

MANAGING CONFLICTS OF INTEREST

All Members of the TORGAS Inc. Board, Management and staff have an obligation to carry out their roles in the best interests of TORGAS Inc. and not allow their own interests to interfere with their duty to the organisation.

MEMBERS OF THE TORGAS INC. BOARD

Directors have an obligation under the *Corporations Act* to disclose any potential or existing conflict of interest that arises or may be likely to arise. Failure to do so is an offence under the Act.

Potential conflicts of interest may be:

- **Contracts with TORGAS Inc.**
(Holding a material interest in any contract with TORGAS Inc.)
- **Loans to Directors**
- **Insider Trading** (Misuse of information or position for personal gain)
- **Appropriation of TORGAS Inc.'s business opportunities**
(Profiting from business that rightfully belonged to TORGAS Inc.)

Director's shall avoid conflicts of interest in as far as this is possible. Where such conflicts arise Directors must take the following action:

- Declare any existing or potential conflicts of interest at the first meeting after their appointment to the Board;
- Thereafter Director's must declare any other potential conflicts at the first Board Meeting after they are identified;
- Maintain a personal register of declarations made to the Board; and
- Leave / abstain from any Board Meeting when matters involving a conflict of interest are being considered, unless the need for absence is otherwise resolved by the Board.

MANAGEMENT AND EMPLOYEES

TORGAS Inc. management and employees also have a responsibility to avoid situations and actions that may be, or create appearance of being, in conflict with the organisation's overall objectives and principles

Examples of activities that have the potential to cause conflict include:

- Holding a substantial financial interest in any Company with whom we have business dealings (e.g. competitors, suppliers and clients).
- Accepting, directly or indirectly from any party or supplier of services, cash payments (other than reimbursements for reasonable out-of-pocket expenses), services, loans (except from banks or other financial institutions) or discounts. This excludes those offered to all employees of TORGAS Inc.
- Accepting gifts from any business party involved with TORGAS Inc.
- Promising services or discounts that are unethical, trade restrictive or misleading.

Any potential or existing conflicts of interest must be disclosed to the CEO or General Manager so appropriate action can be taken to avoid the situation. In the case non-disclosed conflict of interest becomes known, appropriate action will be taken in accordance with company procedures.