

# CONFIDENTIALITY AND CONFLICT OF INTEREST PROTOCOLS

## 1. INTRODUCTION

### 1.1 PURPOSE

Pilbara Minerals Limited (the **Company**) is committed to a high standard of corporate conduct and governance. This includes ensuring that Directors disclose all conflicts and potential conflicts of interest to the Board of Directors (**Board**).

This Policy 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) a material personal interest in a matter that is being considered or will be considered at a meeting of the Board;
- b) 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, 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
- c) 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.

In this Policy, any of these circumstances is referred to as "**a conflict of interest**".

The purpose of this Policy is to:

- a) outline Directors' legal duties and obligations concerning conflicts of interest.
- b) establish a conflict of interest protocol requiring each Director to disclose conflicts of interest.
- c) establish procedures for determining the extent to which conflicted Directors may participate in the Board's decision-making processes.

The procedures in this Policy apply equally to any matters to be brought before any Board Committee.

Where a Director is a nominee or otherwise associated with a particular shareholder (**Nominee Director**), any dealing between the Company and that shareholder or an associated entity of that shareholder may give rise to an actual or perceived conflict of interest. In addition to the provisions of this Policy which apply to all directors, section 3 of this Policy provides for the management of conflicts of a Nominee Director

in the context of the Company's relationships with commercial counterparties (e.g. offtake customers, joint venture partners, contractors, suppliers of the Company).

## **1.2 KEY OBLIGATIONS UNDER THE CORPORATIONS ACT**

Directors have obligations under the Corporations Act in relation to the disclosure of interests and management of conflicts of interest.

Relevant statutory duties and obligations include:

- a) The duty to act in good faith in the best interests of the Company.
- b) 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).
- c) 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.

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.

## **2. CONFLICT OF INTEREST PROTOCOL**

### **2.1 CONFLICT OF INTEREST PROTOCOL**

Every Director must notify the Board or the Chairman in writing, immediately upon becoming aware of any conflict of interest which that Director may have in relation to any particular matter that relates to the affairs of the Company.

The Board may make its own assessment as to whether a Director has a conflict of interest (whether actual or perceived).

A Director who is in any doubt about whether a notifiable conflict of interest exists should contact the Chairman to discuss the matter.

Where a Director notifies the Board or Chairman of a conflict of interest, or where the Board determines that a Director has a conflict of interest, in addition to any legal requirements, the Board is to adopt conflict protocols which may include one or more of the following:

- a) the relevant Director may be required to withdraw from Board meetings for the duration of any discussion on the relevant matter, unless the Board waives that requirement.
- b) the relevant Director being required to refrain from taking part in any Board decision on that matter.

The Board may also adopt protocols which provide that the conflicted Director will not receive Board papers or other information which relates in any way to the subject-matter of the conflict.

Where any information is withheld from a Director because of a conflict of interest, the Company Secretary will notify the Director of the broad nature of the information withheld and the reason why further information relating to the matter has been withheld, unless the Chairman 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.

In circumstances where information withheld from a Director in accordance with this Policy becomes public knowledge, or in the opinion of the Chairman the potential for conflict has passed, the excluded Director will be entitled, at his or her request, to a briefing by the Managing Director as to the status of the matter and particulars of any decision of the Board in respect of that matter.

There may be circumstances where it may be appropriate for a conflicted Director to remain in a Board meeting in order to make a contribution to the full and proper discussion of the matter to which the conflict relates. Whether the conflicted Director may remain in a Board meeting will be decided by a resolution of non-conflicted Directors. It will usually be appropriate for the conflicted Director:

- a) to remain in the meeting only for the purposes of providing the other Board members with the benefit of his or her views, skills and experience on the matter; and
- b) to be excluded from the remainder of the Board meeting, to provide the other Board members with a reasonable opportunity to discuss the matter in the conflicted Director's absence and if appropriate, make a decision.

## **2.2 STANDING NOTICES**

Directors must disclose all material interests in other companies to the other members of the Board. For this purpose:

- a) a Director is deemed to have a material interest in another company if he or she is a director or salaried employee of that company; but
- b) holdings of securities in family companies, or relatively small holdings of securities in other companies for investment purposes, are not deemed to be material unless a potential conflict arises between the interests of those companies and the interests of the Company or any of its controlled entities.

A Director may, at any time, choose to submit standing notices of any material interests (**Standing Notices**) to all other Directors of the Board or Board Committee, as applicable. The Standing Notice must:

- a) give details of the nature and extent of the conflict of interest; and
- b) be provided orally at a Board meeting, or to all of the other Directors individually in writing.

If a Standing Notice is given in writing, it must be tabled at the next Board meeting after it is given.

Directors are obliged to keep their Standing Notices under review, and update them if the nature or extent of the interest changes.

### **2.3 OPEN DISCUSSION**

When any matter is being discussed at a Board meeting, any Director may ask another Director as to whether they consider that they have a possible conflict of interest concerning the matter under discussion.

This matter should then be discussed and considered by the Board and if the Board (other than the Director who is being queried) considers that there may be a possibility of a conflict of interest, then the affected Director must disclose the nature and extent of their interest in the relevant matter.

### **2.4 CONFIDENTIALITY OBLIGATIONS AND PROTOCOLS**

Subject to any protocols established by the Board in accordance with this Policy, 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.

Nominee Directors nominated by major shareholders are likely to encounter conflict between the nominating shareholder's desire to receive information, and their duty of confidentiality to the Company. The basic legal rule is that information must not be passed on by a Director, even to a nominating shareholder, without the Company's consent. However, it is recognised that it may be in the interests of the Company to have an interchange of information and views with a major shareholder, except in a situation where there is a real possibility of divergence between the commercial interests of the Company and the major shareholder.

To protect the Company, the Nominee Directors and nominating shareholders, protocols should be established so that there are clear guidelines relating to:

- a) the circumstances in which information may be passed on by Nominee Directors to the shareholders who nominated them, with the Company's consent, including where the nominating shareholder needs access to financial information for equity accounting purposes;
- b) the right of the Company to place an embargo on particular information which must not be passed on because of its sensitivity;
- c) acceptance by the nominating shareholders 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; and
- d) confirmation by the nominating shareholders that they are aware of, and will comply with, their obligations under the insider trading provisions of the Corporations Act.

Any public disclosure of information must be done in compliance with the Company's continuous disclosure obligations under the ASX Listing Rules and the Policy on Continuous Disclosure.

## **2.5 CHAIRMAN'S ROLE**

The Chairman will be available to discuss with any Director the application of this Policy to particular circumstances and provide guidance as to whether a Director should be making a disclosure in accordance with this Policy.

Where the Chairman has notified the Board of a potential conflict of interest involving the Chairman, an independent Director on the Board must take on the responsibilities of the Chairman under this Policy.

## **3. SPECIFIC CONFLICT SITUATION – CONFLICT ISSUES WITH SUBSTANTIAL SHAREHOLDERS**

Where the Board includes Nominee Directors nominated by, or otherwise associated with, substantial shareholders who also have contractual relationships with the Company as commercial counterparties or who may be in competition with commercial counterparties of the Company (e.g. offtake customers, joint venture partners, suppliers and contractors of the Company), a specific situation of potential conflict of interest may arise.

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 (the **Conflicts Committee**) consisting of all Directors other than those associated with shareholders who are potentially conflicted.

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.

Where a decision in relation to any such matter would in the normal course be made by the Board, it will still come to the full Board but should be accompanied by a recommendation from the Conflicts Committee. At the relevant Board meeting, the other provisions of this Policy will apply.

## 4. RECORDS

The Company Secretary will maintain records of, and will keep the Board advised as to the status of:

- a) each Director who has been identified as having a conflict of interest (including any Standing Notices).
- b) the administration of this Policy, including any discussions, disclosures, resolutions and the application of the conflict of interest protocol in this Policy. This may be recorded in the minutes of meetings of the Board or Board Committee (as appropriate).

As part of the Company's induction procedures for the new Directors, the Company Secretary will provide those Directors with:

- a) this Policy.
- b) 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.
- c) copies of all current Standing Notices.

## 5. REVIEW

This Policy will be reviewed at least once in each year by the Board to determine its adequacy for current circumstances.

## POLICY HISTORY

Established	September 2019
Last Reviewed	26 May 2020
Frequency	Annually