

CONFLICTS OF INTEREST AND RELATED PARTY TRANSACTIONS POLICY

Dated 23 December 2022

1 INTRODUCTION

- 1.1 Senior Trust Capital Limited (**Senior Trust**). Senior Trust is a New Zealand company established to lend money in the form of loans to the entities that own and operate Retirement Villages and Aged Care Facilities.
- 1.2 This Conflicts of Interest and Related Party Transactions Policy (**Policy**) sets out the principles and procedures relating to the management of conflicts of interest within Senior Trust.
- 1.3 This Policy applies to the directors and employees or contractors of Senior Trust and also all directors, contractors or employees of an outsource entity (each a Party and together the **Parties**).
- 1.4 This Policy has been developed in accordance with the requirements of the Companies Act 1993 (**Companies Act**), the Financial Markets Conduct Act 2013 (FMCA) and Senior Trust's related policies and procedures.

2 CONFLICTS

- 2.1 Conflicts of interest (in relation to Senior Trust) will usually occur where a Party's personal interests are inconsistent with a duty owed by them to another person or entity.
- 2.2 Conflicts of interest could potentially arise for Senior Trust where:
 - 2.2.1 A Party's own interests or their interest in another business or company interferes with their position at Senior Trust or Senior Trust's duties to Shareholders.
 - 2.2.2 Senior Trust's interests conflict with the best interests of Shareholders.
- 2.3 Personal conflicts of interest of Parties may arise from:
 - 2.3.1 Shareholdings;
 - 2.3.2 Party's personal use of Funds;
 - 2.3.3 Directorships; and
 - 2.3.4 Employment or other contractual relationships.

3 RELATED PARTY TRANSACTIONS

- 3.1 Related party transactions (in relation to Senior Trust) are transactions or dealings between Senior Trust and a related party of Senior Trust.
- 3.2 Related party transactions can increase the level of risk for Senior Trust when they are not transacted at arm's length.
- 3.3 Related parties (in relation to Senior Trust) include:
- 3.3.1 An associated person of Senior Trust (as defined in the FMC Act);
 - 3.3.2 A related body corporate of Senior Trust (as defined in the FMC Act);
 - 3.3.3 A director or senior manager of Senior Trust or any other person occupying a position that allows the person to exercise significant influence over the management or administration of Senior Trust;
 - 3.3.4 A relative of a person referred to at 3.3.1 to 3.3.3 above;
 - 3.3.5 A director of an associated person of Senior Trust; and
 - 3.3.6 A director of a related body corporate of Senior Trust.
- 3.4 Related party transactions could arise for Senior Trust where:
- 3.4.1 Services are provided by Senior Trust to a related party, and vice versa.
 - 3.4.2 Senior Trust makes a loan or guarantee to/from a related party, and vice versa.
 - 3.4.3 Fees are earned from activities under the Management Services agreement

4 POLICY

- 4.1 Senior Trust must act honestly and in the best interests of investors of the Senior Trust. Senior Trust recognises that in order to satisfy this duty, it and its Parties must put the interests of its Shareholders ahead of those of itself or of the Parties.
- 4.2 Subject to 4.1 above, Senior Trust and its Parties must:
- 4.2.1 exercise their powers in good faith and in what they believe to be the best interests of Senior Trust;
 - 4.2.2 exercise their powers for a proper purpose;
 - 4.2.3 exercise the care, diligence and skill that a reasonable director would exercise;
 - 4.2.4 not allow a conflict between a personal interest or a duty that is owed elsewhere and the duty to act in the best interests of Senior Trust;
 - 4.2.5 not make use of information acquired through being as a director, contractor, or employee of an outsource entity of Senior Trust in order to:
 - (a) gain an improper advantage for himself or herself or any other person;

or

(b) cause detriment to the Senior Trust users;

4.2.6 not make improper use of their position as a as a director, contractor, or employee of an outsource entity of Senior Trust to gain, directly or indirectly, an advantage for himself or any other person or cause detriment to the Senior Trust users;

4.2.7 as soon as they become aware of the fact that they are interested in a transaction or proposed transaction, enter that interest into Senior Trust's Interests Register, to be kept at Senior Trust's registered office, and disclose the interest to the Board (in accordance with sections 139 and 140 of the Companies Act);

4.2.8 Ensure that all fees received and payable by STC are calculated on a consistent basis and in strict accordance with the methodology and process defined in the Management Services Agreements or other binding agreements approved by the Board; and

4.2.9 In all circumstances endeavor to exhibit and create a culture of "Good Conduct"

5 REPORTING

5.1 If a conflict or related party transaction, or potential conflict or related party transaction, is identified, it should be reported, to the Board of directors (**Board**) in the first instance.

5.2 The Board, will work together to manage the conflict or related party transaction and determine the appropriate course of action to be taken.

5.3 Any such determination will be entered in Senior Trust's Conflicts and Related Party Transactions Register, to be kept at Senior Trust's registered office.

6 POLICY COMPLIANCE

6.1 All Parties will be provided with a copy of this Policy and must affirm in writing (which may be by electronic means) that they have received, read, and understood this Policy.

6.2 Failure to comply with this Policy may lead to disciplinary action and, in serious cases, the cessation of a relationship with Senior Trust.

7 PERSONAL TRANSACTIONS

7.1 Parties must at all times avoid serving their own personal interests ahead of the interests of Shareholders. Parties may not induce or cause the Senior Trust or any investor to take action, or not take action, for personal benefit rather than for the benefit of other investors. Parties must not exploit Senior Trust's client relationships for personal gain. Doubtful situations should be resolved in favour of the Senior Trust and technical compliance with this Policy will not automatically insulate from scrutiny any transactions that indicate an abuse of fiduciary duties.

7.2 Parties must not only seek to achieve technical compliance with this Policy but should strive to uphold its spirit and its principles.