



# Standard

## Declaration of Interests

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Company Secretariat

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## **EXECUTIVE SUMMARY**

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Fortescue (the Company) recognises and respects its Employees' rights to take part in financial, business and other activities in their own time. Any such activities should be free from conflict with an Employee's responsibilities to Fortescue and should not impact an Employee's impartial and dedicated performance of their duties. All Actual, Potential and Perceived Conflicts of Interest should be disclosed and managed in accordance with this Standard.

In addition to the disclosure of any Actual, Potential or Perceived Conflict of Interest, Employees are required to disclose Other Disclosable Interests. Other Disclosable Interests include:

- Where an Employee is a Politically Exposed Person (PEP);
- Where an Employee holds secondary employment, or otherwise receives payment for the performance of services, outside of Fortescue;
- Where an Employee owns 50% or more of a registered company;
- Where an Employee is a director, officer, secretary or member of a board of a registered company, council or not-for-profit organisation; and
- Where an Employee has a Disclosable Intimate Relationship with another Employee.

Employees must not use their position within Fortescue to obtain a benefit for themselves or third parties, such as relatives, friends or business associates.



## TABLE OF CONTENTS

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<b>1</b>	<b>PURPOSE</b> .....	<b>4</b>
<b>2</b>	<b>DEFINITIONS</b> .....	<b>4</b>
<b>3</b>	<b>STANDARDS</b> .....	<b>6</b>
	<b>3.1 WHAT TO DISCLOSE</b> .....	<b>6</b>
	3.1.1 Actual Conflict of Interest Examples .....	6
	3.1.2 Potential Conflict of Interest Examples .....	6
	3.1.3 Perceived Conflict of Interest Examples .....	6
	3.1.4 Other Disclosable Interest Examples .....	7
	<b>3.2 WHEN TO DISCLOSE</b> .....	<b>7</b>
	<b>3.3 HOW TO DISCLOSE</b> .....	<b>7</b>
	<b>3.4 DISCLOSURE AND APPROVAL REQUIREMENTS</b> .....	<b>7</b>
	3.4.1 Actual Conflict of Interest Disclosure and Approval Requirements.....	7
	3.4.2 Potential Conflict of Interest Disclosure Requirements .....	8
	3.4.3 Perceived Conflict of Interest Disclosure Requirements .....	8
	3.4.4 Other Disclosable Interest Disclosure Requirements .....	8
	<b>3.5 TRAINING AND AWARENESS</b> .....	<b>9</b>
	<b>3.6 REPORTING VIOLATIONS</b> .....	<b>10</b>
	<b>3.7 ENFORCEMENT</b> .....	<b>10</b>
	<b>3.8 MONITORING AND REVIEW</b> .....	<b>10</b>
<b>4</b>	<b>DOCUMENTATION AND RECORDS MANAGEMENT</b> .....	<b>10</b>
<b>5</b>	<b>RELATED PUBLICATIONS</b> .....	<b>10</b>



## 1 PURPOSE

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Fortescue is committed to doing business with integrity and honesty. Critical to ensuring that the Company maintains its reputation for transparent and accountable business dealings is making sure that its Employees' Interests are accurately recorded and appropriately managed.

Employees have a legal obligation to act in the best interests of Fortescue, their Interests should not impact the impartial and dedicated performance of their duties. Failure of an organisation to accurately understand and appropriately manage the Interests of its Employees may result in loss of trust with stakeholders or exposure to civil or criminal liability.

The purpose of this Standard is to provide guidance on the types of Interests that are required to be disclosed by Employees, and how these Interests should be recorded and managed.

## 2 DEFINITIONS

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**Table 1: Glossary**

<b>Word/Term</b>	<b>Definition</b>
Board Member	All members of the Board of Directors of Fortescue.
Fortescue	Fortescue Metals Group Limited all subsidiaries and Employees.
Employee	For the purpose of this Standard, Employees include contractors, consultants, secondees and Board Members.
Line Manager	The individual with which an Employee reports to according to the Fortescue Organisational Chart.
Interest	<ul style="list-style-type: none"><li>• Actual Conflict of Interest;</li><li>• Potential Conflict of Interest;</li><li>• Perceived Conflict of Interest; or</li><li>• Other Disclosable Interest.</li></ul>
Intimate Relationship	Any romantic or sexual relationship between two Employees, regardless of their gender or sexual orientation.
Disclosable Intimate Relationship	An Intimate Relationship which involves one of the following: <ul style="list-style-type: none"><li>• A Board Member or senior executive with any other Employee.</li><li>• Any Employee in a leadership position, or responsible for providing mentoring or training, with an Employee in a trainee, apprentice, graduate or intern position.</li><li>• The Employees in the Intimate Relationships are in a direct reporting line.</li><li>• The Intimate Relationship gives rise to a significant power imbalance.</li></ul>



<b>Word/Term</b>	<b>Definition</b>
Actual Conflict of Interest	Where an Employee's financial, business or other activities conflict with the interests of Fortescue and may influence the Employee's impartial performance of their duties.
Potential Conflict of Interest	Where an Employee's financial, business or other activities could potentially conflict with the interests of Fortescue and could potentially influence the Employee's impartial performance of their duties, however, this situation is yet to arise.
Perceived Conflict of Interest	Where an Employee's financial, business or other activities appear to conflict with the interests of Fortescue and appear to have the potential to influence the Employee's impartial performance of their duties, however, this is not the case.
Other Disclosable Interest	<ul style="list-style-type: none"><li>• Where an Employee is a Politically Exposed Person (PEP);</li><li>• Where an Employee holds secondary employment, or otherwise receives payment for the performance of services, outside of Fortescue;</li><li>• Where an Employee owns 50% or more of a registered company;</li><li>• Where an Employee is a director, officer, secretary or member of a board of a registered company, council or not-for-profit organisation; or</li><li>• Where an Employee has a Disclosable Intimate Relationship with another Employee.</li></ul>
Politically Exposed Person (PEP)	An Individual who holds a prominent public position in a government body or international organisation (immediate family members and close associates of these individuals are also considered PEPs).
Proposed Management Plan	A description of how an Actual, Potential or Perceived Conflict of Interest will be managed to ensure that an Employee's Interest does not cause reputational damage to Fortescue.
Declaration of Interests Register	An online register that captures the Interests of Employees. It can be found on the Fortescue Hub under Compliance Disclosure.



## 3 STANDARDS

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### 3.1 WHAT TO DISCLOSE

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Employees are required to disclose all Actual, Potential and Perceived Conflicts of Interest, as well as Other Disclosable Interests. Below are examples of each type of Interest that will assist Employees in understanding what is required to be disclosed.

#### 3.1.1 Actual Conflict of Interest Examples

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- An Employee is involved in the evaluation of a tender submitted by a company that he/she is a substantial shareholder in;
- An Employee is involved in the selection process of a new hire, one of the candidates of which is a friend;
- An Employee accepts secondary employment with a competitor of Fortescue; or
- An Employee has an Intimate Relationship with their direct report.

#### 3.1.2 Potential Conflict of Interest Examples

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- An Employee is a corporate recruitment advisor and his/her brother has applied for a role as a mechanical fitter at Fortescue;
- An Employee is an environmental advisor and also a board member of a not-for-profit organisation that is being considered for a large donation by Fortescue;
- An Employee is a technical support officer and also a local councillor for a region in which Fortescue seeks to build a workshop; or
- An Employee has an Intimate Relationship with a subordinate in another team who is considering moving into the Employee's team.

#### 3.1.3 Perceived Conflict of Interest Examples

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- An Employee is responsible for vetting invoices for payments to be made to a company that he/she used to work for;
- An Employee is appointed project manager for a project that will be completed by a company his/her family used to own;
- An Employee is responsible for negotiating a sponsorship agreement with a not-for-profit organisation that his/her spouse used to be the secretary of; or
- A senior Employee has an Intimate Relationship with a junior employee working in a different department.



### 3.1.4 Other Disclosable Interest Examples

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- **Politically Exposed Person:** An Employee's brother is a Member of Parliament.
- **Secondary Employment:** An Employee also works as a graphic designer after hours.
- **Company Ownership:** An Employee owns 51% of a small plumbing company.
- **Director/Officer/Secretary/Member of Board:** An Employee is a director of an industry group.
- **Disclosable Intimate Relationship:** An Employee has an Intimate Relationship with a Board Member.

## 3.2 WHEN TO DISCLOSE

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Employees are required to disclose all Actual, Potential and Perceived Conflicts of Interest and Other Disclosable Interests prior to commencement at Fortescue. Once onboarded, the new Employee is responsible for formally entering their Interests into the Declaration of Interests Register. Should an additional Interest arise during the course of the individual's employment, this should be disclosed via the Declaration of Interests Register as soon as reasonably practicable. Should an interest no longer exist, you may notify the Company by sending an email to [governanceandcompliance@fmgl.com.au](mailto:governanceandcompliance@fmgl.com.au).

## 3.3 HOW TO DISCLOSE

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All Interests may be disclosed via the Company's Declaration of Interests Register that can be found on the Fortescue Hub under Compliance Disclosure.

## 3.4 DISCLOSURE AND APPROVAL REQUIREMENTS

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The disclosure and approval requirements for Actual, Potential and Perceived Conflicts of Interest and Other Disclosable Interests are detailed below.

### 3.4.1 Actual Conflict of Interest Disclosure and Approval Requirements

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1. Description of the Actual Conflict of Interest (this includes a summary of the Employee's role and responsibilities at Fortescue and full details of the third party with which the conflict situation exists);
2. Proposed Management Plan for the Actual Conflict of Interest (this may involve a temporary role change/restructure, restricted and documented involvement in the conflict situation or engagement of an independent third party to oversee the conflict situation);
3. Line Manager approval (or otherwise) of the Proposed Management Plan (most conflict situations should be able to be managed, however if the Actual Conflict of Interest is deemed to have the potential for a material adverse consequence, or it is not in the



Company's best interest to implement the Proposed Management Plan, then the Employee may be required to relinquish their personal interest or resign).

#### 3.4.2 Potential Conflict of Interest Disclosure Requirements

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1. Description of the Potential Conflict of Interest (this includes a summary of the Employee's role and responsibilities at Fortescue and full details of the third party with which the conflict situation exists);
2. Proposed Management Plan for the Potential Conflict of Interest (this may involve a temporary role change/restructure or an undertaking to provide regular certifications confirming that an Actual Conflict of Interest has not arisen);
3. Line Manager approval (or otherwise) of the Proposed Manage Plan (all Potential Conflicts of Interest should be able to be managed. It is the Employee's responsibility to notify their Line Manager should a Potential Conflict of Interest turn into an Actual Conflict of Interest, in this situation, a new Proposed Management Plan should be developed and approved).

#### 3.4.3 Perceived Conflict of Interest Disclosure Requirements

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1. Description of the Perceived Conflict of Interest (this includes a summary of the Employee's role and responsibilities at Fortescue and full details of the third party with which the conflict situation exists);
2. Proposed Management Plan for the Perceived Conflict of Interest (this may involve a briefing to stakeholders as to why there is only a perceived conflict and no Actual Conflict of Interest, or the risk of adverse consequence may be deemed extremely low, in which case a management plan is not required);
3. Line Manager approval (or otherwise) of the Proposed Manage Plan (all Perceived Conflicts of Interest should be able to be managed. If it is determined that a management plan is not required, the Line Manager should provide their acknowledgement of the Perceived Conflict of Interest).

#### 3.4.4 Other Disclosable Interest Disclosure Requirements

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##### ***Politically Exposed Person***

1. Description of status as a Politically Exposed Person (this includes defining why an Employee is classified as a Politically Exposed Person and providing full details of the organisation involved);
2. Line Manager acknowledgement of the Other Disclosable Interest (unless an Employee's status as a Politically Exposed Person is also an Actual, Potential or Perceived Conflict of Interest, the Line Manager should provide their acknowledgement of the Other Disclosable Interest).





### ***Secondary Employment***

1. Description of secondary employment (this includes full details of the organisation and a summary of the Employee's role and responsibilities at the organisation);
2. Line Manager approval (or otherwise) of the Other Disclosable Interest (it is the Line Manager's responsibility to satisfy himself/herself that the Employee's secondary employment will not impact the impartial and dedicated performance of their duties to Fortescue).

### ***Company Ownership***

1. Description of company ownership (this includes full details of the organisation and a summary of the goods/services that the organisation provides);
2. Line Manager acknowledgement of the Other Disclosable Interest (unless an Employee's company ownership is also an Actual, Potential or Perceived Conflict of Interest, the Line Manager should provide their acknowledgement of the Other Disclosable Interest).

### ***Director/Officer/Secretary/Member of Board***

1. Description of status as a Director/Officer/Secretary/Member of Board (this includes full details of the registered company, council or not-for-profit organisation and a summary of the Employee's position and responsibilities at the organisation);
2. Line Manager acknowledgement of the Other Disclosable Interest (unless an Employee's status as a Director/Officer/Secretary/Member of a Board is also an Actual, Potential or Perceived Conflict of Interest, the Line Manager should provide their acknowledgement of the Other Disclosable Interest).

### ***Disclosable Intimate Relationship***

1. Description of the Intimate Relationship (this includes the names of the relevant Employee's, the nature of the relationship, the duration of the relationship (at the time of the disclosure), and a summary of each of the Employees' role and responsibilities at Fortescue);
2. Proposed Management Plan for the Disclosable Intimate Relationship (this may involve a temporary or permanent role change/restructure, or the involvement of a neutral third party to oversee the management of any conflict of interest situation).

## **3.5 TRAINING AND AWARENESS**

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All Employees receive Declaration of Interests training online at induction. Additional face-to-face Declaration of Interests training is provided as required by the Company Secretariat.

The Company Secretariat is required to send out an annual Declaration of Interests communication prompting all Employee's to ensure that their Interests are up-to-date.



### 3.6 REPORTING VIOLATIONS

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Fortescue is committed to creating and maintaining an open working environment where employees feel comfortable to raise concerns regarding actual or suspected unethical, unlawful or undesirable conduct.

Any actual or suspected violation of this Standard must be reported to the Company Secretary, the Governance and Compliance team or via the Whistleblower Hotline.

### 3.7 ENFORCEMENT

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Failure to comply with this Standard by an Employee could be regarded as serious misconduct and may result in disciplinary action, up to and including termination of employment.

### 3.8 MONITORING AND REVIEW

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Compliance with this Standard is monitored by the Company Secretariat.

The Company Secretariat is responsible for the revision, interpretation and application of this Standard. The Standard will be reviewed as and when required but no less than every five years.

## 4 DOCUMENTATION AND RECORDS MANAGEMENT

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This document and all supporting documents will be managed as per Fortescue Document Governance Standard.

## 5 RELATED PUBLICATIONS

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The following documents should be read in conjunction with this Standard:

**Table 2: Other Documents**

Document ID	Title of Document
100-PO-AD-0018	Code of Conduct and Integrity
100-PO-AD-0015	Anti-Bribery and Corruption Policy
100-ST-AD-0001	Anti-Bribery and Corruption Standard
100-PO-AD-0016	Gifts, Entertainment and Sponsored Travel Policy
100-ST-CP-0002	Gifts, Entertainment and Sponsored Travel Standard
100-PO-GO-0002	Whistleblower Hotline Policy
100-PO-AD-0032	Declarations of Interest Policy