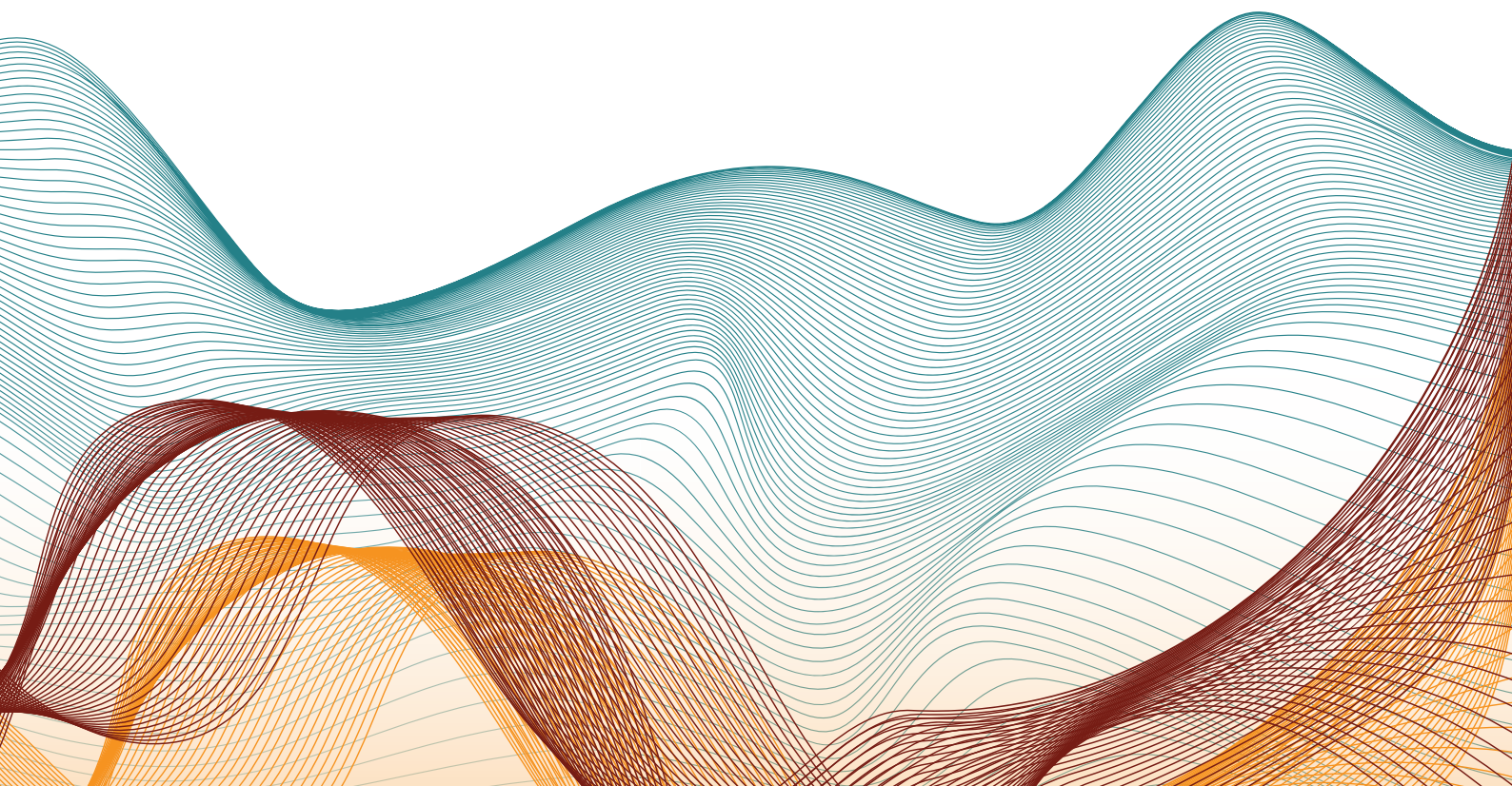


C O N F L I C T S O F I N T E R E S T &
I N F O R M A T I O N

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PILBARA ISOCO LIMITED
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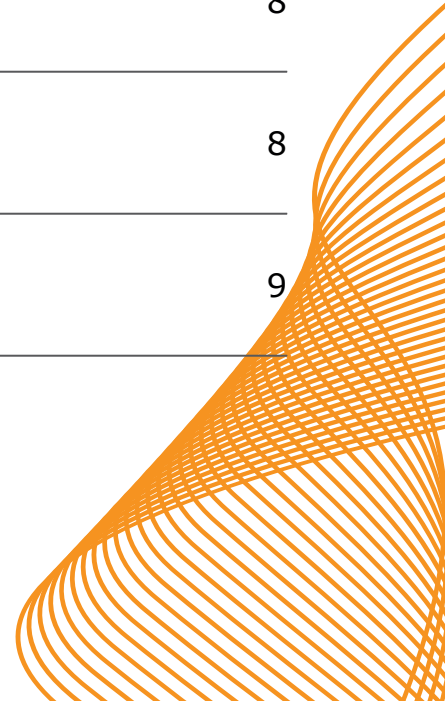
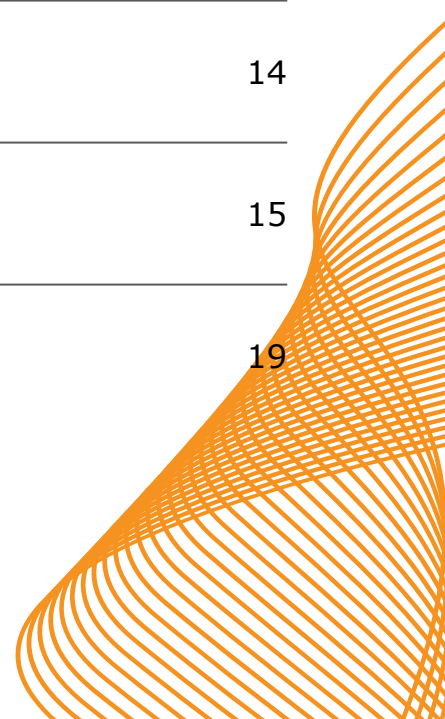


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Conflicts of Interest & Information Protocol

1. Introduction

1.1 Key obligations under the Corporations Act

- (a) Directors have obligations under the *Corporations Act 2001* (Cth) (**Corporations Act**) in relation to the disclosure of interests and management of conflicts of interest. Relevant statutory duties and obligations include:
 - (i) The duty to act in good faith in the best interests of the Company.
 - (ii) The duty to act for a proper purpose (i.e. not to exercise powers for any purpose other than the purpose for which they were conferred).
 - (iii) The duty not to improperly use their position as director, or information received through holding that position, to gain an advantage for themselves or someone else.
- (b) Where a director has a material personal interest in any matter that relates to the affairs of a company, that director must give the other directors notice of the interest.

1.2 Nominee Directors

- (a) An NSP Member is entitled to appoint a director to the Board of Pilbara ISOC Co Limited (**Company**), who will have rights to information concerning the Company's operations and business. The NSP Member appointed Directors may also be directors, officers or employees of the NSP Members (or their related bodies corporate) and therefore have a duty to their appointing NSP Member.
- (b) The Government Appointed Director will be appointed by the Minister for Energy and may have a duty, or be required to disclose certain information, to either or both of the Minister for Energy and the Coordinator of Energy (as referred to under the *Energy Coordination Act 1994* (WA)).
- (c) Where a Director is a nominee or otherwise associated with a particular Member or person appointing the Director (**Nominee Director**), any dealing between the Company and that Member or an associated entity of that Member (or person appointing the Director to the Board) may give rise to an actual or perceived conflict of interest. In addition to the provisions of this Protocol which apply to all Directors, clause 8 of this Protocol provides for the management of conflicts of a Nominee Director in the context of the Company's relationships with commercial counterparties, the Members and other stakeholders under the Pilbara Network Rules.
- (d) A Nominee Director owes the same duties to the Company as other directors of the Company. In performing their duties as directors of the Company, Nominee Directors are permitted to have regard to their appointor's interests provided that, in doing so, they are at all times also acting in the best interests of the Company.

1.3 Purpose and Objective

- (a) The Company and the Board are committed to promoting the highest standard of good corporate governance. The Company endeavours to create a fair and accountable environment in which conflicts of interest do not interfere with decision making.
- (b) This Conflicts of Interest & Information Protocol (**Protocol**) supplements the Company's Code of Conduct and outlines the processes to be applied in circumstances where a Director has, or there is a real and sensible possibility that the Director may have a "**conflict of interest**", meaning:

- (i) a material personal interest which arises when a personal interest, fiduciary or otherwise; or
- (ii) where a fiduciary or other duty (including a duty as an employee to an employer, an NSP Member appointed Director's duty to the NSP Member and the Government Appointed Director's duty to the Minister for Energy) to another person,

conflicts with, or has the potential to conflict with, a Director's duty as a member of the Board.

- (c) In addition, this Protocol is intended to provide practical principles and procedures to guide the Board, Nominee Directors, Members and Company management where:
 - (i) a Director may not be able to disclose certain information to the person that appointed them to the Board, without causing the Company to breach a confidentiality obligation owed by the Company to a particular Member or third party (e.g. a supplier or customer), be against laws or regulations, waive legal professional privilege, or otherwise expose the Company to liability or loss or damage; or
 - (ii) the exchange or misuse of information could cause the Company to contravene competition laws,

(Delicate Information).

- (d) The purpose of this Protocol is to:
 - (i) outline Directors' legal duties and obligations concerning conflicts of interest;
 - (ii) provide a framework for Directors to identify conflicts of interests and related party benefits;
 - (iii) explain the processes to be undertaken where a conflict of interest or related party benefit has been identified;
 - (iv) explain the processes to be followed to prevent unauthorised disclosure or misuse of Delicate Information which may cause the Company to suffer loss and damage or contravene the law; and
 - (v) in addition to the requirements at law, set out the circumstances when Directors are permitted to share Company information, which would otherwise be confidential, with the person that appointed them to the Board.

1.4 Application of this Protocol

- (a) This Protocol applies to all Directors and officers of the Company and to discussions at the Board or any Board Committee (as referred to or constituted under the Constitution).
- (b) A copy of this Protocol will be given to all Directors and officers of the Company.
- (c) Directors and officers must be aware of and comply with this Protocol.
- (d) Nothing in this Protocol limits the duties and requirements of a Director under the Corporations Act or the general law or requires a Director to do any thing, or refrain from doing any thing, where to do so would, in the reasonable opinion of the Board, constitute a breach of the duties of a Director of the Company.

1.5 Interpretation & Enforcement of this Protocol

- (a) This Protocol should be read in addition to (and does not replace) the Company's Constitution, Board Charter, Code of Conduct or Whistleblower Policy.
- (b) This Protocol applies in addition to the requirements of the Constitution and Corporations Act in relation to access to information.
- (c) In the event of an inconsistency between this Protocol and the Company's Constitution, the Company's Constitution will prevail.
- (d) Any questions relating to the interpretation or enforcement of this Protocol should be forwarded to the Chair and Secretary.
- (e) Unless defined in this Protocol, defined terms used in this Protocol have the meaning given to them in the Constitution (as applicable).

1.6 Approval and Amendments to this Protocol

This Protocol is adopted by the Board and can only be amended by resolution of the Board.

2. Identifying conflicts

- (a) A Director of a public company that has a *material personal interest* in a matter that is being considered at a Board meeting, must not be present whilst the matter is being discussed or vote in relation to the matter, unless the other directors approve their participation by passing a resolution allowing the Director to be present and vote in accordance with this Protocol, or as otherwise authorised by ASIC.
- (b) A conflict of interest occurs when there is a conflict between a person's performance as a Director and their personal interests or interests other than those of the Company or their duty to another person, such as:
 - (i) a material personal interest in a matter that is being considered or will be considered at a meeting of the Board;
 - (ii) a conflict or perceived conflict between the duties he or she may owe to another company of which he or she is a director or salaried employee, or to another organisation or person that appointed the Director to the Board of the Company, (including a Director's duty to their appointing NSP Member, or the Government Appointed Director's duty to the Minister for Energy (if any)), and his or her duties as a Director of the Company in considering a matter that is before, or will be placed before, a meeting of the Board; or
 - (iii) any other business or other relationship that could materially interfere with – or could reasonably be perceived to materially interfere with – the independent exercise of their judgement.
- (c) A conflict of interest has the potential to undermine the impartiality of a Director's decision making because of the clash between their personal interest or other duty and the Company's interest.
- (d) The question of whether a conflict exists is an objective question – i.e. would a reasonable person consider that a personal interest or a duty elsewhere might motivate the Director, rather than being solely motivated for the Company's benefit.
- (e) A conflict of interest can be:
 - (i) *actual*, where a conflict actually exists;

- (ii) *perceived*, where a conflict is believed to exist (whether or not it actually exists); and
 - (iii) *potential*, where a conflict may arise in the future.
- (f) Personal interests are those that can bring a benefit or disadvantage to the person or to others whom they may wish to benefit or disadvantage. (This can include personal, professional or business interests of the person or interests of family or associates, and can be pecuniary or non-pecuniary.)
- (g) Not every personal interest will present a conflict. Where a Director or officer has an interest in another company, the courts have recognised the need for there to be a *real or substantial possibility of conflict* before requiring the Director to act and disclose their interest in that other company.
- (h) A material personal interest is not defined by the Corporations Act, but it has been considered by the courts as follows:
- (i) A director has a “personal interest” in a matter if the director or an associate of the director can derive a financial or other benefit from the matter.
 - (ii) Whether a personal interest will be considered “material” depends on the circumstances of each case. The materiality of an “interest” will be determined having regard to what is *material* to the Company and also by considering what is *material* to the Director and whether the nature of the *interest* has a “capacity to influence” the vote of a particular Director on the decision to be made.
 - (iii) The “interest” need not be of a direct financial nature or pecuniary. For example, a Director's personal relationships may be relevant, such as where the Director's family member is an employee of the Company and the Board is considering a remuneration decision which would impact on the family member's salary, then that interest may be sufficiently material and require disclosure.
 - (iv) It has also been decided by the courts that two directors had a material personal interest in the holding of a general meeting to consider resolutions for their removal and as a result, their decision to instruct lawyers to commence proceedings to challenge the validity of the meeting was a contravention of their statutory duties.
- (i) Under section 191(2) of the Corporations Act, a Director does not need to give notice of a material personal interest that relates to the affairs of the Company in the circumstances set out in that section (which is set out in Annexure 1).

3. Disclosing conflicts

- (a) It is important that Directors disclose any material personal interests or conflicts of interest that they may have – whether they are *actual, perceived or potential* in respect of any Board agenda items to be considered at a Board meeting.
- (b) At the start of each Board meeting, the chairperson will ask if any Director present has an interest in respect to any matter on the agenda.
- (c) If a Director has such an interest, he or she must declare it, including the nature of the interest and the conflict that results, or may result, from it.
- (d) A Director is required to declare a conflict of interest that relates to an item on the agenda even if he or she has already declared it on his/her Declaration of Interest form (discussed below in paragraph 10).

- (e) If, during the meeting, a Director becomes aware that he/she has an undeclared interest, he/she must declare it immediately.

4. Determining whether a conflict is material

- (a) If a conflict of interest is declared by a Director, the Board will determine by majority decision of the non-conflicted Directors whether the conflict is material, and has the capacity to influence a Director in making decisions, by taking into account all the relevant factors, including:
 - (i) the agenda item that is to be discussed and determined by the Board;
 - (ii) the nature and severity of the conflict, for example:
 - (A) whether it is actual, potential, or perceived;
 - (B) for financial interests, the quantum, scope, and likelihood of the expected benefit;
 - (C) the degree to which the interest could compromise, or reasonably be seen to compromise, the Director's ability to make an impartial decision in the best interests of the Company; and
 - (D) the likelihood that a reasonable person would perceive that a conflict of interest exists, and the extent to which this may affect confidence in the integrity of the Board and its decisions.
- (b) All Directors may consult Company personnel as reasonably required, with prior notification to the Chair, to enable them to discharge their duties as Directors and comply with the requirements in this Protocol.

5. Release of sensitive information

- (a) If the Secretary has reason to believe that an agenda item could result in an actual, potential or perceived conflict of interest for a Director, the Secretary will, upon consultation with the chairperson, make reasonable efforts to discuss the issue generally with that Director and inform that Director of the possibility of an actual, potential or perceived conflict of interest arising before circulating background information to that Director on that subject matter. This is in order to ensure that a Director is not placed in a position of conflict of interest or duty due to the inadvertent disclosure of commercially sensitive information.
- (b) If the Secretary, after consultation with the chairperson and the relevant Director, determines that the circulation of background materials containing commercially sensitive information to that Director could result in that Director having a conflict of interest, those background materials will not be circulated to that Director.
- (c) If a Director, following discussions with the chairperson and the Secretary, does not agree that an actual, potential or perceived conflict of interest exists, they may request the Board to consider.
- (d) A Director should request that she or he not receive any Board papers or other information relation to a matter, where receipt of those documents would place the Director in a conflict of interest.

6. Managing conflicts

Once a conflict has been identified, the Board must manage it appropriately and ensure that it does not affect decision making. The procedure for managing conflicts of interest is set out as follows:

6.1 Standard practice

- (a) The Board may determine from time to time how to proceed with a discussion, where the subject matter of the information to be discussed by, or given to, the Board applies commonly to all Members (as determined by the Board from time to time).
- (b) Where a Director has disclosed a conflict of interest as required under clauses 3 and 10, the conflicted Director 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 Chair determines, that he or she not receive any or all of those documents.
- (c) Whether or not a conflict is material, subject to clause 6.2, the standard practice is that the conflicted Director must:
 - (i) leave the meeting at the start of the relevant agenda item and not return until the start of the next agenda item;
 - (ii) not discuss the matter at all with any other Director (either in the meeting or elsewhere); and
 - (iii) not participate in any Board decision (i.e. voting) on the matter.
- (d) If there is any matter which is or is likely to be brought before the Board, and the Chair, a Director or Chief Executive Officer has a concern that the disclosure of such matter to a particular Director:
 - (i) would not be in the best interests of the Company; or
 - (ii) 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 Chief Executive Officer and the affected Director, the Chair may determine (acting reasonably, including after receiving legal advice where the Chair seeks such advice) that the particular Director is in a position of conflict, and in such circumstances, the conflicted Director:

 - (iii) 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;
 - (iv) shall withdraw from any part of a Board or Board Committee meeting for the duration of any discussion on that matter; and
 - (v) shall not vote on the matter.

6.2 Lesser option

- (a) If, taking into account all the relevant factors, the Directors on the Board who do not have a conflict of interest decide by majority by passing a resolution that it is not necessary to exclude the conflicted Director from all discussions and decision-making, the Directors on the Board who do not have a conflict of interest may decide to allow the conflicted Director to remain in the Board meeting and participate in the agenda item (in the same manner as all other Directors) and vote and the provisions of clause 6.1(c) do not apply.
- (b) In these circumstances, it may be appropriate for the conflicted Director:
 - (i) to remain in the meeting for the purposes of providing the other Board members with the benefit of his or her views, skills and experience on the matter and to vote on the matter; and

- (ii) to be excluded from a portion of the Board meeting, to provide the other Board members with a reasonable opportunity to discuss the matter in the conflicted Director's absence (if required).
- (c) If the Board decides to take this approach, all Directors, to the extent of their actual knowledge, must monitor the conflict to ensure that it does not escalate and require stronger action. The conflicted Director must inform the other Directors if the circumstances have changed.
- (d) It is anticipated that this option will be used in limited circumstances, such as consideration of the Government Appointed Director or Chair's remuneration, where their attendance is required to achieve quorum.

6.3 Stronger option

- (a) Where the Board forms the view that a conflict of interest is of unacceptable frequency and/or duration then to protect the reputation of the Company, it may be necessary for the Director to be asked by the Board to:
 - (i) relinquish their personal interest;
 - (ii) resign from the other organisation to which he/she has a duty (or stand down on a temporary basis); or
 - (iii) resign from the Board.
- (b) If the Board is uncertain whether a stronger option is required, legal advice must be sought.
- (c) For the avoidance of doubt, the option in this clause 6.3 is not to be exercised for the only reason that a Nominee Director has a conflict of interest or duty between the interests of the Company and the interests of:
 - (i) in respect of a Director appointed by an NSP Member, the NSP Member who appointed or nominated the Director, arising solely from the Director's nomination and appointment by that NSP Member; or
 - (ii) in respect of the Government Appointed Director, the State and the Minister for Energy or Coordinator of Energy.

7. Access to Information

- (a) Where a Director has been excluded from receipt of Board papers or Board discussion on a matter, the 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, unless the Chair considers that the conflict of interest is of such nature or sensitivity that it is not appropriate for the conflicted Director to be made aware of the broad nature of the information withheld. Such a ruling will only be made in an extreme case and generally issues of sensitivity are to be dealt with by describing the broad nature of the information in appropriately high-level terms.
- (b) Where a Director:
 - (i) is uncertain as to whether an interest should be disclosed in accordance with this Protocol;
 - (ii) has been excluded from receipt of Board papers or consideration of a matter by the Board; or
 - (iii) is uncertain whether to request that he or she not receive any Board papers or other information relating to a matter; or

- (iv) is otherwise authorised by the Chair, or if the Chair is seeking professional advice, as authorised by the Government Appointed Director or the Board,

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

- (c) Once information withheld from a Director in accordance with this Protocol becomes public knowledge or if, in the opinion of the Chief Executive Officer, after consultation with the Chair (or where the matter concerns the Chair, the Government Appointed Director), the potential for conflict has passed, the excluded Director shall be entitled to, should he or she request it, a briefing by the Chief Executive Officer as to the current status of the matter and the particulars of any decision of the Board in respect of that matter.

8. Conflict committee

- (a) The composition of the Board includes representatives of the NSP Members who have contractual and other relationships with each other and the Company, as well as other contractual counterparties with the Company, and who are or may be in competition with each other. Therefore a specific situation of conflict of interest may arise.
- (b) In order to ensure that any such issues are handled in a balanced and sensitive manner with proper regard to the overall best interests of the Company, the Board may establish a committee on an ad hoc basis (the **Conflicts Committee**) consisting of all Directors other than those who are potentially conflicted, with the Secretary as the secretary to the committee.
- (c) The function of the Conflicts Committee is to act as a sub-committee of the Board to oversee and provide guidance to management on the conflicted matter as and when required.
- (d) Where a decision in relation to any such matter would in the normal course be made by the Board, the matter will be considered at a Board meeting if quorum can be achieved, but should be accompanied by a recommendation from the Conflicts Committee. At the relevant Board meeting, the other provisions of this Protocol will apply.
- (e) If quorum cannot be achieved at a Board meeting in respect of the matter referred to under clause 8(d), the matter shall be considered by the Voting NSP Members in general meeting, with a recommendation from the Conflicts Committee.¹

9. Recording in minutes

- (a) If a Director declares a conflict of interest, the following information will be recorded in the minutes:
 - (i) a description of the nature and scope of the interest and the conflict (the dollar value of a financial interest does not need to be included);
 - (ii) the action that the Board has determined will be taken to manage the conflict; and

¹ Note: Where a person is a Nominee Director and that same person is also appointed as a Corporate Representative for an NSP Member, if that person is excluded from voting at a Board Meeting as a result of a conflict of interest, that person may still vote at an NSP Members General Meeting in his/her separate capacity as a Corporate Representative for the NSP Member.

- (iii) where the Director leaves the meeting during discussion and/or decision-making on the conflicted issue, the time that he/she leaves and returns and the item (or part of the item) for which he/she was absent.
- (b) The Secretary will maintain records of, and will keep the Board advised as to the status of:
 - (i) each Director who has been identified as having a conflict of interest (including any standing notices that have been given by Directors of their personal interests that may potentially lead to a conflict throughout their term as a Director, and as otherwise contained in a Declaration of Interest form completed by Directors (**Standing Notice**)), which will be included in the Conflicts of Interest Register; and
 - (ii) the administration of this Protocol, including any discussions, disclosures, resolutions and the application of the conflict of interest protocol in this Protocol. This may be recorded in the minutes of meetings of the Board or Conflicts Committee (as appropriate).
- (c) As part of the Company's induction procedures for the new Directors, the Secretary will provide those Directors with:
 - (i) this Protocol;
 - (ii) a report identifying each Director who has been identified as having a conflict of interest and the nature and extent of such conflict of interest and any Standing Notices; and
 - (iii) copies of all current Standing Notices

10. Register of Interests

- (a) An up-to-date 'Conflicts of Interest Register' will be maintained by the Secretary that includes details of all conflicts which have been disclosed by Directors.
- (b) Additionally, all Directors are required to complete a Declaration of Interest form when they are first appointed as Directors, as set out in Annexure 2, which identifies their personal interests which may potentially lead to a conflict throughout their term as a Director.
- (c) Where a change in circumstance results in an interest which is declared on a Declaration of Interest form as giving rise to a conflict of interest, a Director is required to disclose such conflict of interest immediately to the Board or to the Secretary.
- (d) To meet the requirements of the Corporations Act as well as part of ongoing good governance, each Director should declare:
 - (i) directorships and offices held by the Director with other companies;
 - (i) if they are a Nominee Director, that fact and their appointing NSP Member.
- (e) The Chair is also required to disclose:
 - (i) any role held by the Chair, within the last three years, that may cause the Chair not to be considered 'independent' as defined under the Constitution; or
 - (ii) any interest, business or other relationship of the Chair that could, or could reasonably be perceived, to materially interfere with the independent exercise of the Chair's judgement.

11. Related party benefits

- (a) In some instances, where a conflict of interest exists, the potential for a related party benefit may also exist.
- (b) Under the Corporations Act, the Company must obtain approval from its Voting NSP Members if the Company or an entity that the Company controls wants to give a financial benefit to a related party, subject to some exceptions. The process for obtaining Member approval is very strict and is clearly set out in the Corporations Act.
- (c) The Company should seek legal advice if it considers that a related party benefit exists and it wishes to seek Voting NSP Member approval.

12. Information Protocol

12.1 Background

- (a) Certain information concerning the Company or received by the Company from a third party may be confidential and sensitive including:
 - (i) commercially sensitive information (including as between the Company and a NSP Member who appoints a Director); and
 - (ii) information which, if disclosed, would breach Company obligations to third parties, be against laws or regulations, would waive legal professional privilege, or cause unreasonable prejudice to the Company.
- (b) Subject to this Protocol and any further information protocols established by the Board in accordance with this Protocol, Directors must maintain the confidentiality of Board papers and matters discussed at Board meetings. Directors must ensure that appropriate discretion is exercised in regard to confidential information so that this is not inadvertently disclosed to unauthorised parties.
- (c) Nominee Directors are likely to encounter conflict between their appointor's desire to receive information, and their duty of confidentiality to the Company. Information must not be passed on by a Director, even to a nominating Member or appointor, without the Company's consent, unless otherwise permitted by the Company's Constitution. However, it is recognised that it may be in the interests of the Company to have an exchange of information and views with its Members and the Minister for Energy, except in a situation where there is a real possibility of divergence between the commercial interests of the Company and its Members and the Minister for Energy.
- (d) Each Director's obligation of confidentiality continues after he or she ceases to be a director.
- (e) The requirements of this clause 12 should be followed where a Director or senior executive of the Company is requested or planning to provide potentially sensitive information to the Board or a Member.

12.2 Further protocols

- (a) To protect the Company, the Nominee Directors and Members or the Minister for Energy and Coordinator of Energy, further protocols should be established so that there are clear guidelines relating to:
 - (i) the circumstances in which information may be passed on by Nominee Directors to the persons who nominated them, with the Company's consent, including where the Member needs access to financial information;

- (ii) the right of the Board to place an embargo on particular information which must not be passed on because of its sensitivity; and
 - (iii) acceptance by the NSP Members of obligations of confidentiality in relation to the information received and undertaking to not disclose or provide that information to third parties or use that information other than for an approved purpose.
- (b) Until the protocols contemplated under paragraph (a) have been adopted by the Board, each Nominee Director is authorised to provide copies of the notice of Board meetings, Board agenda and accompanying papers, minutes of Board meetings, Board and Company policies, and the Company's budget and financial statements to the person that nominated the Nominee Director, subject to any decision of the Board that the information should not be provided to that person that nominated the Nominee Director.
- (c) The Board undertakes to review the protocol regarding the provision of Company information to Members under clause 12.1(b), within 6 months of incorporation of the Company.

12.3 Issues which may be discussed amongst Directors

- (a) A Nominee Director may discuss or exchange information with any of the other Directors about the following matters:
- (i) strategies to be developed and pursued by the Company for the furtherance of the Company's business;
 - (ii) the creation, development and/or production of any products or services to be offered by the Company to third parties for the furtherance of the Company's business including the price for those services which are to be offered by the Company;
 - (iii) monitoring the performance of the Company's business in accordance with any business plan and budget; and
 - (iv) subject to clause 12.4 below, matters otherwise reserved to the Board.

12.4 Issues which must not be discussed in circumstances of actual or likely competition

- (a) In any circumstances in which the Members are or are likely to be in competition with one another or one or more of them are or are likely to be in competition with the Company, a Nominee Director must not discuss or exchange with any of the other Directors information that is not otherwise in the public domain about commercially sensitive matters,² including without limitation the following:
- (i) the rates or prices (including any discounts or rebates) for the goods produced or the services produced by the Members that are paid by or offered to third parties;
 - (ii) the confidential details regarding a customer or supplier of the Members;
 - (iii) any strategies employed by a Members to further any business which is or is likely to be in competition with other Members or the Company;

² Note: Nominee Directors should note that although information in the public domain will not in itself be commercially sensitive, the context in which it is provided, any view expressed or analysis in relation to it may be separately commercially sensitive and should not be discussed with the other Directors.

- (iv) the prices paid or offered to be paid (including any aspects of a transaction) by a Members to acquire goods or services from third parties; and
 - (v) the confidential particulars of a third party supplier of goods or services, including any circumstances in which a Members has refused to or would refuse to acquire goods or services from a third party supplier or class of third party supplier.
- (b) In circumstances in which the Company receives information which is confidential and sensitive, including from connection applicants or network users, and one or more of the Members are or are likely to be in competition with the owner or discloser of such information, the Company must not provide the information to the Nominee Director of such Member(s) and Company management must ensure that such information is protected by adequate internal arrangements to maintain its confidentiality, subject to any requirements of a written law or a court.
- (c) If any of the matters listed in paragraph (a) or (b) above is raised for discussion, or information is sought to be exchanged in relation to the matter, the relevant Nominee Director, Members or Company management must object to the matter being discussed. If, despite the objection, discussion of the relevant matter continues, then participation in the meeting/discussion should cease and a file note made of the relevant events, including the time at which they ceased to participate in the relevant meeting/discussion.

12.5 Other circumstances

- (a) In circumstances where the Board, a Nominee Director or Members requests information from Company personnel which may be considered Delicate Information, then the Chief Executive Officer will consult with the Chair to seek legal advice (including as to whether such disclosure may breach any contractual confidentiality obligations owed by the Company to a third party, contravene any laws or waive legal professional privilege) and conduct a risk assessment of the requested disclosure (potential consequences, likelihood and possible mitigating steps).
- (b) The Chair or Chief Executive Officer will discuss the outcome of the assessment with the relevant person. Any party may then request the Board to consider the assessment and determine if the information is to be disclosed.

13. Chair's role

- (a) The Chair will be available to discuss with any Director the application of this Protocol to particular circumstances and provide guidance as to whether a Director should be making a disclosure in accordance with this Protocol.
- (b) Where the Chair has notified the Board of a potential conflict of interest involving the Chair, the Government Appointed Director on the Board must take on the responsibilities of the Chair under this Protocol.
- (c) If both of the Chair and the Government Appointed Director have a conflict of interest in relation to a matter to be considered by the Board, and quorum cannot be achieved at the Board meeting, the matter shall be considered by the Voting NSP Members in general meeting, with a recommendation from the Conflicts Committee in accordance with clause 8.

14. Breach of Protocol

- (a) A Director who becomes aware that he or she may have breached this Protocol must report it to the Chair or Secretary as soon as possible.
- (b) The Chair or Secretary must investigate the reported breach and may investigate suspected breaches without a breach first being reported.

- (c) The investigation must be conducted in a timely, fair and impartial manner. The findings of the investigation must be reported promptly to the Board.
- (d) A person who is the subject of an investigation will be notified of the nature of their alleged breach of the Protocol and will be given an opportunity to be interviewed or to provide a written statement. During an interview, a person will be entitled to have a non-legal support person present.
- (e) A breach of this Protocol may result in disciplinary action at the discretion of the Board, including a recommendation that the Director be removed from office, and civil and criminal liability.

15. Monitoring and Review

- (a) The Secretary is responsible for administering, implementing, and reviewing this Protocol in consultation with the Board.
- (b) This Protocol shall be reviewed by the Board annually.

Annexure 1

Sections 191, 192 and 195 of the Corporations Act 2001 (Cth)

191 Material personal interest—director’s duty to disclose*Director’s duty to notify other directors of material personal interest when conflict arises*

- (1) A director of a company who has a material personal interest in a matter that relates to the affairs of the company must give the other directors notice of the interest unless subsection (2) says otherwise.
- (2) The director does not need to give notice of an interest under subsection (1) if:
 - (a) the interest:
 - (ii) arises because the director is a member of the company and is held in common with the other members of the company; or
 - (iii) arises in relation to the director’s remuneration as a director of the company; or
 - (iv) relates to a contract the company is proposing to enter into that is subject to approval by the members and will not impose any obligation on the company if it is not approved by the members; or
 - (v) arises merely because the director is a guarantor or has given an indemnity or security for all or part of a loan (or proposed loan) to the company; or
 - (vi) arises merely because the director has a right of subrogation in relation to a guarantee or indemnity referred to in subparagraph (iv); or
 - (vii) relates to a contract that insures, or would insure, the director against liabilities the director incurs as an officer of the company (but only if the contract does not make the company or a related body corporate the insurer); or
 - (viii) relates to any payment by the company or a related body corporate in respect of an indemnity permitted under section 199A or any contract relating to such an indemnity; or
 - (ix) is in a contract, or proposed contract, with, or for the benefit of, or on behalf of, a related body corporate and arises merely because the director is a director of the related body corporate; or
 - (b) the company is a proprietary company and the other directors are aware of the nature and extent of the interest and its relation to the affairs of the company; or
 - (c) all the following conditions are satisfied:
 - (i) the director has already given notice of the nature and extent of the interest and its relation to the affairs of the company under subsection (1);
 - (ii) if a person who was not a director of the company at the time when the notice under subsection (1) was given is appointed as a director of the company—the notice is given to that person;
 - (iii) the nature or extent of the interest has not materially increased above that disclosed in the notice; or

- (d) the director has given a standing notice of the nature and extent of the interest under section 192 and the notice is still effective in relation to the interest.

Note: Subparagraph (c)(ii)—the notice may be given to the person referred to in this subparagraph by someone other than the director to whose interests it relates (for example, by the secretary).

- (3) The notice required by subsection (1) must:
 - (a) give details of:
 - (i) the nature and extent of the interest; and
 - (ii) the relation of the interest to the affairs of the company; and
 - (b) be given at a directors' meeting as soon as practicable after the director becomes aware of their interest in the matter.

The details must be recorded in the minutes of the meeting.

Effect of contravention by director

- (4) A contravention of this section by a director does not affect the validity of any act, transaction, agreement, instrument, resolution or other thing.

Section does not apply to single director proprietary company

- (5) This section does not apply to a proprietary company that has only 1 director.

Section 192 - Director may give other directors standing notice about an interest

Power to give notice

- (1) A director of a company who has an interest in a matter may give the other directors standing notice of the nature and extent of the interest in the matter in accordance with subsection (2). The notice may be given at any time and whether or not the matter relates to the affairs of the company at the time the notice is given.

Note: The standing notice may be given to the other directors before the interest becomes a material personal interest.

- (2) The notice under subsection (1) must:
 - (a) give details of the nature and extent of the interest; and
 - (b) be given:
 - (i) at a directors' meeting (either orally or in writing); or
 - (ii) to the other directors individually in writing.

The standing notice is given under subparagraph (b)(ii) when it has been given to every director.

Standing notice must be tabled at meeting if given to directors individually

- (3) If the standing notice is given to the other directors individually in writing, it must be tabled at the next directors' meeting after it is given.

Nature and extent of interest must be recorded in minutes

- (4) The director must ensure that the nature and extent of the interest disclosed in the standing notice is recorded in the minutes of the meeting at which the standing notice is given or tabled.

Dates of effect and expiry of standing notice

- (5) The standing notice:
 - (a) takes effect as soon as it is given; and
 - (b) ceases to have effect if a person who was not a director of the company at the time when the notice was given is appointed as a director of the company.

A standing notice that ceases to have effect under paragraph (b) commences to have effect again if it is given to the person referred to in that paragraph.

Note: the notice may be given to the person referred to in that paragraph (b) by someone other than the director to whose interests it relates (for example, by the secretary).

Effect of material increase in nature or extent of interest

- (6) The standing notice ceases to have effect in relation to a particular interest if the nature or extent of the interest materially increases above that disclosed in the notice.

Effect of contravention by a director

- (7) A contravention of this section by a director does not affect the validity of any act, transaction, agreement, instrument, resolution or other thing.

Section 195 – Restrictions on voting- directors of public companies only

Restrictions on voting and being present

- (1) A director of a public company who has a material personal interest in a matter that is being considered at a directors' meeting must not:
 - (a) be present while the matter is being considered at the meeting; or
 - (b) vote on the matter.
- (1A) Subsection (1) does not apply if:
 - (a) subsection (2) or (3) allows the director to be present; or
 - (b) the interest does not need to be disclosed under section 191.

Note: A defendant bears an evidential burden in relation to the matter in subsection (1A), see subsection 13.3(3) of the Criminal Code.

- (1B) An offence based on subsection (1) is an offence of strict liability.

Participation with approval of other directors

- (2) The director may be present and vote if directors who do not have a material personal interest in the matter have passed a resolution that:
 - (a) identifies the director, the nature and extent of the director's interest in the matter and its relation to the affairs of the company; and
 - (b) states that those directors are satisfied that the interest should not disqualify the director from voting or being present.

Participation with ASIC approval

- (3) The director may be present and vote if they are so entitled under a declaration or order made by ASIC under section 196.

Director may consider or vote on resolution to deal with matter at general meeting

- (4) If there are not enough directors to form a quorum for a directors' meeting because of subsection (1), 1 or more of the directors (including those who have a material personal interest in that matter) may call a general meeting and the general meeting may pass a resolution to deal with the matter.

Effect of contravention by director

- (5) A contravention by a director of:
 - (a) this section; or
 - (b) a condition attached to a declaration or order made by ASIC under section 196; does not affect the validity of any resolution.

Annexure 2

Director's Declaration of Interest

TO: Pilbara ISOC Co Limited (ACN 650 785 783) (Company)

I, **[insert director's name]**, hereby give notice of the following to the Company:

I am an officer of the following corporations and the nature and extent of my interest is in each case as stated:

Name of Corporation:	[insert]
Nature and Extent of Interest:	[Insert] (for example, Director since (Insert date))

I am a member of the following corporations and firms and the nature and extent of my interest is in each case as stated:

Name of Corporation:	[insert]
Nature and Extent of Interest:	[Insert] (for example, Shareholder since (Insert date))
Name of Firm:	[Insert or Not applicable]
Nature and Extent of Interest:	[Insert]

I am to be regarded as interested in any contract which may after the date of this Notice be made with any of the foregoing corporations or firms.

I hereby declare that I hold the following offices or possess the following property whereby, whether directly or indirectly, duties or interests might be created in conflict with my duties or interests as a Director of the Company:

Nature of Office:	[Insert or Not applicable]
Nature, Character and Extent of Conflict or Property:	[Insert]

I hereby give notice for the purposes of section 191 of the Corporations Act of the following matters in which I have a material personal interest that relates to the affairs of the Company*:

Nature and Extent of Interest:	[Insert or Not applicable]
The relation of the interest to the affairs of the Company:	[Insert]

* please see the Notes following this declaration for when notice of a material personal interest is not required

I understand that I must give the Company full details of any other or additional matters that relate to the Company in which I have a material personal interest, whenever they arise. This is in order to comply with section 191 of the *Corporations Act*. ***

I agree to notify the Company of any changes to the above information and of any additional matters as required by Sections 191 and 205C of the *Corporations Act*.

DATED this day of []

.....

Signature of Director

*** Note that there are some special circumstances under the Corporations Act where a director does not need to give information about a material personal interest. If you want further information about these rules then the Company can provide it to you.

NOTES

Under section 191(2) of the Corporations Act, a director does not need to give notice of a material personal interest that relates to the affairs of the Company if:

- (a) the interest:
- (i) arises because the director is a member of the company and is held in common with the other members of the company; or
 - (ii) arises in relation to the director's remuneration as a director of the company; or
 - (iii) relates to a contract the company is proposing to enter into that is subject to approval by the members and will not impose any obligation on the company if it is not approved by the members; or
 - (iv) arises merely because the director is a guarantor or has given an indemnity or security for all or part of a loan (or proposed loan) to the company; or
 - (v) arises merely because the director has a right of subrogation in relation to a guarantee or indemnity referred to in subparagraph (d); or
 - (vi) relates to a contract that insures, or would insure, the director against liabilities the director incurs as an officer of the company (but only if the contract does not make the company or a related body corporate the insurer); or
 - (vii) relates to any payment by the company or a related body corporate in respect of an indemnity permitted under section 199A or any contract relating to such an indemnity; or
 - (viii) is in a contract, or proposed contract, with, or for the benefit of, or on behalf of, a related body corporate and arises merely because the director is a director of the related body corporate; or
- (b) all the following conditions are satisfied:
- (i) the director has already given notice of the nature and extent of the interest and its relation to the affairs of the company; and
 - (ii) if a person who was not a director of the company at the time when the notice was given is appointed as a director of the company — the notice is given to that person; and
 - (iii) the nature or extent of the interest has not materially increased above that disclosed in the notice; or
- (c) the director has given a standing notice of the nature and extent of the interest and the notice is still effective in relation to the interest.

Note that a standing notice ceases to have effect:

- if a person who was not a director of the company at the time when the notice was given is appointed as a director of the company. The standing notice commences to have effect again if it is given to the newly appointed director; or
- in relation to a particular interest if the nature or extent of the interest materially increases above that disclosed in the notice.

