds

Unitholder approval (unless one of the exceptions applies (see Annexure C)) must be sought if:

- (a) the benefit is given by any of the responsible entity, an entity it controls, its agent or a person it engages;
- (b) the benefit is given out of scheme property or could endanger scheme property; and
- (c) the benefit is given to any of the responsible entity, an entity it controls, its agent or a person it engages, or a related party of any of those persons.

### 2 Meaning of Related Party

Entity	Related Parties
Public companies in the APN Group (i.e. APN PG and APN FM where it does not act as a responsible entity of an APN Fund)	<ul style="list-style-type: none"> <li>▪ An entity that controls the public company</li> <li>▪ A director of an entity that controls the public company and their spouses, parents and children</li> <li>▪ A director of the public company and their spouses, parents and children</li> <li>▪ Entities controlled by:                             <ul style="list-style-type: none"> <li>○ a director of:                                     <ul style="list-style-type: none"> <li>▪ the public company; or</li> <li>▪ an entity that controls the public company;</li> </ul> </li> <li>○ a spouse, parent or child of a director referred to in the bullet point above</li> </ul> </li> <li>▪ A person that was a related party of the public company in the preceding 6 months</li> <li>▪ A person that the public company has reasonable grounds to believe will become a related party in the future</li> <li>▪ A person that acts in concert with a related party of the public company on the understanding that the related party will receive a Financial Benefit if the public company gives the person a Financial Benefit</li> </ul>
APN FM as responsible entity of a registered APN Fund	<ul style="list-style-type: none"> <li>▪ An entity that controls APN FM (i.e. APN PG)</li> <li>▪ A director of APN PG and their spouses, parents and children</li> <li>▪ A director of APN FM and their spouses, parents and children</li> </ul>

	<ul style="list-style-type: none"> <li>▪ Entities controlled by:             <ul style="list-style-type: none"> <li>○ a director of:                 <ul style="list-style-type: none"> <li>▪ APN FM; or</li> <li>▪ APN PG;</li> </ul> </li> <li>○ a spouse, parent or child of a director referred to in the bullet point above</li> </ul> </li> <li>▪ A person that was a related party of APN FM in the preceding 6 months</li> <li>▪ A person that APN FM has reasonable grounds to believe will become a related party in the future</li> <li>▪ A person that acts in concert with a related party of APN FM on the understanding that the related party will receive a Financial Benefit if APN FM gives the person a Financial Benefit</li> </ul>
APN FM acting in for multiple APN Funds	<ul style="list-style-type: none"> <li>▪ APN FM acting in its capacity as trustee and/or responsible entity of two or more APN Funds</li> </ul>
APN FM acting as a trustee or responsible entity of an APN Fund transacting with another APN Group company	APN FM and the other APN Group company or companies

### 3 Meaning of Financial Benefit

This has a broad meaning. It includes:

- (a) giving or providing the related party finance or property;
- (b) buying an asset from or selling an asset to the related party;
- (c) leasing an asset from or to the related party;
- (d) supplying services to or receiving services from the related party;
- (e) issuing securities or granting an option to the related party; and
- (f) taking up or releasing an obligation of the related party.

A financial benefit includes giving a financial benefit indirectly through an interposed entity, making an informal, oral or non binding agreement to give the benefit, and giving a benefit that does not involve paying money.

## Annexure C - Exceptions to the requirement to seek shareholder or unitholder approval in relation to Related Party Transactions

The following related party transactions do not require member approval under the Corporations Act:

- (a) if the terms would be reasonable in the circumstances if the parties were dealing at arms length or the terms are less favourable to the related party than 'arm's length' terms. At a minimum, the factors in Annexure D must be considered;
- (b) if the benefit is a payment of expenses incurred or to be incurred, or reimbursement for expenses incurred, by a related party in performing duties as an officer or employee within an entity in the APN Group and the benefit is reasonable in the circumstances;
- (c) if the benefit is remuneration to the related party in performing duties as an officer or employee within an entity in the APN Group and the benefit is reasonable in the circumstances;
- (d) if the benefit is given to the related party in their capacity as an officer of an entity in the APN Group and the benefit is an indemnity, exemption or insurance premium in respect of a liability incurred as an officer of the public company or entity that is reasonable in the circumstances;
- (e) if the benefit is given to the related party in their capacity as an officer of an entity in the APN Group and the benefit is the making of a payment in respect of legal costs incurred by the officer in defending an action for a liability incurred as officer of the public company or entity that is reasonable in the circumstances;
- (f) if the benefit is given to the related party as a member of an entity in the APN Group, and giving the benefit does not discriminate unfairly against the other members of the entity in the APN Group;
- (g) \*if the benefit is given as an amount of money for a director of a public company or their spouse or de facto spouse if the amount does not exceed \$2,000 (this does not apply to APN FM as a responsible entity of a registered APN Fund); or
- (h) \*if the benefit is given to a related body corporate of a closely-held subsidiary of the body or by the subsidiary to an entity it controls (this does not apply to APN FM as a responsible entity of a registered APN Fund).

\*These exceptions do not apply to registered APN Funds.



## Annexure D - Arm's length dealing

### 1 General

Arm's length generally refers to a relationship between parties where neither bears the other any special duty or obligation, they are unrelated, uninfluenced and each acts in its own interests. Arm's length terms generally refers to transaction terms that would result if:

- (a) the parties to the transaction were unrelated in any way (e.g. financially, or through ties of family, affection or dependence);
- (b) the parties were free from any undue influence, control or pressure;
- (c) through its relevant decision-makers, each party was sufficiently knowledgeable about the circumstances of the transaction, sufficiently experienced in business and sufficiently well advised to be able to form a sound judgement as to what was in its interests; and
- (d) each party was concerned only to achieve the best available commercial result for itself in all the circumstances.

### 2 Determining whether the terms would be reasonable if the parties were dealing at arm's length

The following should be considered when determining reasonableness:

- (a) whether there are alternative transactions open to the entity that are not with related parties (e.g. whether a related party is the only supplier of a certain component or suitable premises);
- (b) prevailing economic conditions and their impact on the parties and their relevant industries; and
- (c) any special value to the transaction (e.g. synergies available to the related party, other than those arising because it is a related party that may not be available to other purchasers).

### 3 Minimum factors that must be considered when determining if arm's length transaction terms

The following factors must be taken into account when deciding whether the transaction is on arm's length terms:

- (a) how the terms of the overall transaction compare with those of any comparable transactions between parties dealing on an arm's length basis in similar circumstances (see ASIC Regulatory Guide RG 76 (RG76) 76.75–RG 76.79);
- (b) the nature and content of the bargaining process, including whether the entity followed robust protocols to ensure that conflicts of interest were appropriately managed in negotiating and structuring the transaction (see RG 76.80–RG 76.85);

- (c) the impact of the transaction on the company or registered scheme (e.g. the impact of dealing or transaction on those terms on the financial position and performance of the company) and non-associated members (see RG 76.86–RG 76.88);
- (d) any other options that may be available to the entity (see RG 76.89); and
- (e) expert advice received by the entity on the transaction (if any) (see RG 76.90–RG 76.91).

## Annexure E - Transaction with a person of influence

A Transaction will be considered a transaction with a person of influence if a listed entity, or any of its child entities, will acquire a substantial asset from, or disposes of a substantial asset to, any of the following persons without the approval of the holders of the relevant securities or without the grant of a waiver by the ASX:

- (a) a related party;
- (b) a subsidiary;
- (c) a substantial holder, if the person and their associates have a relevant interest, or had a relevant interest in the preceding 6 months, in at least 10% of the total votes attached to the relevant securities;
- (d) an associate of a person referred to in paragraphs (a) to (c) above; and
- (e) a person whose relationship to the entity or a person referred to in paragraphs (a) to (d) above is such that, in ASX's opinion, the transaction should be approved by security holders.

An asset is 'substantial' if its value, or the value of the consideration for it is, or in ASX's opinion is, 5% or more of the equity interests of the entity as set out in the latest accounts given to ASX.

A Transaction will not be considered a transaction with a person of influence if it is:

- (a) a transaction between the entity and a wholly owned subsidiary;
- (b) a transaction between wholly owned subsidiaries of the entity;
- (c) an issue of securities by the entity for cash;
- (d) in the case of a trust, a transaction involving a substantial asset that was not beneficially held for the trust before the transaction and is not beneficially held for the trust after the transaction; or
- (e) a transaction between the entity and a person who is a related party by reason only because the person believes, or has reasonable grounds to believe, that the person is likely to become a related party.