



*Australian Government Solicitor*

## **BOARD CHARTER**

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## BOARD CHARTER

### GLOBAL INFRASTRUCTURE HUB LTD

#### 1. Introduction

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##### 1.1. Background

- 1.2. Global Infrastructure Hub Ltd ACN 602 505 064 (the **Company**) has been established to help implement the G20's multi-year infrastructure agenda, including through:
- a. developing a knowledge-sharing network to aggregate and share information on infrastructure projects and financing between governments, international organisations, development banks, national infrastructure institutions and the private sector;
  - b. addressing key data gaps that matter to investors;
  - c. developing effective approaches to implement the voluntary G20 Leading Practices on Promoting and Prioritising Quality Investment, including model documentation covering project identification, preparation and procurement;
  - d. building the capacity of officials to improve institutional arrangements for infrastructure by sharing best practice approaches; and
  - e. enhancing investment opportunities by developing a consolidated database of infrastructure projects, connected to national and relevant multilateral development bank databases, to help match potential investors with projects.

##### 1.3. Board of Directors

- 1.3.1. A board of directors (the **Board**) has been appointed to the Company in accordance with the Company's constitution.

##### 1.4. Purpose of Charter

- 1.4.1. This is the Charter of the Board of the Company (the **Charter**). The Charter governs the operations of the Board. It sets out the Board's role and responsibilities, composition, structure and membership requirements.

##### 1.5. Role of Board

- 1.5.1. The Board is responsible for the overall operation and stewardship of the Company and the strategies, policies and financial objectives of the Company, and for monitoring the implementation of those policies, strategies and financial objectives, including the responsibilities set out below.
- 1.5.2. In performing the responsibilities set out in this Charter, the Board should act at all times in a manner designed to create and continue to build sustainable value for members and in accordance with the duties and obligations imposed on them by the Company's constitution and by law.

**1.6. Review of Charter**

- 1.6.1. The Board must review and reassess this Charter at least annually and, if required, make any amendments to the Charter.

**2. Roles and responsibilities of the Board**

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**2.1. Strategy**

- 2.1.1. The role of the Board in respect of strategy includes:

- a. providing input to, and approval of, the Company's strategic direction and budgets as developed by management in a manner which is at all times consistent with the Company's objects;
- b. directing, monitoring and assessing the Company's performance against strategic and business plans; and
- c. approving and monitoring expenditure.

**2.2. Risk management and reporting**

- 2.2.1. The role of the Board in respect of risk management and reporting includes:

- a. identifying the principal risks of the Company's business and ensuring the Company has in place an appropriate risk management framework and establishing the acceptable levels of risk within which the Board expects the management of the Company to operate;
- b. reviewing and ratifying the Company's systems of internal compliance and control, risk management and legal compliance systems, to determine the integrity and effectiveness of those systems; and
- c. approving and monitoring material internal and external financial and other reporting, including periodic reporting to members, and other stakeholders.

**2.3. Relationship with management**

- 2.3.1. The role of the Board in relation to management includes:

- a. appointment and removal of the Chief Executive Officer (or equivalent) and the Company Secretary;
- b. ratifying the appointment and removal of senior management (which includes all senior managers who report directly to the Chief Executive Officer);
- c. approving the Company's remuneration policies and framework and determining whether the remuneration and conditions of service of senior management are appropriate and consistent with the approved remuneration policies and framework;
- d. establishing and monitoring senior management succession planning;

- e. delegating the day to day decision making and implementation of Board approved strategy to the Chief Executive Officer consistent with the Company's constitution; and
- f. setting specific limits of authority for management.

## **2.4. Monitoring of performance**

2.4.1. The role of the Board in respect of performance monitoring includes:

- a. approving criteria for assessing performance of senior management and monitoring and evaluating their performance;
- b. undertaking an annual evaluation of the performance of the Board and individual Directors, comparing their performance with the requirements of this Charter; and
- c. each year following the performance review, the Chairperson should establish the goals and objectives of the Board for the upcoming year and effect any amendments to this Charter and any Board Committee Charter considered necessary or desirable.

## **2.5. Corporate governance**

2.5.1. The role of the Board in respect of corporate governance includes:

- a. ensuring ethical behaviour and compliance with the Company's own governing documents, including the Company's code of conduct (if any); and
- b. monitoring and evaluating the Company's compliance with its corporate governance standards.

## **2.6. Board Committees**

2.6.1. The role of the Board includes:

- a. establishing such committees of the Board as may be appropriate including an audit committee;
- b. adopting Charters setting out the membership, responsibilities and reporting obligations of each Board Committee and evaluating the performance of the Board Committees; and
- c. undertaking an annual performance evaluation of each Board Committee that compares the performance of the Board Committee with the requirements of the relevant Board Committee Charter, sets forth the goals and objectives of the Board Committee for the upcoming year and effecting any amendments to the relevant Board Committee Charter considered necessary or desirable.

**2.7. Other**

2.7.1. The role of the Board also includes performing such other functions as prescribed by law.

**3. Board composition and related matters**

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**3.1. Board size and composition**

3.1.1. From a governance perspective, as the Company has been established to implement the G20's multi-year infrastructure agenda, the Communique attachment on the G20 Global Infrastructure Initiative from the 2014 Brisbane Summit provides the following guidance as to Board composition:

18. The Board will comprise 7 directors, chosen for their experience and skills in managing entities of this nature and agreed in consultation with G20 countries. Given the role of the Hub in delivering on G20 objectives, the Board will comprise representatives of G20 countries as well as independent directors. Australia will be Chair of the Board for the four-year term of the Hub's mandate. Also represented will be the past, current and future G20 Presidency (except Australia in the first year), plus at least one other country agreed by consensus of the G20. The G20 directors must include at least 2 representatives from an advanced G20 economy and at least 2 representatives from a developing or emerging G20 economy, taking into account regional balance.

3.1.2. Consistently with this guidance:

- a. the Constitution of the Company provides that the number of Directors must at any time be no more than 7 and no less than 3; and
- b. except for the initial Board of the Company, the Board will comprise:
  - i. A representative of Australia as the Chairperson of the Board;
  - ii. Four G20 representatives; and
  - iii. Two directors who are independent from (i.e. do not represent) any specific G20 country.

**3.2. Chair**

3.2.1. The Chairperson of the Board should not hold the role of Chief Executive Officer (or equivalent).

**3.3. Company secretary**

3.3.1. The Company Secretary will:

- a. be appointed and removed by the Board; and
- b. report to and be accountable to the Board, through the Chairperson of the Board, on all matters to do with the proper functioning of the Board and Board Committees.

### **3.4. Directors not to have business or other relationships with the Company**

3.4.1. Directors should not have any business or other relationship which could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their judgment.

3.4.2. Examples of such relationships include where a Director:

- a. is or has been employed in an executive capacity by a member of the Company;
- b. is, or has within the last three years been, a principal, partner, director, or senior employee of a material professional adviser or a material consultant to the Company;
- c. is, or has been within the last three years, in a material business relationship (such as a material supplier or customer) with the Company, or an officer of, or otherwise associated directly or indirectly with, someone with such a relationship;
- d. has a material contractual relationship with the Company other than as a director of the Company;
- e. has close family ties with a person who falls within any of the above categories.

3.4.3. Family ties and cross-directorships may be relevant in considering interests and relationships which may compromise their ability to perform their duties independently and fairly, and should be disclosed by Directors to the Board.

### **3.5. Appointing new directors**

3.5.1. When advising the members regarding the appointment of a person as a Director, the Board will:

- a. undertake appropriate checks before putting the person forward to members as a candidate for election as a Director; and
- b. provide members with all material information in the possession of the Company relevant to a decision on whether or not to elect or re-elect a person as a Director, including whether the person will be able to perform their duties independently and fairly.

## **4. Management and delegation**

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### **4.1. Chief Executive Officer and management**

4.1.1. The Chief Executive Officer (or equivalent) is responsible for running the day to day affairs of the Company under delegated authority from the Board and to implement the policies and strategy set by the Board. In carrying out these responsibilities, the Chief Executive Officer (or equivalent) must report to the Board in a timely and clear manner and ensure all reports to the Board present a true and fair view of the Company's financial condition and operational results.

## **4.2. Delegation to management**

4.2.1. The role of management is to support the Chief Executive Officer (or equivalent) and to implement the running of the general operations and financial business of the Company, in accordance with the delegated authority of the Board. The delegated authority includes responsibility for:

- a. developing business plans, budgets and strategies for the Company for consideration by the Board and, to the extent approved by the Board, implementing these plans, budgets and strategies;
- b. operating the Company's business within the parameters set by the Board from time to time and keeping the Board informed of material developments in the Company's business;
- c. in respect of proposed transactions, commitments or arrangements that exceed the parameters set by the Board, referring such matters to the Board for its consideration and approval;
- d. identifying and managing operational and other risks and, where those risks could have a material impact on the Company's businesses, formulating strategies for managing these risks for consideration by the Board;
- e. implementing the policies, processes and codes of conduct approved by the Board; and
- f. managing the Company's current financial and other reporting mechanisms and control and monitoring systems to ensure that these mechanisms and systems function effectively and capture all relevant material information on a timely basis.

## **4.3. Senior management**

4.3.1. The Company will have:

- a. a written agreement with each person appointed as a senior manager of the Company setting out the terms of their appointment; and
- b. a process for ensuring that the performance of senior managers of the Company are reviewed at least annually.

## **5. Other matters**

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### **5.1. Protocols where a director declares a conflict of interest**

5.1.1. From time to time a director may declare that they have a conflict of interest. To help Directors manage any such conflicts the Board has developed protocols setting out the structures and procedures to be followed with the aim of ensuring that the consideration of matters by the Board and any Board committees is undertaken free from any actual influence or appearance of influence from persons with conflicts of interest, and that the disclosure of the Company's confidential information is to be subject to appropriate corporate governance controls. These protocols are set out in Annexure A.

## **5.2. Independent Professional Advice For Directors**

- 5.2.1. Directors may obtain independent professional advice, at the Company's cost, in carrying out their responsibilities.
- 5.2.2. It will be appropriate to obtain independent professional advice where:
- a. the issue or recommendation in question is one which the Director reasonably considers, after consulting with the Board or the Chairman of the Board, is of a character that makes obtaining independent professional advice appropriate; and
  - b. the Board or Chairman acting in good faith, following such consultation consents to the obtaining of such advice (such consent not to be unreasonably withheld or delayed).
- 5.2.3. A suitable qualified expert in the appropriate field should be instructed. Prior to instructing the expert, the Director should advise the Board or Chairman of the fee payable which must be reasonable having regard to the nature of the advice sought and the fees charged by comparable experts.
- 5.2.4. To the extent practicable, all instructions to the expert must be in writing specifying the party instructing and the capacity in which that party is acting and the party to whom the advice is to be addressed. Alternatively, where instructions have been given orally, a file note should be prepared detailing the instructions, or the expert's advice should include a summary of the instructions given.
- 5.2.5. Except in circumstances of competing interests between the Directors or the Director and the Company, the Chairman, acting in good faith, may determine that a copy of the advice, any instructions given, and all materials which accompanied the instructions be provided to the Board. In circulating that advice the Director does so under common interest legal professional privilege.

## **5.3. Terms of appointment of Directors**

- 5.3.1. All Directors are expected to continue as Directors only for so long as they have the confidence of their fellow Board members and the confidence of the Company's members.
- 5.3.2. In accordance with Constitution of the Company, no Director will hold office for a continuous period in excess of four years.
- 5.3.3. The Company will have a written agreement with each person appointed as a Director setting out the terms of their appointment.

## **5.4. Inconsistency with the Company's constitution**

- 5.4.1. To the extent that there is any inconsistency between this Charter and the Company's constitution, the constitution will prevail.

**5.5. Adoption of Charter and Board review**

- 5.5.1. This Charter (including its annexures) was adopted by the Board on 8 April 2015, and takes effect from that date and replaces any previous charter in this regard.
- 5.5.2. The Board will review this Charter periodically. The Company Secretary will communicate any amendments to employees as appropriate.

**ANNEXURE A CONFLICT OF INTEREST PROTOCOLS****1. Background**

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**1.1. Purpose**

1.1.1. The purpose of these protocols is to set out the structures and procedures which have been put in place by the Board of the Company to ensure that the consideration of matters by the Board and any Board Committees is undertaken free from any actual influence or appearance of influence from persons with conflicts of interest, and that the disclosure of the Company's confidential information is to be subject to appropriate corporate governance controls.

**1.2. Directors duties**

1.2.1. Annexed to these protocols is:

- a. an outline of duties of directors in relation to the disclosure of interests and avoiding conflicts; and
- b. a discussion of certain conflicts which may arise with nominee directors.

1.2.2. Nothing in these protocols is intended to limit in any way the duties owed to the Company by the directors of the Company (**Directors**).

**2. Conflict of interest declaration**

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**2.1. Directors required to provide conflict of interest declaration prior to appointment**

2.1.1. Prior to consenting to be appointed as a Director of the Company, each Director will be required to provide a detailed conflict of interest declaration in the form determined by the members of the Company.

2.1.2. The conflict of interest declaration will be provided to the Company Secretary for the purposes of managing the application of this protocol, and where considered necessary by the Company Secretary, disclosed to the other directors.

**2.2. Directors required to update conflict of interest**

2.2.1. Directors may be requested to update their conflict of interest declarations by the members or the Company Secretary.

2.2.2. Irrespective of whether they are requested to do so by the members, Directors have a continuing obligation to keep their conflict of interest declaration up to date and should immediately notify the Company Secretary if their circumstances change and provide an updated conflict of interest declaration without delay.

2.2.3. The Company Secretary may, where considered necessary, disclose the relevant details to the other directors.

### 3. Disclosure of information to Directors

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#### 3.1. Directors disclosure of interests

3.1.1. Directors must at all times comply with their duties and obligations as directors of the Company under statute, common law, and the Company's constitution to disclose any actual or perceived conflict of interest to the Board and avoid placing themselves in a position of conflict. The duties of the Directors also include a duty of confidentiality and fidelity owed to the Company. An outline of certain duties and obligations of Directors is set out in Annexure B to these protocols.

#### 3.2. Review of information before disclosure to directors

3.2.1. Before any information is circulated by the Company's management to the Board or any Board committee, it must first be provided to the Company Secretary (**Probity Officer**) who will determine whether the disclosure of that information to any of the Directors may give rise to a conflict of interest or potential conflict of interest (a **conflict**) in relation to one or more of the Directors. Information which must first be provided to the Probity Officer includes any agendas or papers for Board meetings or Board committee meetings and any documents generated internally or by the Company's advisors. The Chairperson may, as appropriate, make certain senior executives and management of the Company aware of this requirement.

3.2.2. In making that determination in respect of a particular Director, the Probity Officer may consult with the Chairperson. If the Chairperson considers it appropriate, he or she may establish a committee comprising of those Directors who do not have a conflict for the purposes of making the determination (**Independent Directors**). If the conflict affects the Chairperson, the Probity Officer may consult with those Directors who do not have a conflict and those Directors may form such a committee.

3.2.3. The Chairperson or any committee of Independent Directors may also for the purposes of making the determination:

- a. request further information from the relevant Director; and/or
- b. seek advice from the Company's legal or other advisors.

### 4. Procedures

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#### 4.1. Procedures to be followed before board meeting

4.1.1. Before notice of any matter to be considered by the Board or a Board committee (**Relevant Matter**) is circulated to Directors, the procedure set out in paragraph 3.2 of these protocols must be adopted for the purpose of determining whether the involvement of any of the Directors in the Board's or Board committee's consideration of that Relevant Matter would give rise to a conflict.

**4.2. Conflicts of interest identified following disclosure of information to Directors**

- 4.2.1. If following disclosure of information to the Board, one or more Directors discloses a conflict in relation to the Relevant Matter, the Probity Officer is to follow the same process as set out in paragraph 3.2 of these protocols to the extent practicable.

**4.3. Procedure when conflict of interest is disclosed by a Director at the Board meeting**

- 4.3.1. If a conflict of interest is disclosed by one or more Directors following the commencement of the Board meeting then discussion of the Relevant Matter is to be deferred until the next Board meeting to enable the process set out in paragraph 3.2 of these protocols be followed to the extent practicable (unless determined otherwise by the Independent Directors).

**4.4. Exclusion of conflicted director**

- 4.4.1. If the Board or a Board committee is required to consider a Relevant Matter and it has been determined in accordance with paragraph 3.2 of these protocols that the involvement of a Director (**Conflicted Director**) in the Board's consideration of the Relevant Matter, or a Board committee's consideration of the Relevant Matter, would give rise to a conflict, then the Conflicted Director:

- a. must not receive any information about the Relevant Matter; and
- b. is not entitled to participate in any discussions regarding, nor take part in any decision-making process in relation to, the Relevant Matter,

unless the Independent Directors make a determination under paragraph 4.5 of these protocols.

**4.5. Inclusion of conflicted director on limited basis**

- 4.5.1. After following the procedures set out in paragraph 3.2 of these protocols, depending on the nature of the conflict or potential conflict and the application of the particular facts, the Independent Directors may decide that the Conflicted Director can:

- a. receive part of the information in respect of the Relevant Matter;
- b. receive redacted versions of information distributed to the Board in respect of the Relevant Matter; or
- c. participate in the discussions regarding the Relevant Matter but not to vote on resolutions covering the Relevant Matter.

**4.6. Procedures where conflicted director excluded**

- 4.6.1. If the Relevant Matter is to be considered at a Board meeting or Board committee meeting and a determination is made under paragraph 4.4 of these protocols (and not under paragraph 4.5 of these protocols):
- a. the Conflicted Director may only receive modified versions of the agenda and other papers circulated to Directors in respect of that meeting which exclude all information relating to the Relevant Matter (if the Conflicted Director receives such information then they are to deliver up all such information (including any copies) to the Company Secretary);
  - b. the Conflicted Director may attend the meeting provided that the Conflicted Director excuses himself or herself from the meeting during any discussion of the Relevant Matter and takes no part in any decision-making process in relation to the Relevant Matter;
  - c. the Independent Directors must not disclose to the Conflicted Director any information relating to the Relevant Matter including the content of any relevant discussions at Board meetings and any other relevant discussions, negotiations or agreements;
  - d. the Company Secretary will prepare minutes of all meetings of the Board and circulate those minutes to the members of the Board. However, if the Relevant Matter was considered at a meeting, the Conflicted Director will only be provided with a modified version of the minutes of that meeting which excludes those minutes relating to the Board's consideration of the Relevant Matter;
  - e. the Probity Officer will be responsible for establishing and implementing appropriate measures to ensure that the Conflicted Director does not have access to email or any other folders where any documents or other information relating to the Relevant Matter are stored or to any relevant hard copy documents (and if requested by an Independent Director, the Probity Officer will report to the Board on the methodology employed to achieve this result); and
  - f. if the Conflicted Director acquires any information about the Relevant Matter in his or her capacity as a Director which is not publicly available, the Conflicted Director must notify the Company Secretary and keep that information confidential in accordance with the duties owed by the Conflicted Director to the Company, or if determined by the Company Secretary, deliver up all copies of such information to the Company Secretary.

## **5. Compliance with protocols**

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- 5.1.1. Each Director:
- a. must use all reasonable efforts to ensure that each person to whom these protocols apply complies with the protocols;
  - b. must notify the Chairperson promptly if the Director becomes aware of any circumstances which, or which are likely to, result in a breach of these protocols, giving sufficient details of those circumstances to the Chairperson so that remedial action may be taken;
  - c. acknowledges that if these protocols are breached, the Company reserves the right to at any time terminate the involvement of the relevant Director, or any associate or involved person, in the Relevant Matter.
- 5.1.2. These protocols do not limit any other rights that the Company may have against a Director in respect of any breach of any legal or contractual obligations of a Director.

## ANNEXURE B DISCLOSURES OF INTEREST AND CONFLICTS OF INTEREST

### 1. Statutory duty to disclose material personal interest

Subject to certain exceptions, 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 (refer to section 191 of the Corporations Act).

### 2. Restrictions on attendance and voting

Unless the other directors approve, 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 be present while the matter is being considered at the meeting or vote on the matter (refer to section 195 of the Corporations Act).

### 3. Standing notice

A director 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 (refer to section 192 of the Corporations Act). The standing 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. The standing notice may be given before the interest becomes a material personal interest. Each director is responsible for promptly updating the information contained in a standing notice it provides to the company.

### 4. General law – Conflicts of interest

4.1.1. At general law, directors have a fiduciary duty to avoid conflicts of interest. It is an established principle that directors of a company must not, in any matter falling within the scope of their service, have a personal interest or inconsistent engagement with a third party, except with the company's fully informed consent (often referred to as the **Conflict Rule**).

4.1.2. Amongst many of the general principles that have been developed by the Courts in respect of the Conflict Rule, in certain circumstances, mere disclosure of a conflict between interest and duty and abstaining from voting on the matter is insufficient to satisfy a director's fiduciary obligations. Disclosure is generally the minimum requirement, however, in certain circumstances, a positive duty to protect the interests of the company by, for instance, taking steps to prevent a transaction from going ahead, may lie with the directors.

### 5. Common form of conflict - use of information by nominee directors

5.1.1. A common situation in which a conflict may arise is where a nominee director acquires information as a result of the nominee's position as a director that the nominee knows will be of interest to the nominating company/entity. The conflict in this situation includes:

- a. a duty of confidentiality owed to the company of which it is a director; and

- b. a commercial desire to communicate knowledge acquired to the nominating company as a result of his or her position as a nominee.
- 5.1.2. As a basic principle, the duty of confidentiality owed to the company in paragraph 5.1.1.a of this annexure is greater than any duty owed to the nominating company.
- 5.1.3. Consequently, as a general rule, if a director acquires any information in his or her capacity as director of a company (which is not otherwise publicly available), the director cannot communicate that information to the nominating member. To do so would potentially breach a number of directors' duties, including the common law duties to act honestly and to avoid conflicts of interest, and the statutory duties to act in good faith, not to misuse position, and not to misuse information (refer to sections 181 to 184 of the Corporations Act).

## **6. Nominee Directors**

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- 6.1.1. Where there are Directors on the Board who are nominated representatives of members of the Company, ie if the Board is required to consider a matter which involves, or affects the interests of, a member, any involvement in the Board's consideration of that matter by a Director who is the nominated representative of that shareholder may give rise to a conflict for that Director (for instance, as contemplated in paragraph 5 of this annexure).
- 6.1.2. In those circumstances, the procedure set out in paragraph 3.2 of the protocols must be adopted for the purposes of making a determination as to whether the Director's involvement in the Board's consideration of the matter would give rise to a conflict.
- 6.1.3. If it is determined that the Director's involvement in the Board's consideration of the matter would give rise to a conflict, that Director must not:
  - a. be provided with any information relating to that matter;
  - b. participate in any discussions regarding that matter; and
  - c. take part in any decision-making process in relation to that matter.
- 6.1.4. In addition, if that Director acquires any information about the matter, he or she must not, without the consent of the Board, disclose any of that information to the shareholder he or she represents nor attend any discussions or negotiations in relation to the matter between the Company on the one hand and that member.