

ADOREBEAUTY

GROUP

Director - Conflicts of Interest Policy

1. Purpose

The purpose of this Conflicts of Interest Policy (**Policy**) is to assist the Board of Adore Beauty Group Limited (**Company** or **Adore Beauty**) effectively identify, disclose and manage any actual, potential or perceived conflicts of interest in order to protect the integrity of the Company and manage risk.

2. Objective

The Company's Board Charter requires each of the directors of the Company (**Directors**) to disclose any actual or perceived conflicts of interest, whether of a direct or indirect nature, of which the Director becomes aware and which the Director reasonably believes may compromise the reputation or performance of the Company.

In addition, in their appointment letter, each of the Directors of Adore Beauty have agreed to immediately, fully and frankly inform the Board regarding anything that:

- may lead to an actual or potential conflict of interest or duty; or
- may lead to a reasonable perception of an actual or potential conflict of interest or duty.

The appointment letters also provide that if a Director has a material personal interest in a matter that is being considered at a Board meeting, the Director must not be present while the matter is being considered at the meeting and they must not vote on the matter.

This Policy sets out the disclosure obligations of each Director with respect to conflicts of interest, and the procedures to be followed should a conflict of interest arise.

The Company aims to ensure that the Directors are aware of their obligation to disclose any conflicts of interest or perceived conflicts of interest that they may have, and to comply with this Policy to ensure they effectively manage those conflicts of interest as representatives of the Company.

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

- the Director has a material personal interest or other interest giving rise to a real or substantial possibility of a conflict; or
- their 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 the Company.

3. Definition of Conflict of Interest

A conflict of interest occurs when a person's personal interests conflict with their responsibility to act in the best interests of the Company.

Personal interests include direct interests, as well as those of family, friends, or other companies or organisations a person may be involved with or have an interest in (for example, as a shareholder or director).

A conflict of interest may be actual, potential or perceived and may be financial or non-financial.

These situations present the risk that a person will make a decision based on, or affected by, these influences, rather than in the best interests of the Company. Therefore, these situations must be managed accordingly.

Examples of conflicts of interest include:

- when a Director or an employee or their family, friends or business interests stands to gain financially from any business dealings or services of the Company;
- when a Director or an employee offers their professional service to the Company;
- when a Director or an employee stands to gain personally or professionally from any knowledge they have obtained through their position with the Company if that knowledge is used to personal advantage; or
- where a Director or an employee has a role on the governing body of another organisation, where the activities of that other body may be in direct conflict or competition with the activities of the Company.

Conflicts of interest are relatively common, and do not need to present a problem as long as they are openly and effectively managed.

It is the policy of the Company, as well as a responsibility of the Board, that ethical, legal, financial or other conflicts of interest be avoided to the extent possible and that where they do arise, such conflicts are disclosed and managed alongside the Directors' obligations to the Company.

The Company will manage conflicts of interest by requiring Directors to:

- avoid conflicts of interest where possible;
- proactively consider, identify and disclose any conflicts of interest;
- carefully manage any conflicts of interest; and
- follow this Policy and respond to any breaches.

4. Disclosure of Interests

On appointment as a Director of Adore Beauty, new Directors will be required to complete Director Standing Conflicts of Interest Form. This information is included in the Register of Directors' Interests.

Directors are required to disclose to the Board:

- any material personal interest that he or she may have in a matter relating to the affairs of the Company; and
- 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.

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 Chair, who will notify the other Directors of the conflict as soon as practicable.

When considering whether to disclose an interest to Adore Beauty, Directors should take a prudent approach and should consider whether the interest could be interpreted or viewed as potentially creating a conflict.

If a Director is uncertain whether there is a conflict, the Director should follow the disclosure process and seek the views of the Chair and other relevant stakeholders before entering into the relationship that causes the potential conflict.

It is Adore Beauty's standard practice to:

- ask each Director to disclose at the commencement of each Board and Board Committee meeting if they have a conflict of interest to declare (that has not previously been declared). If there are any conflicts declared in the meeting, the meeting then determines the extent to which the Director may or may not participate in the discussion and vote on the relevant matter; and
- circulate the Register of Directors' Interests to the Board from time to time.

5. Conflicts Procedure

Identification by a Director

Where a Director has disclosed a conflict of interest as required by this Policy, the conflicted Director:

- will 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 Chair (or where the conflict relates to the Chair the lead independent Director appointed by the non-conflicted Directors) determines, that he or she not receive any or all of those documents (or should receive them in a redacted format);
- will withdraw from any part of a Board or Board Committee meeting for the duration of any discussion on that matter; and
- will not vote on the matter.

A Director should request that he or she not receive any Board papers or other information relating to a matter where receipt of those documents would place the Director in a position of conflict.

Identification by the Board

If there is any matter which is or is likely to be brought before the Board, and the Chair, a Director or the Chief Executive Officer (**CEO**) has a concern that the disclosure of such matter to a particular Director:

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

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

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

Where disclosure of a particular matter may place the Chair in a position of conflict or relates to the Chair or a disclosure made by the Chair, the non-conflicted Directors will appoint a lead independent Director, who will consider the matter in consultation with the CEO and the Company Secretary and by seeking legal or other independent professional advice (as reasonably required), and make a determination on the matters as set out in this Policy.

6. Access to Information

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 of the broad nature of the withheld information and why it has been withheld from the Director.

Where a Director:

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

the Director should discuss with the Company Secretary and, if appropriate, the Director is authorised to obtain (at the cost of the Company) legal or other independent professional advice (as reasonably required).

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

7. Specific conflict management protocols

Kate Morris is an Executive Director of the Company and works with the Company on a part-time basis.¹ Kate Morris is also a Co-founder at Glow Capital Partners and this was disclosed to the Board of the Company prior to the establishment of Glow Capital Partners.

Specific protocols regarding Kate Morris' role with Glow Capital Partners are set out in the Schedule to this Policy

8. Policy Review

The Board will review this Policy from time to time, in order to ensure that it remains current with respect to legal and regulatory requirements.

25 October 2022

¹ This arrangement has been in place for some time and was disclosed in Section 6.4.5 of the Prospectus and the Company's periodic financial reporting.

Schedule – Glow Capital Partners

As previously disclosed to the Directors, Kate Morris is a Co-founder of Glow Capital Partners.

Kate Morris has confirmed to the Board of the Company that Glow Capital Partners has decided as part of its investment strategy to avoid any involvement or investment in the beauty sector that could be reasonably be expected to be adverse to the interests of Adore Beauty/to the detriment of Adore Beauty, given the potential conflict with the operations and strategy of Adore Beauty.

Kate Morris has agreed that for so long as she is a Director of Adore Beauty and actively involved with Glow Capital Partners, she will:

- notify the Chair if Glow Capital Partners changes its investment strategy in relation to the beauty sector or is otherwise considering one or more potential investments in the beauty sector;
- consult with the Chair as to whether or not any proposed investment in the beauty sector by Glow Capital Partners could reasonably be expected to be adverse to the interests of Adore Beauty; and
- to the extent within her control, not allow Glow Capital Partners to pursue an investment in the beauty sector that could reasonably be expected to be adverse to the interests of Adore Beauty.