



## **Conflict of Interest Policy**

Latitude Group Holdings Limited (the "Company")

ACN: 604 747 391

Approved by the Board on 22 February 2024



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## 1. Purpose and Scope

Latitude Group Holdings Limited (LGHL) is a corporate entity, listed on the Australian Securities Exchange and the parent of a group of corporate entities providing financial or payment services and undertaking credit activities to both the retail and wholesale markets, the Latitude Group (Latitude).

This policy articulates Latitude's position on dealing with conflicts of interest.

Managing conflicts is fundamental to the running of Latitude's business. It is an integral part of how we manage conduct risk and helps ensure Latitude is operating in a professional, fair, and honest way when dealing with customers and third parties including but not limited to customers, investors, merchant partners, brokers and vendors.

This document applies to the entire Latitude Group, including:

- Our Board of Directors
- All Latitude employees and representatives
- Contractors and consultants employed by Latitude.

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## 2. Defining Conflicts

Latitude defines a conflict as a situation where one or more persons or entities have competing interests and the serving of one interest by one party may involve detriment to another.

A material personal or relevant interest is one which provides a personal benefit (whether that interest is direct, indirect, contingent or contractual) to the director or an associated person or entity, which is of a real or substantial kind, having the capacity to influence the vote of the director on the decision to be made by the Board.

Potential conflict situations that could arise include, but are not limited to:

- in performing credit activities, where a customer may be disadvantaged when the interest/s of Latitude as credit licensee conflicts with the legal obligations it owes the customer
- when providing retail payment services where interests of a Latitude employee could be detrimental to the interests of Latitude or a Latitude customer
- when participating in wholesale financial services (securitisation) market where the interest of an investor may be inconsistent with or diverge from some or all of the interests of Latitude
- where there are personal relationships between a Latitude employee and a customer, a vendor, a merchant partner, a broker, or another Latitude employee
- when employees engage in personal account trading ("PAT") or outside business interests ("OBI") including board and directorships that could conflict with Latitude.

As an ASX listed-entity, Latitude is bound by corporations laws and the prohibitions of insider trading which impacts employees engaging in the buying and selling of Latitude shares and the securities of other entities if the employee possesses inside information about those entities. Employees should reference Latitude's Trading Policy for further information and guidance.

Latitude recognises that conflicts may have financial or non-financial detrimental impacts.



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### **3. Board Conflicts of Interest**

#### **3.1. Identifying and Disclosing Conflicts of Interest**

Each director has a duty not to place themselves in a position where:

- a) he or she has a material personal interest or other relevant interest giving rise to a real or substantial possibility of a conflict; or
- b) his or her duty to the company conflicts with, or gives rise to, a substantial possibility of conflict with another fiduciary or statutory duty,

in relation to any matter which is or is likely to be brought before the Board of Latitude.

Directors are required to disclose to the Board:

- a) any material personal or relevant interest that he or she may have in a matter relating to the affairs of the Company; and
- b) any other interest in a matter relating to the affairs of the Company, which may give rise to, or be perceived to give rise to, a real or substantial possibility of conflict.

All personal and relevant interests will be recorded in the Schedule of Relevant Interests by the Company Secretary.

A director is required to disclose such conflict of interest immediately on becoming aware of the interest to the Board. A director may at any time declare a conflict of interest in relation to a matter by notification to the Company Secretary in writing, who shall notify the other directors of the conflict as soon as practicable.

Each conflict will be recorded in a standing notice register, and any amendments or additions to it, shall be tabled at the next Board meeting, and recorded in the minutes of that meeting.

Where a change in circumstance results in an interest which is declared on a standing notice register as giving rise to a material personal interest or other conflict of interest, a director is required to disclose such conflict of interest immediately to the Board Chairman or to the Company Secretary.

#### **3.2. Managing Conflicts of Interest**

Where a director has identified and disclosed a conflict of interest, the conflicted director:

- a) shall continue to receive Board papers or other information which relates in any way to the matter or issue which is the subject of the conflict of interest, unless the director requests, or the Chairman determines, that he or she not receive any or all of those documents as receipt of those documents would place the director in a position of conflict;
- b) shall withdraw from any part of a Board or Board Committee meeting for the duration of any discussion on that matter; and
- c) shall not vote on the matter.

If a majority of directors who do not have an interest in such a matter resolve that a disclosed interest should not disqualify a director from being present while the matter is being considered, then the director may be present while the matter is being considered, and the director may vote on the matter.

The minutes shall record the decision taken by the directors who do not have an interest in the matter, including the nature and extent of the director's interest in the matter and its relation to the affairs of the Company.



If there is any matter which is or is likely to be brought before the Board, and the Chairman, a director or the Managing Director has a concern that the disclosure of such matter to a particular director:

- a) would not be in the best interests of the Company; or
- b) place that particular director in a position of conflict,

then the matter should be referred to the Chairman. After the Chairman has considered the matter in consultation with the Managing Director, the Chairman may determine that the particular director is in a position of conflict, and in such circumstances, the conflicted director:

- a) shall not receive Board papers or other information which relates in any way to the issue or matter the subject of the conflict of interest;
- b) shall withdraw from any part of a Board or Board Committee meeting for the duration of any discussion on that matter; and
- c) shall not vote on the matter.

Where disclosure of a particular matter may place the Chairman in a position of conflict, the directors shall appoint a lead independent director, who shall consider the matter in consultation with the Managing Director, and make a determination on the matters set out above.

Where a director has been excluded from receipt of Board papers or Board discussion on a matter, the Company Secretary will advise the director concerned in writing of the broad nature of the withheld information and why it has been withheld from him or her.

### **3.3. Access to Advice or Information**

Where a director:

- a) is uncertain as to whether an interest should be disclosed in accordance with this Policy;
- b) has been excluded from receipt of Board papers or consideration of a matter by the Board; or
- c) is uncertain whether to request that he or she not receive any Board papers or other information relating to a matter,

the director is authorised to obtain (at the cost of the Company) legal or other independent professional advice.

Once information withheld from a director in accordance with this protocol becomes public knowledge or if, in the opinion of the Managing Director, after consultation with the Chairman (or where the matter concerns the Chairman, the appointed lead independent director), the potential for conflict has passed, the excluded director shall be entitled to, should he or she request it, a briefing by the Managing Director as to the current status of the matter and the particulars of any decision of the Board in respect of that matter.

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## **4. Conflicts of Interest within Latitude**

### **4.1. Approach to Conflicts Management**

Latitude seeks to ensure that a conflict of interest does not adversely affect the interests of customers, Latitude, its shareholders or other stakeholders through the identification, avoidance, or management of the conflict of interest.



#### 4.1.1. Identification

Latitude will have processes and procedures in place to help ensure real, potential or perceived conflicts are identified and assessed in a timely and appropriate manner.

All identified real, potential or perceived conflicts will be recorded in a central register accessible to all employees via Latitude's intranet.

#### 4.1.2. Avoidance

Latitude will take all appropriate and reasonable steps to prevent conflicts.

The avoidance of a conflict is the only option to eliminate the risk of an employee or representative making a decision or engaging in conduct that disadvantages Latitude or a customer in the course of providing a credit activity.

Latitude is performing a credit activity as a credit provider and in performing the obligations and exercising the rights of a credit provider. A credit activity may be performed by Latitude, or its representatives, through the provision of credit cards, sales finance, personal loans and motor loans and through performing the activities that precede or follow the provision of that credit, e.g. marketing and originating the loan, handling complaints, renegotiating a contract in hardship circumstances, and in debt collection.

#### 4.1.3. Disclosure

Disclosure to a customer **is an inadequate approach** where a conflict arises in the course of providing a credit activity under an Australian Credit Licence (ACL). In such cases, the conflict of interest must always be avoided.

For non-ACL activities, disclosure of a conflict of interest may be appropriate.

Disclosure about a conflict of interest should:

- (a) be timely, prominent, specific and meaningful to the recipient;
- (b) occur before or when the service is provided, but in any case at a time that allows the recipient a reasonable time to assess its effect; and
- (c) refer to the specific service to which the conflict relates.

Where an actual, perceived or potential conflict arises in the course of business, and that conflict of interest does have the potential to or may be perceived to impact Latitude's provision of products and services, Latitude expects the employee to disclose that interest to their leader.

Where a conflict cannot be avoided, Latitude will ensure there is full disclosure of the conflict to affected parties.

Disclosure to an investor (wholesale market) or to a merchant or other partner may be less detailed than that required for a consumer. In such situations, Latitude must consider the following factors in assessing the disclosure around a conflict of interest:

- the level of financial sophistication of the other party
- the extent to which third persons are likely to rely, directly or indirectly, on the service
- how much the other party already actually knows about the specific conflict
- the complexity of the service.



#### **4.1.4. Record Keeping**

Latitude will maintain a Conflicts of Interest Register in which actual, potential or perceived conflicts of interest can be raised. The register will detail a complete record of the conflict of interest, including any steps taken to address the conflict.

#### **4.1.5. Manage**

Where a conflict cannot be avoided or disclosure is an insufficient course of action, and the conflict is not in relation to a credit activity, Latitude will take appropriate and reasonable steps to:

- minimise any detriment and/or reputational damage from the possible impacts or perceptions of the conflict
- ensure the quality of the relevant service/s is not compromised by the conflict
- promptly address any customer disadvantage that may have occurred.

In such circumstances and noting that disclosure may be an adequate approach, but not sufficient on its own to adequately manage the conflict, Latitude will ensure appropriate controls are identified, documented, monitored and regularly reviewed to manage the identified conflict and the risk of conflicts.

### **4.2. Roles & Responsibilities**

#### **4.2.1. Line 1**

All Employees, contractors and consultants, and representatives are responsible for identifying, recording the conflict in the Conflicts of Interest Register and managing conflicts on an ongoing basis.

Line 1 leaders are responsible for overseeing the identification, disclosure, documentation, escalation and management of conflicts as they arise within their relevant areas of responsibility.

#### **4.2.2. Line 2**

Risk is responsible for raising awareness and understanding of this Policy to help ensure the policy principles are operationalised and embedded within Latitude.

Risk will maintain the Conflicts of Interest Register and escalate/report any issues arising.

#### **4.2.3. Line 3**

Internal Audit are responsible for undertaking periodic independent reviews of the effectiveness of controls to manage conflicts.

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## **5. Policy Governance**

### **5.1. Review, Renewal and approval**

The Company Secretary and Chief Risk Officer are jointly accountable for the application of the policy. The Conflicts of Interest Policy is subject to annual review and aligned to the process for registration of material relevant interests and the Board Independence Policy.

### **5.2. Publication of this Policy**

The content of this Policy will also be published on Latitude's corporate or public facing website.



### 5.3. Monitoring and Control

Management is responsible for identifying any instances of non-compliance, actual or potential, under this Policy through at least annual self-assessments and other assurance activities. All identified areas of non-compliance must be reported to the Board as soon as practical.

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## 6. Revision History

Version	Approval Date	Changed By	Summary of changes
1.0	23/03/21	Paul Burke	Original – policy is not effective until the time of public listing
2.0	01/12/22	Vicki Letcher	Updated to new template, no other changes made
3.0	22/02/24	Vicki Letcher Andrea Lewis	Board Conflicts & Internal Conflicts of Interest Policy merged