



COMPLIANCE GUIDE (Anti Bribery and Corruption)

1. INTRODUCTION

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 are most felt by the world's poorest people. It is universally condemned by the world's major religions.

Bribery and corruption globally have reached such a scale, and penetrated business dealings in both the developing and industrialised world to such an extent, that policy makers internationally are being forced to confront the issue. Both developed and developing countries are taking steps to eliminate corruption world-wide.

As part of the global effort to combat bribery, 41 countries have ratified the *OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions*. Australia, together with many other countries worldwide, have implemented the OECD Convention into their domestic legislation, making bribery of foreign public officials an offence punishable in Australia, by a fine and/or a term of imprisonment of up to 10 years.

The anti-bribery provisions in the Australian Criminal Code have extra-territorial operation and regulate the conduct of Australian citizens, residents and companies overseas. Additionally, it is possible that in some limited circumstances, Kingsrose Mining's operations may be subject to the Foreign Corrupt Practices Act (U.S.) and the Bribery Act (U.K.). Kingsrose Mining expects all of its employees and representatives to comply with both the letter and spirit of the laws that govern our operations, including this Guide and the Code of Conduct.

Kingsrose Mining aim to achieve our goals whilst supporting and fostering development in the communities in which we operate.

2. PURPOSE

Kingsrose Mining Limited and its subsidiaries (the **Company**) expects that its directors, officers, employees, agents, contractors and any other party representing the Company or its subsidiaries, wherever they are in the world, will act ethically, honestly, with integrity and in compliance with the law - they will not engage in any form of corruption or bribery. The Company is committed to ensuring that its corporate culture, in all its offices and operations, discourages conduct which violates Anti-Bribery Laws.

The countries in which we conduct business have laws that prohibit people and companies from engaging in bribery or corrupt conduct. Breach of Anti-Bribery and Anti-Corruption laws is criminal conduct which could have serious consequences for the Company, its subsidiaries and individuals involved — including substantial fines and liabilities, imprisonment and reputational damage.



This Compliance Guide (the Guide) is intended to be a common-sense manual to enable Company employees and representatives to understand and comply with the Anti-Bribery Laws. This Guide also supports Kingsrose Mining's corporate governance framework.

To ensure that Company Personnel do not engage in activity that constitutes (or could be perceived to constitute) bribery or corruption, this Guide:

- explains what conduct is expected of Company Personnel in observing and upholding the prohibition on bribery, corruption and related improper conduct; and
- provides information and guidance on how to recognise and deal with instances of bribery and corruption.

3. SCOPE

This Policy applies to all individuals at all levels who are employed by, act for, or represent the Company or any of its subsidiaries anywhere in the world, including:

- a) directors;
- b) officers;
- c) managers;
- d) employees;
- e) contractors;
- f) consultants;
- g) agents; and
- h) any other person representing or acting on behalf of Kingsrose Mining.

This Policy applies to the Company personnel irrespective of their employment status (that is, whether they are employed on a full-time, part-time, maximum or fixed term, casual or temporary basis).

4. DEFINITIONS

4.1 What is bribery?

Bribery means the offering, promising or giving (on the one hand) or accepting or soliciting (on the other hand) anything of value (including a financial or other advantage) to improperly influence actions. Improper influence involves the intent to induce an action which is illegal, unethical, dishonest or a breach of trust or duty (a misuse of someone's position). The influence is often, but not always, sought in order to obtain business or a business advantage (which can be obvious, like getting a contract, or less clear, like obtaining a licence or permit, avoiding a negative outcome or expense, or some other advantage). The impropriety of the influence can often be tested by considering transparency— would those involved be comfortable if the benefit and influence were openly and publicly known? Considerations about whether the end goal (the thing the influence is intended to assist to achieve) is in fact legitimately due to the Company or Company employees and representatives may be relevant to, but are not always determinative of, whether provision of the benefit breaches this Guide or relevant laws.



4.2 Australian Criminal Code

It is an offence for a person (which includes a company) to:

- a) obtain or retain business, or obtain or retain a business advantage which is not legitimately due;
- b) provide, cause to be provided, offer to provide, or cause an offer to provide a benefit which is not legitimately due to another person with the intention of influencing a foreign public official in the exercise of the official's duty.

The offence of bribing a foreign official will only be committed under s 70.2 of the *Criminal Code* if the relevant connection with Australia is established. Under s 70.5, this connection will be established if the conduct constituting the alleged offence occurs:

- a) wholly or partly in Australia; or
- b) wholly or partly on board an Australian aircraft or ship; or
- c) wholly outside Australia and the person is an Australian citizen, resident of Australia or a body corporate incorporated under a law of Australia.

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.

The reach of the Australian legislation is wide, as are similar anti-bribery provisions in other countries, for example in the US and UK. 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.

4.3 Liability of corporations for their representatives

A corporation will be liable for bribery of foreign officials by its employees, agents or officers who are found to have bribed a foreign official if that person was acting within the actual or apparent scope of their authority; and the corporation expressly, tacitly or impliedly authorised or permitted the conduct. This could include where:

- a) The board or a “high managerial agent” of the corporation knowingly or recklessly carried out the conduct, or expressly or impliedly authorised or permitted it.
- b) A corporate culture existed that “directed, encouraged, tolerated or led to non-compliance” with the anti-bribery provisions.
- c) The corporation failed to “create and maintain a corporate culture that required compliance with” the anti-bribery provisions.

In addition, the failure by directors or officers of a company to take proper measures to prevent and detect bribery by employees or other officers may be a breach of their duties under the *Corporations Act 2001 (Cth)*. The corporate regulator ASIC is taking an increasing interest in directors' oversight of bribery and corruption risks and is starting to work with the Australian Federal Police (who have responsibility for enforcing the foreign anti-bribery laws) to investigate foreign bribery.



4.4 Permissible and Prohibited Payments

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 state and other customary payments or courtesies in the ordinary course of business should only be made in accordance with this Guide. The use of the Company's funds or assets, either directly or indirectly, for any bribe, kickback or payoff is strictly prohibited.

4.5 Contacting the Company Secretary

All Kingsrose Mining and subsidiaries employees and representatives must ensure that they understand which payments are permissible and which payments are not in accordance with this Guide. If any employee or representative has any questions or comments in relation to the policies set out in this Guide, they should contact Kingsrose Mining's Company Secretary.

4.6 What is Corruption?

Corruption is dishonest activity involving the misuse of position, office, power, influence and/or trust to obtain an advantage or gain not legitimately due (whether a personal advantage or an advantage for the Company).

4.7 Who is a "foreign public official"?

A wide range of people who may not be directly linked to, or employed by, a foreign government are foreign public officials for the purpose of the Anti-Bribery Laws including:

- d) a person who holds a legislative, administrative or judicial position of a foreign state;
- e) a person who performs public duties or functions for a foreign state, including a person employed by a board, commission, corporation or other body or authority that is established to perform a duty or function on behalf of the foreign state, or is performing such a duty or function;
- f) an official or agent of a public international organization that is formed by two or more states or governments, or by two or more such public international organizations;
- g) an employee or official of a foreign government body;
- h) an individual who performs work for a foreign government body under a contract;
- i) an individual who holds or performs the duties of an appointment, office or position under a law of a foreign country or of part of a foreign country;
- j) an individual who holds or performs the duties of an appointment, office or position created by custom or convention of a foreign country or of part of a foreign country;
- k) an individual who is otherwise in the service of a foreign government body (including service as a member of a military force or police force);
- l) a member of the executive, judiciary or magistracy of a foreign country or of part of a foreign country;
- m) an employee of a public international organisation;
- n) an individual who performs work for a public international organisation under a contract;
- o) an individual who holds or performs the duties of an office or position in a public international organisation;
- p) an individual who is otherwise in the service of a public international organisation;
- q) a member or officer of the legislature of a foreign country or of part of a foreign country; and
- r) an individual who is, or who holds himself or herself out to be, an authorised intermediary of a foreign public official.



4.8 What is a “benefit”?

A loan, reward, advantage or other benefit (“benefit”) is not limited to money or property. A benefit can be any advantage. Examples of benefits include:

- a) direct and indirect payments;
- b) stock;
- c) gifts;
- d) meals and entertainment;
- e) assumption or forgiveness of debt;
- f) offer of employment;
- g) payment of travel expenses; and
- h) personal favours.

4.9 What does “indirectly” and “cause” mean in connection with giving or offering a benefit?

If a Company employee or representative or joint venture partner offers or gives a benefit, whether it is a cash payment, gift or advantage, to a public official, then they are “causing” that benefit to be conferred on the official. However, the terms “indirectly”, “offer” and “cause” as used in the Anti-Bribery Laws have a broad meaning which covers more than just the direct conferral of a benefit.

For example, someone can be said to have “indirectly” offered a benefit, or “offered” a benefit, or “caused” a benefit to be offered to a public official even where they have not actually made the offer or given the benefit themselves but have directed someone else to do so.

Therefore, if a Company employee 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 employee or representative) by their conduct, as well as the 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 bribery.

4.10 When can Kingsrose Mining be guilty of an offence?

The Company will have committed the offence of bribery if one of its employees or representatives:

- a) commits the offence of bribery in contravention of the Anti-Bribery Laws;
- b) whilst acting within the scope of their actual or apparent authority;
- c) in circumstances where the Company expressly, tacitly or impliedly authorised or permitted the commission of the offence.

A key issue is the circumstances in which the Company can be said to have authorised or permitted the payment of a bribe by one of its employees or representatives.

4.11 Constructive Knowledge

The Company and its Directors may be guilty of an offence even if they do not have actual knowledge of an offence. United States (US v Bourke) and United Kingdom (Aon Limited) court decisions have held companies and their directors responsible for the actions of employees and agents, in the absence of actual knowledge of their actions, because they did not adequately question procedures in circumstances where it ought to have been reasonably obvious, or there was a



high probability, that a breach may occur.

If a company or its directors takes active steps to avoid acquiring knowledge of any breaches, this may amount to "willful blindness" and deliberate or reckless conduct, which will attract elevated penalties.

The United States and United Kingdom experience clearly shows that having inadequate controls in place to identify deficiencies in procedures and payments is no defense.

4.12 What does "intention" mean?

A key element of bribery is the intention to influence a foreign public official in the exercise of his or her duties. Whether a person or a company intends to influence someone is a matter of fact. Intention to influence or obtain a certain result can exist whether the desired result is actually achieved.

The Company will have committed the offence of bribery if a Company employee, acting within the scope of their actual or apparent authority, acts in contravention of the Anti-Bribery Laws in circumstances where the Company either expressly, tacitly or impliedly authorised or permitted the commission of the offence. One way in which it can be established that the Company authorised the commission of an offence is by showing that the Company's board of directors (the "Board") or a "high managerial agent" (an employee, agent or officer with duties of such responsibility that his or her conduct may be fairly assumed to represent company policy), intentionally, knowingly or recklessly engaged in the relevant conduct or expressly, tacitly or impliedly authorised the commission of the offence.

4.13 Turning a 'Blind Eye'

Another way in which the Company can be found to have committed the offence of bribery is if a corporate culture existed within the Company that directed, encouraged, tolerated or lead to non-compliance with the Anti-Bribery Laws, or if it can be shown that the Company failed to create and maintain a corporate culture that required compliance. This means that were a culture of non-compliance found to exist, the Company could be held responsible for a bribe paid by an employee even if the bribe was not directly authorised by the Board or management.

To ensure that the Company has a culture of compliance, the Company requires that every director, officer, employee, and representative is aware of the laws and regulations prohibiting bribery.

The Company will provide training in accordance with this Guide and will enforce its policies to ensure that a culture of compliance exists throughout the Company's operations.

As well as ensuring that the Company has a corporate culture which requires compliance, it is essential that the culture of compliance is recognised outside the company. The Company employees must ensure that, prior to engaging agents or contractors to act on behalf of the company, they receive approval from a manager or company director. All agents, contractors and other third parties acting on the Company's behalf are required to abide by the Company's Anti-Bribery and Corruption Guide.

4.14 What is a "business advantage"?

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 concerning upcoming tenders not publicly available which provide the company with an advantage over the other prospective tenderers.

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

The Australian Criminal Code prohibits the giving or offering of a benefit that is “not legitimately due” in order to obtain or retain business, or obtain or retain a business advantage, which is “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 state, it is a facilitation payment, or it is given or offered to pay legitimate, reasonable expenses related to sales promotion activities or performance of a contract with the foreign state.

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 on the basis of merit, will be illegitimate.

If you are asked to make a payment, give a gift or confer a benefit that is not in accordance with the Company’s standard business practice, as set out in the Code of Conduct or this Guide, you must seek advice from a Company manager or senior executive or Company Secretary, before the payment is made or the gift or benefit is conferred. A key point to remember is that the Company values transparency and therefore any payment, gift or 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.

5. LEGITIMATE CONFERRAL OF BENEFITS

5.14 Gifts

Gifts will not violate the principles set out in this Guide, the Code of Conduct or the Anti-Bribery Laws unless they are made with the intention of obtaining or retaining future business or a business advantage. Gifts can take many forms. A gift can be a payment, payment in kind (which includes the provision of goods or services), personal favours or entertainment. Accepting or offering gifts of moderate value is acceptable in situations where it is legal and in accordance with the Company’s best business practice.

The Company employees 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. The approval of a Company manager or director or Company Secretary must always be obtained before giving or offering a gift. If there is any doubt about whether a gift should be given or accepted, the question should be referred to a Company manager or



director who must then seek advice from the Company Secretary (who can refer the matter to the Company's lawyers if necessary).

It is essential that all Company employees and representatives comply with Company policy in relation to gifts, and that they be seen to comply with the Company's policies and the laws and regulations that govern the Company.

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

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

5.2 Meals and Entertainment

As with gifts, reasonable entertainment expenses will not violate the principles set out in this Guide, the Code of Conduct or the Anti-Bribery Laws unless they are made with the intention of future business or a business advantage being received in return for the meal or entertainment. Meals and entertainment must not be excessive and must be fairly and accurately accounted for in the company's books and records.

5.3 Government related functions

From time-to-time, an Indonesian subsidiary company is invited to participate in, and contribute to, the costs of hosting public events. Examples of such events include public holiday exhibitions and Independence Day. In these cases, there may be an official government request to contribute to the expenses. Contributing to the support of such events is not inconsistent with this Compliance Guide, so long as the contribution is appropriate in the circumstances. Where a subsidiary company makes such a contribution, the details must be properly recorded in the Company's records.

5.4 Responding to specific requests

On occasion, an Indonesian subsidiary company may be requested to provide specific support to public services, such as the police force. An example may be a request from the Chief of Police in Sumatra to assist the Police Force, by buying tyres for police vehicles and contributing towards fuel expenses for police patrols in and around the Company's properties. So long as the contribution towards any such request meets all the elements of a facilitation payment, it is unlikely to be inconsistent with the Compliance Guide. Where support is provided in the case of such a request, the details must be properly recorded in the Company's records.

5.5 Social functions

It is not unusual in many jurisdictions for invited guests to be expected to contribute at certain functions. Examples of such functions include weddings, graduations, funeral and bereavement ceremonies and religious functions. In such cases, people are typically invited to contribute voluntarily. When such a function involves a public official, there may be some concern regarding such contributions. So long as any contribution is consistent with the contribution that the invitee would make without the presence of the public official and could be construed as reasonable in the circumstances, it is not inconsistent with the Compliance Guide.



5.6 Use of Company equipment

There may be instances where a government official requests a 'hike' on a Company vehicle or a lift on the Company's funded charter flight, space permitting. So long as accommodating any such request is not at the expense of a legitimately entitled member of the public or legitimately entitled employee, and proper records are maintained of any use of Company services by a public official, such use of Company services by a public official is not inappropriate.

5.7 What is a facilitation payment?

There are some payments, called "facilitation payments", which may be made to foreign public officials and are not prohibited under the Anti-Bribery Laws. These payments include taxes and charges levied in accordance with the local law. They also include payments that are not intended to influence a decision by a foreign public official in relation to awarding new business to, or continuing to do business with, a particular party, but rather to secure the performance of a routine government action of a minor nature.

A facilitation payment must involve something to which a person is already entitled and not something which the public official has a discretion whether or not to grant.

However, although the making of facilitation payments may be permitted by Anti-Bribery Laws, such payments may be prohibited by local laws and other international anti-bribery and corruption laws. All Company employees and representatives must ensure that their conduct does not violate Anti-Bribery Laws or other laws and regulations that govern the Company's operations.

A facilitation payment is a payment where:

- a) the value of the benefit is minor;
- b) the benefit is made for the sole or dominant purpose of expediting or securing the performance of a routine government action of a minor nature; and
- c) a record of the benefit has been made.

Each of these elements is explained below.

Routine Government Action:

A "routine government action" is an action which is ordinarily and commonly performed by a foreign 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. A key issue is whether the official is performing a routine action to which the company is ordinarily entitled. 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 or in a part of 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;
- f) protecting perishable products, or commodities, from deterioration; and
- g) any other action of a similar nature.



Approval of facilitation payments:

All facilitation payments must be approved by a Company manager or senior executive or the Company Secretary and may only be made if the purpose of the payment is to secure or expedite the completion of a routine service or administrative action to which the Company is entitled under local law and in the ordinary course of business; and:

- a) there is no reasonable alternative to making the payment;
- b) the payment is of a minor nature;
- c) the payment is legal under the local law of the country concerned; and
- d) the payment is accounted for clearly and accurately and disclosed in the Company accounts.

Record Keeping:

A record must be kept of all facilitation payments. The record must set out:

- a) the value of the benefit concerned;
- b) the date on which the conduct occurred;
- c) the identity of the foreign public official or other person in relation to whom the conduct occurred;
- d) particulars of the routine government action that was sought to be expedited or secured by the conduct; and
- e) the person's signature or some other means of verifying the person's identity. ("person" refers to the person who gave the benefit).

The onus of establishing that a payment was a facilitation payment, not a bribe, lies on the Company. Therefore, accurate records must be kept of all payments made in accordance with company policy on record keeping and internal company controls set out in this Guide.

The Company has a pro forma document that must be filled out by all staff upon the payment of a facilitation payment. Employees and representatives based on site full time must complete this form and provide the completed and executed document to the Company Secretary within 2 working days following the payment of a facilitation payment.

The keeping of these records is also important for tax reasons. The Income Tax Assessment Act 1997 (Cth) has been amended to specifically deny deductions of losses or outgoings that are determined to be a bribe to a foreign or national public official. Any records of facilitation payments that do not fully comply with the record keeping requirements of section 70.7 (3) of the Criminal Code 1995 Commonwealth will not be tax deductible.

6. REPORTING AND RECORD KEEPING

6.1 Record keeping and internal controls

Kingsrose Mining is committed to ensuring that, in accordance with this Guide, effective training programs are in place so that all employees and representatives are aware of the legislation that governs the Company's operations, including the Anti-Bribery Laws. The Company has also established strict internal controls and implemented Record-Keeping Control Guidelines, describing detailed record keeping procedures and requirements, to ensure that the Company complies with all the laws that govern its operations.

6.2 Integrity of Record Keeping and Accounts

The Company 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 Company, including Anti-Bribery Laws.

It is company policy that all books and records be kept so that they fully and fairly reflect all receipts and expenditures by the Company. In furtherance of the policy, the following shall apply:

- a) no numbered or secret account or undisclosed or unrecorded funds or asset of the Company shall be maintained or established for any purpose;
- b) no false or artificial entries shall be made in the books and records 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 Company 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.

6.3 Meetings with public officials

As far as practically possible, more than one Company employee or representative should be present at meetings with public officials. Immediately following the meeting, a note to file is to be prepared that summarises the nature of the meeting and any points of agreement reached during the meeting. The note to file must be signed by those Company employees and representatives in attendance and a copy provided to the Company Secretary.

7. REPORTING VIOLATIONS OF THE CODE OF CONDUCT OR OTHER UNETHICAL CONDUCT

7.1 Whistleblowing Policy

The Company's "Whistleblowing Policy" governs the process by which employees and representatives can anonymously notify the Company Secretary of potential or suspected violations of company policy, as set out in the Code of Conduct or this Guide, or of the Anti-Bribery Laws that apply to the Company. All employees and representatives who report violations of the Code of Conduct, this Guide or the Anti-Bribery Laws that apply to the Company can be confident that all reports will be dealt with and will be treated with absolute confidentiality in accordance with the Whistleblowing Policy, which includes that there will be no action brought against the employee or representative making the report.

For more information please refer to the Company Whistleblowing Policy.

If a Company employee or representative believes that a violation of any:

- a) legal or regulatory requirements;
- b) company policy as set out in the Code of Conduct or this Guide;
- 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 Company's financial statements, has occurred (or may occur) they should immediately report their concerns to the Company Secretary.

If an employee is not comfortable reporting a concern to the Company Secretary, he or she should report the concern to any supervisor or member of management whom he or she is comfortable approaching. Any manager or other supervisory employee who receives a report of an alleged violation must immediately forward the report to the Company Secretary.



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7.2 No Retaliation

Company employees and representatives should feel confident that any reports of alleged violations, or assistance with investigations into allegations of misconduct, will be dealt with on a confidential basis, in accordance with the Whistleblowing Policy. There will be no retaliation against employees for lost opportunity resulting from not offering or not accepting a suspected or potential bribe.

7.3 Compliance with this Guide

All Company employees and representatives must be familiar with this Guide and follow the procedures outlined in this Guide and cooperate with any investigation initiated pursuant to this Guide. Adhering to this Guide and the Code of Conduct is a condition of employment or association.

7.4 Obligation to Comply with Law

Kingsrose Mining is committed to building and maintaining a reputation for integrity, honesty and transparency. This reputation depends on its employees and representatives complying with the law.

Kingsrose Mining expects the highest standards of ethical conduct from all its employees and representatives, regardless of their position in, or relationship with, the Company. The Company requires adherence to both the letter and the spirit of all laws and regulations that govern the Company. Adherence is a term of employment or association with the Company. Violation of the law by any employee or representative may be subject to disciplinary action including termination of employment or association with the Company.

The Company employees are responsible for ensuring that their actions do not violate the law. If a Company employee is directed to do something which they believe to be unlawful, they are expected to report the incident to a member of management, or to the Company Secretary in accordance with this Guide. All complaints and reports will be treated confidentially in accordance with the Company's Whistleblowing Policy and no retaliation against a person making a report will be tolerated.

The Company managers are responsible for their own individual behaviour. To an extent, they are also accountable for the actions of the employees that report to them. Each manager is responsible for ensuring that the employees who report to them are aware of company policy as set out in this Guide and the Code of Conduct. Managers should ensure that new employees attend the training sessions to ensure that they understand company policy. Managers must report any violations of the principles set out in the Guide or the Code of Conduct to the Company Secretary and to the appropriate senior executive.

The Company will, through its Board and senior management, endeavour to maintain a work environment where frank and open discussion is encouraged and expected, without fear of retribution. The Company will ensure that any allegations of violation of Anti-Bribery Laws or any other law that applies to the Company will be treated confidentially, investigated thoroughly and dealt with appropriately in accordance with the procedures set out in this Guide.

Every employee and representative is required to understand and comply with the laws that apply to the Company, including the Anti-Bribery Laws.



8. RESPONSIBILITIES

It is the responsibility of the Company and Company employees and representatives to comply with the letter and spirit of this Guide and to aid in the prevention, detection and reporting of behaviour which may breach this Guide. Accordingly, Company employees must:

- a. comply with this Guide and all anti-bribery and corruption laws;
- b. be alert for signs of or instances of corrupt conduct in connection with the Company's business and immediately report any actual or suspected corrupt conduct or other violation of this Guide to any one or more of their immediate Manager, their Manager-Once-Removed, or the Company Secretary;
- c. seek immediate guidance from the Company Secretary if they are uncertain about conduct or have questions;
- d. report instances where improper payments are requested as soon as possible after the request is made;
- e. be open and transparent in communications and seek opportunities to reinforce and reward individuals for actively seeking to comply with and enforce this Guide;
- f. conduct appropriate due diligence into potential counterparties, agents, and other business partners and ensure that they comply with this Guide or that their own Anti-Bribery and Corruption Policies are consistent with the Company's Guide and are being followed; and
- g. communicate the Company's expectations regarding ethical business conduct and use appropriate contractual requirements in agreements with third parties to ensure that the Company has adequate protections.

9. WHAT ARE THE CONSEQUENCES OF A CONTRAVENTION OF THIS GUIDE?

A breach of this Guide by any of the Company's employees or representatives will be regarded by the Company as serious misconduct, and any such breach will be investigated and addressed by the Company. Depending on the circumstances, consequences may include:

- a. disciplinary action, the nature of which will depend on the severity of the breach, but which may include a reprimand, formal warning, demotion, and/or termination of employment in the case of employees, or termination of contract in the case of contractors, consultants or other agents;
- b. referral of the matter to regulatory and law enforcement authorities; and/or
- c. criminal and civil penalties or fines, criminal convictions and imprisonment.

In most countries, including Australia, bribery and many other forms of corruption are crimes, which can have very serious consequences for Kingsrose Mining and individuals involved in the conduct. The penalty for an individual who is found guilty of bribing a foreign official is imprisonment for not more than 10 years and/or a fine of not more than 10,000 penalty units (A\$2,100,000).

For a corporation, the maximum fine is the greater of:

- a. 100,000 penalty units (A\$21,000,000);
- b. if the value of the benefit the body corporate directly or indirectly obtained can be determined – 3 times the value of that benefit; or
- c. if the court cannot determine the value of that benefit – 10% of the annual turnover of the corporation and related bodies corporate during the 12 months ending at the end of the month in which the conduct constituting the offence occurred.



Additional business consequences for the Company can also be very serious, and include potential criminal and civil liabilities, loss of business, damage to reputation and relationships, and other such outcomes.

10. HEALTH AND SAFETY

The health and safety of the Company's personnel is paramount. Sometimes, a demand for a payment (including a Bribe) is accompanied by a direct or associated threat to physical safety or security of the individual or an associated person, which threat payment may avoid. A person reasonably believing that there is an immediate and credible threat of this type may make a payment. However, the demand and payment details must be immediately reported to the Company Secretary, or otherwise in accordance with the Whistleblower Policy.

Prepared by:	Company Secretary
Approved by:	Board of Directors
Policy Establishment Date:	September 2019
Review Date:	September 2020
Review Frequency	Annually or as required

