



PNX Metals Limited

ABN: 67 127 446 271

Anti-Bribery and Corruption Policy

ANTI-BRIBERY AND CORRUPTION POLICY

1. Purpose

The purpose of this policy is to establish controls to ensure compliance with all applicable anti-bribery and corruption regulations, and to ensure that the Company's business is conducted in a socially responsible manner.

2. Policy statement

Bribery is the offering, promising, giving, accepting or soliciting of a bribe. A bribe is an inducement or reward offered, promised or provided for action or inaction which is illegal, unethical or a breach of trust in order to gain any commercial, contractual, regulatory or personal advantage.

Corruption is an abuse of entrusted power for private gain.

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

The Company will uphold all laws relevant to countering bribery and corruption in all the jurisdictions in which it operates. However, it remains bound by the laws in Australia in respect of its conduct both at home and abroad. It may also be liable under laws of a foreign country if persons acting on behalf of the Company breach laws relevant to countering bribery and corruption there.

In Australia bribery and corruption are punishable for individuals by up to ten years' imprisonment and/or a fine of up to \$2.1 million. If the Company is found to have taken part in corruption, it could face a fine of the up to the greater of A\$21 million, 10 time turnover (if the value of the benefit given or obtained cannot be determined) or 3 times the benefit given or obtained if that value can be determined. It will also face damage to its reputation. The Company therefore takes its legal responsibilities very seriously.

3. Scope

3.1 Who is covered by the policy?

This policy applies to all individuals employed by or working for the Company at all levels and grades, including directors, senior managers, officers, employees (whether permanent, fixed-term or temporary), trainees, seconded staff, homeworkers, casual workers and agency staff, volunteers, interns, consultants, contractors, agents, sponsors, or any other person associated with the Company, or any of its subsidiaries or their employees, wherever located (collectively referred to as **Employees** in this policy).

In this policy, **Third Party** means any individual or organisation Employees come into contact with during the course of their work for the Company, and includes actual and potential clients, customers, suppliers, distributors, business contacts, agents, advisers, and government and public bodies, including their advisors, representatives and officials, politicians and political parties.

This policy covers:

- Bribes;
- Gifts and hospitality;
- Facilitation payments;
- Political contributions;
- Charitable contributions.

3.2 Bribes

Employees must not engage in any form of bribery or corruption, either directly or through anyone else. Specifically, Employees must not directly or indirectly bribe a public official anywhere in the world.

3.3 Gifts and hospitality

Employees must not offer or give any gift or hospitality:

- to any public employee or government officials or representatives, or politicians or political parties; or
- to any other Third Party:
 - which could be regarded as illegal or improper, or which violates the recipient's policies or;
 - which exceeds \$100 in value for each individual gift or \$500 in value for each hospitality event (not to exceed a total value of \$1000 in any financial year), unless approved in writing by the Employee's manager; or

Employees may not accept any gift or hospitality from the Company's business partners if:

- it exceeds \$100 in value for each individual gift or \$500 in value for each hospitality event (not to exceed a total of \$1000 in any financial year), unless approved in writing by the Employee's manager; or
- it is in cash; or
- there is any suggestion that a return favour will be expected or implied.

Where a manager's approval is required above, if the manager is below Company Secretary level then approval must be sought from the Company Secretary. In the case of the Company Secretary or the CEO the approval must be sought from the Chair or the chair of the Audit and Risk Committee. The Company Secretary must put in place a process to maintain a register of all such approvals.

If it is not appropriate to decline the offer of a gift, the gift may be accepted, provided it is then declared to the Company Secretary and donated to charity.

It is appreciated that the practice of giving business gifts varies between countries and regions and what may be normal and acceptable in one region may not be in another. The test to be applied is whether in all the circumstances the gift or hospitality is reasonable and justifiable. The intention behind the gift should always be considered.

Within these parameters, if the Company, at any time in the future, carries on business outside Australia, local management may define specific guidelines and policies to reflect local professional and industry standards which must be approved by the Board prior to implementation. The Company Secretary must put in place a process to maintain a register of all such approvals.

3.4 Facilitation payments and kickbacks

Facilitation payments are payments made for the purpose of expediting or facilitating performance by a public official of a routine governmental action, and not to obtain or retain business or any improper business advantage. Facilitation payments tend to be demanded by low level officials to obtain a level of service which one would normally be entitled to.

The Company's strict policy is that facilitation payments must not be paid. It is recognised, however, that Employees may be faced with situations where there is a risk to the personal security of an Employee or his/her family and where a facilitation payment is unavoidable, in which case the following steps must be taken:

- Keep any amount to the minimum;
- Create a record concerning the payment; and
- Immediately report it to the Company Secretary.

In order to achieve our aim of not making any facilitation payments, the Company Secretary will keep a record of all payments made whilst the CEO must evaluate the business risk and develop a strategy to minimise such payments in the future.

3.5 Political Contributions

The Company does not make donations, whether in cash or kind, in support of any political parties or candidates, as this can be perceived as an attempt to gain an improper business advantage.

3.6 Charitable contributions

Charitable support and donations are acceptable (and indeed are encouraged), whether of in-kind services, knowledge, time, or direct financial contributions. However, Employees must be careful to ensure that charitable contributions are not used as a scheme to conceal bribery. The Company only makes charitable donations that are legal and ethical under local laws and practices. No donation by or on behalf or in the name of the Company may be offered or made without the prior approval of the CEO or the Chair.

All charitable contributions should be publicly disclosed.

4. Employee responsibilities

Employees must ensure that they read, understand and comply with this policy.

The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for the Company or under its control. All Employees are required to avoid any activity that might lead to, or suggest, a breach of this policy.

Employees must notify the Company Secretary or in the case of the Company Secretary or the CEO the Chair or the chair of the Audit and Risk Committee as soon as possible if they believe or suspect that a conflict with, or breach of, this policy has occurred, or may occur in the future.

Any Employee of the Company who breaches this policy will face disciplinary action, which could result in dismissal for gross misconduct. The Company reserves its right to terminate its contractual relationship with a non-Company Employee or their employer if a non-Company Employee breaches this policy.

5. Record-keeping

The Company must keep financial records and have appropriate internal controls in place which will evidence the business reason for making payments to Third Parties.

Company Employees must declare and keep a written record of all hospitality or gifts accepted or offered, which will be subject to managerial review.

Company Employees must ensure all expenses claims relating to hospitality, gifts or expenses incurred with Third Parties are submitted in accordance with the Company's expense reimbursement policy and specifically record the reason for the expenditure.

All accounts, invoices, memoranda and other documents and records relating to dealings with Third Parties, must be prepared and maintained with strict accuracy and completeness. Accounts must not be kept "off-book" to facilitate or conceal improper payments.

6. How to raise a concern

Employees are encouraged to raise concerns about any issue or suspicion of malpractice at the earliest possible stage. If Employees are unsure whether a particular act constitutes bribery or corruption, or if they have any other queries or concerns, these should be raised with the Company Secretary or, in the case of the Company Secretary or the CEO, the Chair or the chair of the Audit and Risk Committee.

7. What to do if Employees become a victim of bribery or corruption

It is important that Employees tell the Company Secretary in the case of the Company Secretary or the CEO, the Chair or the chair of the Audit and Risk Committee, as soon as possible if they are offered a bribe by a Third Party, are asked to make one, suspect that this may happen in the future, or believe that they are a victim of another form of unlawful activity.

8. Protection

Employees who refuse to accept or offer a bribe, or those who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. The Company aims to encourage openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken.

The Company is committed to ensuring no one suffers any detrimental treatment as a result of refusing to take part in bribery or corruption, or because of reporting in good faith their suspicion that an actual or potential bribery or other corruption offence has taken place, or may take place in the future. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. If Employees believe that they have suffered any such treatment, they should inform the Company Secretary in the case of the Company Secretary or the CEO, the Chair or the chair of the Audit and Risk Committee immediately. If the matter is not remedied Employees should raise it formally using the Company's Whistleblower Protection Policy.

9. Who is responsible for the policy?

The board of directors has overall responsibility for ensuring this policy complies with the Company's legal and ethical obligations, and that all those under its control comply with it.

The Company Secretary has primary and day-to-day responsibility for implementing this policy, for monitoring its use and effectiveness and dealing with any queries on its interpretation, and for reporting breaches to the Board. Management at all levels are responsible for ensuring those reporting to them are made aware of and understand this policy.

10. Monitoring and review


The Company Secretary will review the implementation of this policy, regularly considering its suitability, adequacy and effectiveness. Any improvements identified will be submitted to the Board for approval as soon as possible.

All Employees are responsible for the success of this policy and should ensure they use it to disclose any suspected danger or wrongdoing.

Employees are invited to comment on this policy and suggest ways in which it might be improved. Comments, suggestions and queries should be addressed to the Company Secretary.

This policy may be amended at any time.

Signed on the 5 August 2020 for and on behalf of PNX Metals Limited.


Graham Ascough
Chairman

Date: 5 August 2020

Latest review date: 5 August 2020