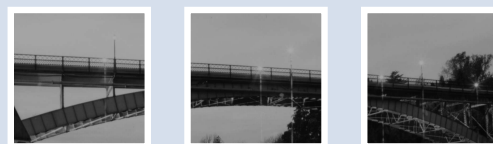


# DISCLOSURES OF INTEREST



**Brian Walsh** As Director of Medlab Hamilton Limited, and Anglesea Medical Properties Limited.

**Jeff Williams** As Chairman of Enform Corporation Limited, and as Director of Ethic Consulting Limited, Tauranga Around Alone Limited, Manu Moana Sanctuary Limited, and Comvita Limited.

**All Directors during the year** As insured parties in respect of the renewal of Directors and Officers and Statutory Liabilities Insurance; and as beneficiaries in respect of claims for additional payments pursuant to regulation 13.5.3 of the Constitution.

**Interested Transactions** With the exception of the remuneration as detailed in this annual report, there were no other material transactions with Directors during the year. No loans were made by the Company to the Directors.

**Directors holding office at the end of the accounting period** Sir Dryden Spring, Rodger Fisher, Brian Walsh, John Green, Jeff Williams and John Birch. Mike Underhill as Alternate Director only.

**Directors who ceased to hold office during the accounting period** Shane Solomon resigned on 20 November 2002.

**Directors of Subsidiary Companies** During the accounting period Sir Dryden Spring and Mike Underhill were the Directors of all of the Parent Company's subsidiary companies.

## CORPORATE GOVERNANCE

### Board of Directors

The Board is appointed by the shareholders and is responsible for setting and monitoring the direction of the Company. It delegates day to day management of the Company to the Chief Executive. The Board endorses the principles set out in the Code of Proper Conduct for Directors approved and adopted by the Institute of Directors in New Zealand (Inc). The Board meets at least 11 times during each financial year. The Constitution specifies that there shall be no less than four and no more than six Directors of the Company at any time.

The Board has two operating committees: (a) The Remuneration Committee; assists the Board to develop the Company's remuneration policy, sets the Chief Executive's remuneration package and all other matters relevant to ensuring a committed and competent workforce; and (b) The Audit Committee; oversees the Company's financial statements, treasury policy, preparation of the Annual Report, liaises with the external auditors and reviews internal and external controls relevant to financial reporting and associated matters, operating under a charter approved by the Board.

### Risk Management

The Board oversees the Risk Management Committee which reports directly to the Audit Committee. The Risk Management Committee ensures that appropriate risks are identified and mitigated where possible and that all policies and procedures consider risk when drafted.

### Environmental and Health and Safety Issues

The Board recognises the importance of environmental and health and safety issues. It is committed to the highest levels of performance in these areas by the Company. Health and safety and environmental management programmes have been adopted by the Company. The Company also seeks to assess and improve its performance and standards in these areas, to use energy and other natural resources efficiently, and requires the adoption of similar standards by its suppliers and contractors.

### Indemnification and Insurance of Officers and Directors

The Company is entitled to indemnify Directors and officers and to effect insurance for them in respect of certain liabilities arising from their positions (excluding claims by the Company or a related party of the Company). The indemnities and insurances must be given and effected in accordance with the Constitution and the Companies Act.

### Information Used by Directors

Information relating to items to be discussed by the Directors at a meeting is provided to Directors prior to the meeting. Directors must not use information received in their capacity as Director which would not otherwise be available to them without the prior consent of the Board. Directors are entitled to seek independent professional advice to assist them to meet their responsibilities.

### Conflicts of Interest

Directors must identify any potential conflict of interest they may have in dealing with the Company's affairs. Where a conflict arises, a Director may still attend a Directors' meeting, be counted in the quorum or vote on a resolution or affix the seal to any document in which he is interested. Where appropriate or as determined by the Chairman, a Director shall abstain from voting or absent himself from the meeting whilst the relevant matter is being considered.

### Interests Register

The Company maintains an interests register to record particulars of transactions or matters involving Directors. It is available for inspection at the Company's registered office.