

Anti-Bribery and Corruption Policy

1 Statement from the Chair and Managing Director

Bribery and corruption have a serious impact on the social, economic and political environment of many countries. Bribery is not a victimless crime. It debases human rights and destroys confidence in democracy and the legitimacy of government. The effects of bribery and corruption impact both individuals and businesses in the world's poorest countries.

Asara Resources Ltd ABN 39 006 710 774 (**Company**) and each of its child entities (together the **Group**), is committed to the fight against bribery and corruption and aims to achieve its goals whilst supporting and fostering development in the communities in which it operates.

The Group's values as set out in its Statement of Values and Code of Conduct are core to its relationships with its employees, other representatives and its stakeholders. The Group has zero tolerance for corruption and bribery in any form. To ensure that the Group's values are reflected in all its business dealings, the Company's board of directors (**Board**) is committed to upholding both the letter and spirit of the laws, regulations and international standards that apply to its operations.

Ethics and behaviour are individual responsibilities, and high standards of behaviour are expected of all Group personnel regardless of their position in, or relationship with, the Group. The Company has prepared this Anti-bribery and Corruption Policy to ensure that all its personnel and representatives are able to understand and adhere to the Australian laws and the laws of other applicable jurisdictions in relation to corruption, fraud, domestic bribery and bribery of foreign public officials.

A breach of the law, or unethical behaviour which may affect the Group's reputation, will be regarded as serious misconduct, which may lead to disciplinary action including the termination of employment, engagement or other association with the Group.

As a recipient of this policy, you are urged to read it, and expected to adhere to it. If you have any questions or comments on the policy, please contact Ms Hayley Butcher, General Manager – Corporate and Company Secretary, based in Perth, Western Australia, on +61 409 880 009. If you have any concerns about any activities of Group personnel or persons acting on behalf of the Group, please refer to the Company's Whistleblower Policy, and follow the reporting procedures set out in that policy.

Signature

Signature

Mr Adonis Pouroulis
Chairman

Mr Craig Mackay
Managing Director

2 Applicability

A reference to the Group in this Policy is a reference to Asara Resources Ltd ABN 39 006 710 774 (**Company**) and each of its child entities.

This Policy applies to all directors, officers, employees, consultants and contractors of the Group (**Personnel**).

This Policy will also apply to agents, third parties and other representatives engaged by the Group to represent its interests or perform services for the Company (**Representatives**).

The Group expects all its Personnel and Representatives to comply with both the letter and spirit of the laws that govern the Group's operations worldwide and with Group policy, and particularly this Policy.

Each person to whom this Policy applies:

- a. will be given access to this Policy via the Company's [website](#);
- b. will be provided with and must attend training and awareness sessions on this Policy;
- c. must cooperate with any investigation initiated pursuant to this Policy; and
- d. must report matters of concern in accordance with the Group's Whistleblower Policy.

Adherence to this Policy is a condition of employment or engagement by, or association with, the Group.

3 Purpose

The Group is committed to ensuring that its corporate culture, in all its offices and operations, discourages fraudulent and corrupt conduct. The Group reserves the right to take disciplinary action, including immediately terminating the employment or engagement of any Personnel, or its association with any Representative, who seeks to illegitimately influence any public official in the exercise of his or her official duties or is involved in any fraudulent or corrupt behaviour.

The purpose of this Policy is to educate and inform Personnel and Representatives about the Group's commitment to anti-corruption and bribery requirements arising from anti-bribery and corruption laws and the various laws prohibiting fraudulent and corrupt behaviour more generally. This Policy is intended to be a common-sense guide to enable Personnel and Representatives to understand and comply with their obligations under these laws.

This Policy is designed to ensure that the Group delivers on its commitment to fostering an anti-corruption culture, but it does not create any rights in any person including any employee, customer, suppliers, competitor, shareholder or other stakeholder.

This Policy is for the protection of not only the Group, but also Personnel and Representatives. Training and awareness sessions on this Policy will be provided to Personnel and Representatives as required and to the level appropriate to them.

If any Personnel or Representative to whom this Policy applies does not understand any part of this Policy, or how it applies to them, they should contact Ms Hayley Butcher, General Manager, Corporate & Company Secretary located in the Company's office in Perth, Western Australia. Ultimately it is the individual's responsibility to make sure that none of their behaviour or conduct constitutes, or could be seen to constitute, bribery or corruption. This Policy applies in addition to, and not to the exclusion of, the Group's other policies and procedures including its Code of Conduct and Whistleblower Policy.

The Group will communicate this Policy to its stakeholders and the wider community by publishing it on the 'Corporate Governance' page of the Company's [website](#).

4 What is bribery?

A bribe is an inducement or reward offered, promised or provided to gain any commercial, contractual, regulatory or personal advantage.

Bribery includes the giving of benefits (such as making payments, giving a gift or a favour) to influence an individual or organisation to award business opportunities to the Group or to make business decisions in the Group's favour.

Corruption is the abuse of entrusted power for private gain.

5 No bribes policy

It is the Group's policy to conduct all its business in an honest and ethical manner. The Group takes a zero-tolerance approach to bribery and corruption, and is committed to acting professionally, fairly and with integrity in all its business dealings and relationships wherever it operates.

The Group will make every effort to ensure that it adheres to the laws and regulations which govern its operations, including the Criminal Code Act 1995 (Cth) (**Australian Criminal Code**) and other laws applicable to the Group prohibiting foreign and domestic bribery and fraudulent conduct (**Bribery Laws**).

Accordingly, the Group prohibits bribery and corruption in any form, whether direct or indirect and no Personnel or Representative should commit, be a party to or be involved in any bribery or corruption. The use of Group funds or assets, either directly or indirectly, for any bribe, kickback or payoff is strictly prohibited.

The payment of normal discounts and allowances, commissions, fees, entertainment expenses, expenses for normal sale promotion activity and services, expenses related to a contract with a foreign country and other customary payments or courtesies in the ordinary course of business should only be made in accordance with this Policy.

6 Foreign bribery offences

6.1 Foreign bribery offence under Australian law

Under the Australian Criminal Code, it is an offence for a person (which includes a corporation), to bribe a foreign public official. A person must not provide, offer or promise to provide to another person (or cause to be offered, promised or provided):

- a. a benefit that is not legitimately due to that person; and
- b. with the intention of influencing a foreign public official (who may be the other person) in the exercise of the official's duty,

in order to:

- c. obtain or retain business; or
- d. obtain or retain a business advantage, which is not legitimately due to the recipient, or intended recipient, of the business advantage.

Under the Australian Criminal Code Act, any company incorporated in Australia, or anyone who is a citizen or who lives in Australia, can be prosecuted for corrupt conduct which occurs overseas. Where bribery is committed by a subsidiary company incorporated in a foreign jurisdiction, a joint venture

vehicle or a commercial agent, the Australian parent Company may still be liable in some circumstances, including where the foreign entity was acting as its agent or for aiding and abetting bribery.

Defences are available in two circumstances:

- where the conduct was lawful in the foreign public official's country, that is it was specifically permitted or required by written law; or
- where a payment is a facilitation payment made to expedite or secure the performance of a routine government action of a minor nature and the payment is of minor value. Facilitation payments are discussed in section 7 of this Policy.

6.2 Who is a foreign public official?

A foreign public official is broadly defined under the Australian Criminal Code and is designed to capture all levels of government. A wide range of people who may not be directly linked to, or employed by, a foreign government are considered to be foreign public officials for the purpose of the Australian foreign bribery laws including, but not limited to:

- a. an employee, contractor, official or someone in the service of a:
 - (i) foreign government or agency;
 - (ii) foreign government controlled company; or
 - (iii) public international organisation (public international organisations are essentially bodies constituted by two or more countries, such as the United Nations),
- b. an individual who holds, or performs the duties of, a position under a foreign law or custom;
- c. a member of a foreign military or police force;
- d. a member of the executive, legislature, judiciary or magistracy of a foreign country, including a politician or judge; and
- e. an individual who is, or holds themselves out to be, an authorised intermediary of a foreign public official.

Personnel and Representatives should carefully consider whether the Group's local agents, contractors, suppliers and other business partners may be a foreign public official.

Although it is important to recognise who is, and is not, a foreign public official, please note that the Group's policy in relation to payments, gifts and other benefits applies regardless of someone's position or status.

Case Study:

In 2002, Glaxo Smith Kline, an American pharmaceutical company, was found, through the actions of its subsidiaries operating in a number of foreign countries, to have violated the US Foreign Corrupt Practices Act (**FCPA**). The subsidiaries were making payments to foreign doctors for the purpose and effect of influencing the doctors' decisions so that the pharmaceutical company could obtain or retain business with them and the hospitals that employed them. It was accepted that the doctors were foreign public officials within the meaning of the FCPA because they were employed by hospitals that were owned by foreign governments.

6.3 What is a "benefit"?

A benefit can be any advantage or reward and is not limited to money or property. The benefit may be tangible or intangible. Examples of benefits include but are not limited to:

- a. direct and indirect payments;
- b. shares or options;
- c. gifts;
- d. meals and entertainment;
- e. assumption or forgiveness of debt;
- f. promise of the grant of contracts;
- g. confidential information;
- h. offer of employment;
- i. payment of travel expenses; and
- j. personal favours.

Case Study:

In 2009, an employee from construction company Brilliant Ray was sentenced by Hong Kong's Independent Commission Against Corruption to two months' imprisonment for violating Hong Kong's Bribery Ordinance. The employee had offered 15 boxes of moon cakes to police officers who he had dealings with during the end of his company's project. The police officers returned the moon cakes the following day. This occurred eleven days before the mid-Autumn Moon Festival, a time when the cakes are traditionally offered as gifts.

This case is an example of a non-monetary benefit and highlights that irrespective of the value of the customary nature of the benefit, if the intention behind the benefit is to obtain or retain business or a business advantage, the benefit will be considered a bribe.

6.4 What does it mean to give or offer a benefit?

The definition of foreign bribery in Australia includes terms that encompass to "provide, cause to be provided, offer to provide, or cause an offer to provide" a benefit.

The terms "offer" and "cause" as used in the Australian Criminal Code have a broad meaning which covers more than just the direct conferral of a benefit.

For example, someone can be said to have "offered" a benefit, or "caused" a benefit to be offered to a foreign public official even where they have not actually made the offer or given the benefit themselves, but have helped or told someone else to do so. The benefit can be conferred on any party or intermediary as long as there is an intention to ultimately influence a foreign public official in the exercise of his or her official duties. A benefit provided to a relative, friend or even a corporate entity will amount to a breach if the intention to influence a foreign public official is present.

Example:

The Company has incorporated a local subsidiary to conduct its operations in Burkina Faso. You are engaged by the local subsidiary and have been asked to pay an additional “tax” by a local government official. You are concerned that the tax is illegitimate and may be a request for a bribe. Therefore, the local government official has suggested that you authorise the Australian parent company to direct the subsidiary to make the payment. That way neither the local government official nor the Burkina Faso subsidiary will be held responsible, and neither will the Australian parent company as it is too far removed from the transaction. Is this correct?

No, it is not. The term “cause” in the Australian Criminal Code encompasses the actions of both the parent company and those of its subsidiary. Given that the parent company is an Australian company (even though the subsidiary is not) it may be found to have violated the Australian Criminal Code by directing its subsidiary to make the illegitimate payment.

The conduct of persons acting for, or on behalf of, a corporation may be a basis for corporate liability under the corporate attribution principles under the Australian Criminal Code.

Australian and international legislation includes an offence of 'accessorial liability'. A person may be guilty of bribery if they aid, abet, counsel or procure the commission of the offence, or conspire to attempt to commit the offence.

Therefore, if a Personnel or Representative directs another person or entity to pay or offer to pay a bribe, their actions could potentially implicate themselves and the other person or entity (including another Personnel or Representative) by their conduct, as well as the relevant Group company itself, in the commission of an offence. In other words, all the persons or parties involved directly or indirectly in the payment or offering of a bribe may be found to have committed the offence of foreign bribery. This would also be a breach of the Group's policies and will be considered serious misconduct and may be subject to Group disciplinary action.

6.5 What does “intention” mean?

A critical element of foreign bribery is the "intention to influence" a foreign public official in the exercise of his or her duties. Whether a person or a corporation "intends" to influence someone is a matter of fact, which can be inferred from the circumstances. Intention to influence or obtain a certain result can exist whether or not the desired result is actually achieved.

Example:

A person invites a member of the Ministry of Mines in Burkina Faso to an expensive dinner in advance of applying for a permit adjacent to the Group's existing operations, which dinner he attends. The permit application is declined by the Ministry. Would the dinner invitation breach the law, even if the intention was to influence the Ministry's consideration of the permit application given that it was declined?

Yes. It is not necessary to prove that business, or a business advantage, was actually obtained or retained to constitute a breach of the Australian Criminal Code. Even though the permit was not actually issued, the fact that he intended to obtain the permit as a result of the dinner means that his behaviour would be in breach of the Australian Criminal Code.

6.6 When is a benefit or business advantage “not legitimately due”?

A benefit or a business advantage is legitimate when, for instance, it is given or offered in accordance with the law of the foreign country, it is a facilitation payment (see below in section 7), or it is given or offered to pay legitimate, reasonable expenses related to sales promotion activities or performance of a contract with the foreign country. There must be a legal basis for it.

In some circumstances, illegitimate (or illegal) payments will be disguised as government charges, levies or taxes. A business advantage awarded because of the making of a payment or giving of a gift, rather than because of merit, will be illegitimate.

If any Personnel or Representatives asked to make a payment, give a gift or confer a benefit that is not in accordance with the Group's standard business practice, as set out in this Policy, the matter must be referred to the Company's Managing Director (who can, if necessary, refer the matter to the Group's legal advisers), before the payment is made or the gift or benefit is conferred. A key point to remember is that any benefit which does not stand up to careful independent scrutiny cannot be considered to be legitimate and should not be made.

The following factors are not relevant to the determination of whether a benefit or business advantage is legitimately due:

- a. the fact that the benefit or business advantage is customary, or perceived to be customary;
- b. the value of the benefit or business advantage; or
- c. any official tolerance of the benefit or business advantage.

Although it will typically be appropriate to accept or give customary gifts, possible foreign bribery consequences cannot be ignored just because a gift or benefit is customary, even if it is of little value or officially tolerated. At law, when assessing whether a benefit is "not legitimately due" the customary nature of any gift is irrelevant.

Participating and adhering to local customs is an important aspect of the Group's ability to operate in West Africa. Therefore, it is important to sensitively manage this issue and be especially wary of any customary gift that is unusual or potentially inappropriate and that could raise a foreign bribery risk. It is also important to remember that, as illustrated by the “moon cake case” referred to above in section 6.3, it is the intention behind the gift/benefit that will be investigated. However, there is no doubt that a payment made because it was expected, or because it was the “local way”, will not provide any protection from criminal prosecution.

6.7 What is to “obtain or retain business or a business advantage that is not legitimately due”?

To constitute a bribe, a benefit must be given or offered in order to:

- a. obtain or retain business; or
- b. obtain or retain a business advantage.

In general terms, a business advantage is an advantage gained that assists in the conduct of the business. Examples of things that would constitute a business advantage include a tax concession, the granting of a licence or permit in circumstances where it may not otherwise be granted and access to information not publicly available concerning upcoming tenders that provided an advantage over other prospective tenderers.

Case Study:

In 2009, Latin Node, an American telecommunications company, pleaded guilty to violating the United States Foreign Corrupt Practices Act and agreed to pay a fine of \$2 million. It was alleged that between 2004-2007 Latin Node paid over \$1 million in bribes to officials at Hondutel, a wholly state-owned telecommunications authority in Honduras. In exchange, Latin Node received a business advantage in the form of a reduction of operating costs because it received preferred telecommunications rates and continued operations in Honduras.

6.8 When can the Company be guilty of the foreign bribery offence?

Under the Australian Criminal Code, the Company is responsible for the conduct of certain natural persons in circumstances where its senior management has authorised the illegal conduct or the conduct was the result of a deficient 'corporate culture'.

The Company will have committed the foreign bribery offence if one of its Personnel or Representatives commits the foreign bribery offence:

- a. whilst acting within the actual or apparent scope of employment or authority; and
- b. in circumstances where the Company expressly, tacitly or impliedly authorised or permitted the commission of the offence. The authorisation or permission may be established if:
 - (i) the Board has expressly, tacitly or impliedly authorised or permitted the commission of the offence;
 - (ii) a 'high managerial agent' (being an employee, agent or officer of the Group with duties of such responsibility that his or her conduct may fairly be assumed to represent Group policy) has expressly, tacitly or impliedly authorised or permitted the commission of the offence and the Company did not exercise 'due diligence to prevent the conduct, or authorisation or permission'; or
 - (iii) a 'corporate culture' (meaning an attitude, policy, rule, course of conduct or practice existing within the Group generally or in the part of the Group in which the relevant activities takes place) existed within the Group that directed, encouraged, tolerated or led to non-compliance with the relevant provisions, or did not require compliance with the relevant provisions. To prove the existence of this 'corporate culture' it is relevant that authority to commit an offence of the same or a similar character had previously been given by a high managerial agent or that the employee, agent or officer who committed the offence believed on reasonable grounds, or entertained a reasonable expectation, that a high managerial agent would have authorised or permitted the commission of the offence.

Turning a "blind eye" to conduct is not a defence.

Case Study:

Frederic Bourke was convicted of conspiring to violate the United States Foreign Corrupt Practices Act (**FCPA**) by acting through third parties to influence public officials in the Republic of Azerbaijan in connection with the privatisation of a state-owned oil company. He was sentenced to one year imprisonment and ordered to pay a \$1 million fine. The Court expressly acknowledged that Bourke did not have actual knowledge of the FCPA violations, but nevertheless found that he had himself breached the FCPA because he "knew of the high probability that the bribes were being paid" to Azerbaijan officials and "took steps to ensure that he did not acquire knowledge" of any wrongdoing.

6.9 What are the penalties?

The consequences of foreign bribery and corruption are serious.

As at the date of this Policy, under the Australian Criminal Code the penalties for bribery of foreign public officials are: for individuals, a fine of up to AU\$2.1 million or up to ten years' imprisonment; and for corporations, a fine which will be the greatest of AU\$21 million, three times the value of the benefit received by the corporation and its related entities, or 10% of the annual turnover of the corporation and each of its related entities.

In addition to criminal penalties, any benefits obtained by foreign bribe can be forfeited to the Australian Government under the *Proceeds of Crimes Act 2002* (Cth).

6.10 Foreign bribery and corruption in other jurisdictions

Internationally, similar legislation to the Australian Criminal Code enables some other countries to prosecute their own citizens and corporations, as well as other persons within their jurisdiction, for bribery of public officials abroad. Some of these laws are more onerous than the Australian Criminal Code. Liability is potentially cumulative – individuals or corporations may be held liable in multiple jurisdictions under different laws for the same conduct. There is increasing cross- border cooperation between regulators/investigatory agencies to investigate and enforce anti- bribery laws. Personnel and Representatives are required to understand and comply with all laws that apply to the Group and to them.

7 Facilitation Payments

Facilitation payments are a form of bribery made for the purpose of expediting or securing the performance by a public official of a routine government action of a minor nature that is part of the public official's duties or functions.

A “routine government action” is an action which is ordinarily and commonly performed by a public official and does not involve a decision about whether to award new business, whether to continue to do business, or the terms of that business, or encouraging someone to make such a decision. Examples of routine government actions include:

- a. granting a permit, licence or other official document that qualifies a person to do business in a foreign country;
- b. processing government papers such as a visa or work permit;
- c. providing services normally offered to the public, such as police protection, mail collection or delivery, telecommunication services and power and water supply;
- d. scheduling inspections associated with contract performance or related to the transit of goods;
- e. loading and unloading cargo; and
- f. protecting perishable products, or commodities, from deterioration.

Facilitation payments, whether legal or not in a country, are prohibited under this Policy.

8 Security risk

If there is a direct or imminent threat to the health or safety of a person (such as to loss of life, limb or liberty) or where there is a real and serious risk posed to a significant Group asset and a person believes that the threat will be carried out unless they make a payment or lend property owned by the Group then the payment or provision of Group property is permitted under this Policy. Personnel and

Representatives need to be aware that even if the payment or provision of property is permitted under this Policy, they may still be liable for a breach of applicable laws.

Personnel and Representatives must immediately report the payment or provision of Group property to the Managing Director, providing particulars of the circumstances. An investigation will be undertaken and if required, reports made to relevant authorities such as the police.

9 Gifts and hospitality

Reasonable gifts and hospitality will not violate the principles set out in this Policy unless they are made with the intention of obtaining or retaining business or a business advantage that is not legitimately due.

Gifts and hospitality can take many forms. A gift can be a payment, payment in kind (which includes the provision of goods or services), personal favour or anything of value given or received where the recipient does not pay fair market value. Hospitality is providing entertainment or enjoyment where a member of Personnel or a Representative accompanies the person. It is anything of real value to the recipient. Accepting or offering gifts or hospitality of moderate value is acceptable in situations where it is legal and in accordance with the Group's best business practice.

Personnel and Representatives must not give or accept gifts of any kind that could be reasonably regarded as unduly influencing the recipient or creating a business obligation on the part of the recipient. Advice may always be sought from the Company Secretary or by referral to the Company's lawyers if necessary.

It is essential that all Personnel and Representatives comply with Group policy in relation to gifts and hospitality, and that they be seen to comply with Group policies and the laws and regulations that govern the Group.

When deciding whether it is appropriate to give or accept a particular gift or hospitality, a number of issues must be considered including:

- a. **the monetary value** – is the gift or hospitality excessive or expensive? If so, the gift should not be given or accepted;
- b. **the timing of the gift or hospitality, irrespective of its value** - are there any negotiations or contracts being settled? If the giving or receipt of a gift or hospitality coincides with an important business decision, the gift or hospitality should not be given or accepted;
- c. **the outside impression conveyed by giving or accepting the gift or hospitality** – if there may be an impression formed by a third party that there is an improper connection between any gift or hospitality and a particular business opportunity, then the gift or hospitality should not be given or accepted; and
- d. **the type of gift** - certain gifts should never be given or accepted.

9.1.1 Examples of appropriate gifts

Flowers, chocolates, merchandise bearing the Company's logo (hats/t-shirts/umbrellas) or small amounts of inexpensive wine.

9.1.2 Examples of inappropriate gifts

Cash, vouchers, controlled substances, expensive jewellery, first class airline tickets, holidays, electronic goods, expensive wine or extravagant purchases of any description.

The above examples are not exhaustive lists.

If a person can, without hesitation, acknowledge and justify the giving and receiving of a gift or hospitality and its size and nature in a public forum without any adverse impact on the Group's reputation then and only then is it a gift or hospitality within the culture of the host country.

To quote a US Supreme Court judge, Justice Noonan 'a gift can be disclosed, a bribe needs to be concealed'.

9.1.3 Reporting and record keeping

Personnel and Representatives must declare all gifts and hospitality provided, offered or received that are valued at \$800 or more to the General Manager, Corporate & Company Secretary as soon as possible after the event takes place, but within five business days of receiving or being offered or receiving (whichever is the earlier) the gift or hospitality.

Personnel and Representatives must also disclose to the General Manager, Corporate & Company Secretary all gifts or hospitality provided, offered or received which are valued at more than \$800 **before** they are provided or offered/received (whichever is the earlier) with the exception of:

- a. working/business lunches;
- b. work related conferences; and
- c. invitations to networking events.

The General Manager, Corporate & Company Secretary will then report the declaration or disclosure to the Chair, who may require that a gift or hospitality is declined, donated or returned.

Case Study:

BHP Billiton, a dual listed Australian and United Kingdom entity and one of the largest mining corporations in the world implemented a hospitality program for the Beijing Olympics in 2000, having been named as a principal sponsor and having secured a contract to mint the medals for those Olympics.

BHP Billiton invited 176 government officials and employees of state owned enterprises to attend the Olympic Games at the company's expense, and ultimately paid for 60 such guests as well as some spouses and others who attended along with them. Sponsored guests were primarily from countries in Africa and Asia, and they enjoyed three and four day hospitality packages that included event tickets, luxury hotel accommodation and sightseeing excursions valued at \$12,000 to \$16,000 per package.

The United States Securities and Exchange Commission (SEC) fined BHP Billiton US\$25 million for contraventions of the books and records and internal control provisions of the US Foreign Corrupt Practices Act (FCPA). The SEC investigation found that BHP Billiton failed to devise and maintain sufficient internal controls over the Olympic hospitality program.

The Director of the SEC's Division of Enforcement said:

"BHP Billiton footed the bill for foreign government officials to attend the Olympics while they were in a position to help the company with its business or regulatory endeavours."

"BHP Billiton recognized that inviting government officials to the Olympics created a heightened risk of violating anti-corruption laws, yet the company failed to implement sufficient internal controls to address that heightened risk."

10 Charitable contributions and sponsorships

The Group does not make charitable contributions or enter into sponsorship arrangements that could be perceived as a way of obtaining or retaining an improper advantage for the benefit of the Group, or any other person.

Donations must be solely for charitable and community purposes and sponsorships for business promotion purposes.

Any charitable contributions and sponsorships must be permitted by law, must be authorised by the Managing Director in writing and not provided to individuals or organisations that are linked to a political cause (as defined in section 11 of this Policy).

Risk based due diligence should be conducted, as appropriate, on the recipients of any charitable contributions or sponsorships and all benefits to be provided to the recipients should be documented in a written agreement. The Group will disclose all its charitable contributions and sponsorship arrangements.

Example:

The Company is requested by the principal of a local primary school to donate its old computer equipment to the school for use by its students. Can the Company donate the computers to the school?

Yes, subject to the donation being permitted by law; the donation being solely for charitable and community purposes; risk based due diligence being undertaken on the school to make sure that it is not linked a political cause; the donation being documented in a written agreement; and the donation being disclosed. The donation must also be approved in writing by the Managing Director.

11 Political contributions

The Group does not make any political contributions in any country.

A **political contribution** is a contribution, whether financial or in-kind, to support a political cause. A **political cause** includes political parties, party affiliated organisations, party officers and political candidates.

If Personnel or Representatives wish to participate in any event or activity for a political cause, they must first obtain the written approval of the Managing Director. If approval is given, participation is conditional on it being made clear that it is in the person's personal capacity (and not as a representative of the Group), and the participant must use their own time and money to participate in the event or activity.

12 Use of Group property

As set out in the Company's Code of Conduct, Personnel and Representatives must use their best efforts to protect the Group's assets which are under their control to ensure availability for legitimate business purposes and to ensure all corporate opportunities are enjoyed by the Group.

Personnel and Representatives must not provide, loan, sell or donate any Group property to any foreign public official, government body or any other person or entity unless: it is for the payment for goods or services under an arm's length contractual arrangement on commercial terms; or pursuant to an official government or military request; or required under the laws of the country in question and you have first obtained the written consent of the Managing Director (except in the circumstances outlined in section 8 of this Policy).

13 Business relationships

Entry into business relationships is another area where the Group is potentially exposed to liability as a result of bribery and corruption. Joint venture or consortium partners, agents, consultants, intermediaries, contractors or suppliers are referred to in this section and in Annexure A as **third parties**.

The use of third parties to circumvent the requirements of this Policy is expressly prohibited. The Group should not enter into, or continue, a business relationship with any party if it cannot be satisfied that the third party will behave in a manner consistent with this Policy and in accordance with applicable anti-bribery and corruption laws.

To protect the Group and its Personnel and Representatives from potential liability for bribery and corruption committed by third parties, there are a number of steps that must be taken as set out below:

- a. **Due Diligence:** Risk based due diligence will be conducted, as appropriate, on third parties in relation to their reputation, qualifications and integrity before a Group company enters into any arrangement with a third party. A checklist for this purpose must be obtained from the General Manager, Corporate & Company Secretary. The level of due diligence will be guided by the results of the risk assessment process, categorising the third party a low, medium or high risk. If any issues of concerns or “red flags” (see Annexure A) are identified, the Managing Director must be informed immediately.
- b. **Agreements:** Arrangements with third parties must be documented in a written agreement, which should include the following:
 - (i) the remuneration payable to the third party (which must be appropriate and for legitimate services provided or goods supplied);
 - (ii) a warranty that the third party has not engaged in corrupt conduct or bribery;
 - (iii) an agreement on the part of the third party that they will comply with all relevant anti-bribery and corruption laws, the Company’s Code of Conduct and this Policy; a requirement to provide an annual certification that it has not done so and an obligation to advise if there is any contravention;
 - (iv) a right on the part of the Group counterparty to audit the third party’s financial records (the regularity and scope of the rights will depend on an assessment of the third party risk);
 - (v) a right of termination or exit right if the third party does pay a bribe or contravenes any relevant anti-bribery and corruption law, the Company’s Code of Conduct and/or this Policy.
- c. **Joint ventures and consortia:** Where a Group company is unable to ensure that a joint venture or consortium partner has an anti-bribery and corruption policy at least consistent with this Policy, it should have the ability to exit from the arrangement if bribery occurs, or is reasonably thought to have occurred.
- d. **Ongoing monitoring and approval:** The Group will establish monitoring and re-approval requirements for third parties, depending on the third-party risk assessment. This will include ongoing review of third parties and acting on red flags and changes in risk rankings.

14 Internal controls and record keeping

14.1 Internal controls

The Group will establish and maintain effective systems of internal controls to counter bribery and corruption. These internal controls will comprise financial and organisational checks and balances over the Group’s accounting and record keeping practice and other business processes related to its anti-

bribery and anti-corruption policies and procedures. The system will be reviewed to ensure that it remains effective.

14.2 Integrity of record keeping and accounts

The Group is committed to maintaining the integrity of all company books and records so that they provide an accurate account of all transactions. The integrity of records is essential for maintaining stakeholder confidence and ensuring compliance with the laws that apply to the Group, including the Australian Corporations Act 2001 (Cth).

The Australian Criminal Code contains false accounting laws. These are in addition to other Commonwealth, State and Territory laws dealing with false accounting. It is an offence for a company or individual to intentionally conceal illegitimate payments by making, altering or destroying accounting records, or by failing to make or alter accounting records that are required by law to be made or altered. The relevant intention is one to facilitate, conceal or disguise the giving or receiving of a benefit that is not legitimately due, or a loss not legitimately incurred. There is another offence where the person is reckless about those matters, that is aware of a substantial risk that their conduct would result in the outcomes described. These laws are sufficiently broad to capture not only false accounting connected with foreign bribery, but also false accounting practices connected with domestic bribery offences.

It is the Group's policy that all books and records be kept so that they fully and fairly reflect all receipts and expenditures by the Group such that:

- a. no numbered or secret account or undisclosed or unrecorded funds or assets of the Group shall be maintained or established for any purpose;
- b. no false or artificial entries shall be made in the books and records of the Group for any reason and no employee shall engage in any arrangement that results in such prohibited act; and
- c. no transaction shall be effected, and no payment shall be approved or made, on behalf of the Group with the intention or understanding that any part of such payment is to be used for any purpose other than that described by the documents supporting the payment.

15 Reporting violations

To be effective, this Policy relies on Personnel and Representatives raising concerns and reporting suspected violations as early as possible.

The Group encourages Personnel and Representatives to notify the Whistleblower Officer in accordance with the procedures set out in the Whistleblower Policy (available on the Company's [website](#)), of potential or suspected violations of:

- a. legal or regulatory requirements;
- b. company policy as set out in the Code of Conduct or this Policy;
- c. internal policy relating to accounting standards and disclosures;
- d. internal accounting controls; or
- e. matters related to the internal or external audit of the Group's financial statements.

Whistleblower Officers' contact details are as follows:

Mr Craig Mackay

Managing Director

PO Box 124
SURREY HILLS VIC 3127
Australia
Tel: +61 418 397 091
Email: craig@goldenrim.com.au

Ms Hayley Butcher

General Manager, Corporate & Company Secretary

PO Box 974
FREMANTLE WA 6959
Australia
Tel: +61 409 880 009
Email: hayley@goldenrim.com.au

If the matter concerns the Whistleblower Officer, or a person is not comfortable contacting the Whistleblower Officer, they should contact the Chair.

The Group is committed to ensuring confidentiality in respect of all matters raised under this Policy, and that those who make a report in good faith are treated fairly and do not suffer any detriment.

This commitment by the Group:

- a. provides a strong indicator that the Group is committed to and complies with its legal and ethical obligations;
- b. enables individuals to feel that the Group is properly addressing their concerns; and
- c. ensures that persons are not penalised for fulfilling their obligation to ensure that the Group's conduct meets its policies on compliance and ethics.

Upon receipt of a complaint alleging a violation, the Whistleblower Officer will follow the investigation procedure set out in the Whistleblower Policy. Any findings of non-compliance with Group policy or regulatory non-compliance will be reported to the Board via the Chair. The Board is responsible for ensuring that the appropriate corrective action is taken which may include: dismissal of Personnel, cancelling of contracts with Representatives, and reporting the alleged violation to the appropriate governmental and law enforcement agencies.

16 Consequences of breach

The Group is committed to building and maintaining a reputation for integrity and honesty. This reputation depends on its Personnel and Representatives complying with the law.

The Group expects the highest standards of ethical conduct from all its Personnel and, Representatives, regardless of their position in, or relationship with, the Group. The Group requires adherence to both the letter and the spirit of all laws and regulations that govern the Group. Adherence is a term of employment or association with the Group. Violation of the law by any Personnel or Representative will be regarded as serious misconduct, which may be subject to disciplinary action including termination of employment or association with the Group.

Personnel and Representatives are responsible for ensuring that their actions do not violate the law. If any Personnel or Representative is directed to do something which they believe to be unlawful, they are expected to report the incident to the Whistleblower Officer in accordance with this Policy and the Whistleblower Policy. All complaints and reports will be treated confidentially and no retaliation against a person making a report will be tolerated.

Group managers are responsible for their own individual behaviour. To an extent, they are also accountable for the actions of Group employees that report to them. Each manager is responsible for ensuring that the employees who report to them are aware of Group policy as set out in this Policy document and the Code of Conduct. Managers should ensure that new employees attend relevant training sessions to ensure that they understand Group policy. Managers should report any violations of the principles set out in this Policy or the Code of Conduct generally to the Whistleblower Officer.

The Group will, through its directors and senior management, endeavour to maintain a work environment where frank and open discussion is encouraged and expected, without fear of retribution. The Group will ensure that any allegations of violation of any laws that apply to the Group will be treated confidentially, investigated thoroughly and dealt with appropriately in accordance with the procedures set out in this Policy and the Whistleblower Policy.

All Personnel and Representatives are required to understand and comply with the laws that apply to the Group, including Bribery Laws.

17 Review of this Policy and responsibilities

17.1 Board

The Board has approved this Policy, and the oversight of this Policy is the responsibility of the Board. The Board will review this Policy from time to time, and make any necessary amendments.

The Board is responsible for:

- a. approving, reviewing and amending this Policy, as required;
- b. implementing this Policy in all Group entities, and using its influence to encourage equivalent policies in other entities which it has a significant investment or with which it has a significant business relationship;
- c. monitoring the effectiveness of this Policy;
- d. providing leadership, guidance, and advice to promote compliance with this Policy; and
- e. ensuring effective reporting, escalation and resolution of bribery and corruption compliance issues.

17.2 Managing Director and senior management

The Managing Director and other members of senior management are responsible for:

- a. providing leadership, guidance, and advice to promote compliance with this Policy;
- b. designing and implementing training and awareness programs on this Policy;
- c. ensuring effective reporting, escalation and resolution of bribery and corruption compliance issues; and
- d. reporting to the Board as appropriate.

17.3 Company Secretary

The Company Secretary is responsible for:

- a. maintaining a gifts and hospitality register, and reporting to the Board about any gifts or hospitality provided or received (as required to be reported under this Policy) at each Board meeting; and
- b. maintaining accurate records of all information provided to the Company Secretary under this Policy, including details of any breaches of this Policy or questions about this Policy that are received.

Annexure A – Red Flags

1. You become aware that a third party engages in, or has been accused of engaging in, improper business practices.
2. You become aware that a third party has a reputation for paying bribes, or requiring that bribes are paid to them.
3. You become aware that a third party has a reputation of having a “special relationship” with government officials.
4. A third party insists on receiving a commission or fee payment before committing to sign up to a contract with a Group company, or carrying out a government function or process for a Group company.
5. A third-party requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made.
6. A third party requests that payment is made to a country or geographic location different from where the third party resides or conducts business.
7. A third party requests an unexpected additional fee or commission to “facilitate” a service.
8. A third party demands lavish gifts or hospitality before commencing or continuing contractual negotiations or provision of services.
9. You learn that a colleague has been taking out a particular supplier for very expensive and frequent meals.
10. A third party requests that a payment is made to “overlook” potential legal violations.
11. A third party requests that the Group provides employment or some other advantage to a friend or relative.
12. You receive an invoice from a third party that appears to be non-standard or customised.
13. A third party insists on the use of side letters or refuses to put terms agreed in writing.
14. You notice that the Group company has been invoiced for a commission or fee payment that appears large given the service stated to have been provided.
15. A third party requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to the Group.
16. You are offered an unusually generous gift or offered lavish hospitality by a third party.
17. A government official makes a strong recommendation to engage a specified agent or consultant.
18. You become aware that an agent or consultant is a former government official or an associate or relative of a government official.