

# Anti-Bribery and Corruption Policy

Adopted by the Board on 22 November 2021

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## WA1 Resources Ltd – Anti-Bribery and Corruption Policy

This Anti-Bribery and Corruption Policy (**ABC Policy**) supports WA1 Resources Ltd's (**WA1**) Corporate Values Statement and its commitment to conducting business activities in an ethical, lawful and socially responsible manner, and in accordance with the laws and regulations of all the countries in which each operates.

This is first and foremost consistent with WA1's values. It is also a business and legal imperative. The reputation of WA1 and its subsidiaries (collectively, **WA1**) as an ethical business organisation is important to its ongoing success. Engaging in bribery and corrupt conduct constitutes a serious offence with criminal and civil penalties and exposes WA1 to significant reputational damage.

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### 1 Purpose and application of this policy

- (a) This ABC Policy applies to all of WA1's officers and employees and we require that all consultants, secondees, contractors, agents and intermediaries representing WA1 also comply with it (all the foregoing collectively **WA1 Personnel**).
- (b) WA1 Personnel must:
  - (i) not engage in bribery or corrupt conduct of any kind nor conceal such conduct;
  - (ii) comply with all laws and regulations prohibiting bribery and corrupt conduct applicable to WA1 and its operations;
  - (iii) comply with this ABC Policy and all the procedures WA1 adopts to prevent bribery or corrupt conduct; and
  - (iv) report any concern or suspected or potential breach of this ABC Policy immediately.
- (c) This ABC Policy is available in the "Corporate Governance" section of WA1's website.

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#### 1A What is bribery and corruption

Bribery and corruption involve offering, promising or giving a benefit, a favour, a gift or anything of value with the intention of unduly influencing the behaviour of a person or a public official in the performance of their duty, in order to obtain or retain business or some other improper advantage. It is important to note that merely offering a bribe is generally enough to constitute the offence (regardless of whether the improper advantage is in fact obtained) and that relevant laws apply to bribery of public officials but also bribery in a commercial context. **Annexure A** contains examples of "red flags" indicating that further inquiry is appropriate to verify that there are no potential bribery or corruption issues.

##### 1.2 What behaviour is prohibited by the ABC Policy

The following are prohibited behaviours under the ABC Policy.

- (a) *Offering, paying or receiving bribes to or from public officials.*

Offering, making or receiving a bribe to or from a public official is strictly prohibited.

Australia is a signatory to the OECD *Convention on Combating Bribery of Foreign Public Officials in International Business Transactions* and has enacted legislation prohibiting the offering, paying, causing or promising of anything of value to both foreign and domestic public officials. The legislation enables Australian regulators to prosecute its citizens and corporations for the bribery of public officials in Australia and other countries.

Contravention of public sector anti-bribery and corruption laws of Australia and of other countries has serious criminal and civil consequences, such as imprisonment or fines.

*(b) Offering, paying or receiving kick-backs or secret commissions and money laundering.*

Offering, making or receiving a 'kick-back' or a secret commission as an inducement or reward for doing or not doing something, or showing or not showing favour or disfavour to any person in relation to business matters, is also prohibited. Secret commissions typically arise where a person or entity offers or gives a commission to an agent or representative of another person which is not disclosed by that agent or representative to their principal. (Such a payment is generally made as an inducement to influence the conduct of the principal's business.)

Money laundering is also prohibited. Money laundering is the process by which a person or entity conceals the existence of an illegal source of income and then disguises that income to make it appear legitimate.

*(c) Private sector bribery or corruption.*

Contravention of Australian state and territory anti-bribery and corruption laws, and of laws of other countries dealing with private sector bribery or corruption, also has serious criminal and civil consequences, such as imprisonment or fines, and is strictly prohibited.

*(d) Offering or accepting gifts and hospitality beyond acceptable business courtesies.*

The practice of accepting or offering gifts, entertainment or hospitality varies between countries, regions and industries. What may be normal and acceptable in one may not be in another. It is a matter to be approached conservatively and with care by WA1 Personnel and each WA1 company.

Offering, making or receiving a gift, business courtesy or hospitality can create an obligation or be construed or used by others to allege favouritism, discrimination, collusion or similarly unacceptable practices. WA1 Personnel must not give, seek or accept in connection with WA1's business any gifts, meals, refreshments and entertainment which go beyond common courtesies associated with the ordinary and proper course of business. WA1 Personnel must avoid everything that could reasonably be construed as a bribe or an improper inducement.

Any gift, entertainment or other personal favour or assistance given or received which has a value in excess of the amount determined from time to time for each jurisdiction in which WA1 operates and available from the Company Secretary must be approved in advance by the Company Secretary and entered into the gifts and entertainment register maintained by the Company Secretary (**Gifts and Entertainment Register**).

*(e) Making donations other than in accordance with the following.*

*(i) Political donations*

All dealings with politicians and government officers which relate to WA1 and its business activities must be conducted at arm's length and with the utmost professionalism to avoid any perception of attempting to gain an advantage.

Any political donations must be authorised in advance by the Board and comply with the local law and government policies of the jurisdiction where the donation is made. They must also be recorded accurately in WA1's accounts.

Attendance at political gatherings, meetings and functions in a professional capacity is permitted where there is a legitimate business purpose. Records of attendance (and the cost of attendance) must be declared in the Gifts and Entertainment Register.

*(ii) Charitable donations*

WA1 may make charitable donations that are legal and ethical under local laws and practices. In some countries, charities can be used as a screen for illegal bribes. Accordingly, care must be taken to ensure that the charity or cause is legitimate.

A charitable donation may only be offered or made in accordance with the relevant corporate policy on charitable donations, and with the prior approval of the Company Secretary. The Company Secretary may put in place standing authorities for managers to make donations to specified levels provided that these are consistent with delegated authorities, are reviewed annually, and are made available to WA1's auditors.

Charitable donations to any organisation in aggregate in excess of the amount determined from time to time for each jurisdiction in which WA1 operates and available from the Company Secretary require the prior approval of the Board.

*(f) Improper dealing in relation to accounting records*

Intentionally or recklessly making, altering, destroying, concealing or doing something with an accounting document with the intention of concealing or disguising the receiving or giving of a bribe or any corrupt activity is strictly prohibited and is a criminal offence under Australian law.

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## 2 Procedures in implementing and monitoring compliance

### 2.1 Education and training

WA1 will provide education and training to officers and relevant WA1 Personnel in relation to the issue of bribery and corruption and this ABC Policy. The purpose of the education and training will be to assist officers and those WA1 Personnel in their understanding of what conduct is prohibited and unlawful and how to recognise and manage instances of bribery or corruption.

### 2.2 Dealing with third parties

It is important that any WA1 company proposing to engage a third party implements appropriate controls to ensure that the actions of the third party will not involve any bribery or corrupt conduct. For these purposes, a "third party" may include actual or potential agents, consultants, advisers, distributors, suppliers, purchasers or contractors.

The Company Secretary is responsible for determining which third parties require specific anti-bribery controls, and where they do the nature of those controls. The Company Secretary will make that determination having regard to this policy, the nature and location of the work being undertaken by those third parties, and any guidelines issued by WA1 from time to time. Additionally, if any "red flags" exist in relation to a third party then the proposed dealing must be referred to the Company Secretary to determine relevant anti-bribery controls even where that third party would not otherwise fall into a category in respect of which controls are normally required.

Any required scrutiny will be to a level necessary for WA1 to reach a reasonable level of confidence that it is engaged in a normal, legitimate business transaction. Ultimately WA1 needs to be sure that, if it is required to defend its actions before a judge or prosecutor, it is confident that it will be able to defend its dealings as being with a *bona fide* third party. Consequently, the nature of the controls the Company Secretary may prescribe will vary, and could include any one or more of the following:

- (a) initial screening of third parties to determine whether the level of risk in relation to them puts them “in scope” for additional inquiry. That assessment may involve third parties being assessed against specified risk factors such as geographic location, industry, background and identity, connection with government officials or entities, their compensation structure and how their selection came about;
- (b) mandating specified due diligence inquiries, including where necessary administering questionnaires, and including satisfactory resolution of all “red flags”;
- (c) obtaining external due diligence reports from reputable providers;
- (d) obtaining internal and external legal advice on the proposed dealing; and
- (e) requiring approval processes and appropriate pre and post approval risk mitigation and monitoring including:
  - (i) verification of the providence of money coming in;
  - (ii) controls to ensure proper application of money going out;
  - (iii) where there is payment to a government or government entity, controls to ensure and verify that the payment is being made into the State treasury and is subject to appropriate transparency, audit and where appropriate parliamentary oversight;
  - (iv) appropriate transparency by WA1 regarding the dealing;
  - (v) in appropriate cases and at appropriate junctures audit of compliance with this ABC Policy, additional or verifying due diligence and periodic compliance certifications; and
  - (vi) confirmation that all WA1 payments will be made in accordance with approved WA1 processes, will be subject to usual WA1 audit processes and, where appropriate, will be reflected in WA1’s accounts in the usual way.

## 2.3 Acquisitions and joint ventures

### (a) *Acquisitions*

Unless the Company Secretary determines otherwise (which he or she may do for instance in the case of an acquisition in Australia of an interest in a mining venture from a major reputable mining company), prior to any acquisition of a new company or business (including of an interest in a joint venture), anti-bribery due diligence must be undertaken, and a due diligence report completed to a level of detail and of a standard required by the Company Secretary. Detailed written records of those investigations must be retained.

Any “red flags” identified during the due diligence process must be raised with the Company Secretary and resolved to the Company Secretary’s satisfaction. Acquisition and joint venture arrangements must not be entered into until the issues identified during due diligence have been satisfactorily resolved.

All acquisition agreements to which WA1 is a party must include all WA1's standard anti-bribery and corruption and other provisions addressing the subject matter of this ABC Policy (as approved by the Company Secretary).

*(b) Joint ventures*

Where WA1 effectively controls a joint venture, the joint venture must comply with this policy.

Where WA1 does not have effective control of the joint venture, WA1 must exercise its influence to assist the joint venture to avoid improper conduct.

**2.4 Certain Transactions always require prior Board approval**

Certain transactions are by their nature inherently risky and must always be elevated to the Board for prior approval before being entered into.

The following transactions fall into that category (and are additional to transactions identified elsewhere in this ABC policy as requiring prior Board approval):

- (a) any consultancy role where the consultant is unusually close to a Government or any Government Minister or official (notwithstanding that there may be no official or commercial ties between those parties);
- (b) engagement of a party to help with commercial negotiation of a contract with a Government or government entity outside Australia (other than in a purely professional capacity such as in the capacity of a tax or legal adviser);
- (c) any transaction outside Australia, or without limitation not in the ordinary course in Australia, where a counterparty has a current or historical political connection (whether through family, business relationships, current or past government roles or appointments, current or historical holding of an elected position or otherwise); and
- (d) any transaction where elements of the transaction have no apparent justifying commercial rationale (for instance where a shell company or party that apparently brings nothing of evident value to the transaction is nonetheless the recipient of a significant payment, or where money or money's worth is passing to a party as an apparent windfall or in payment for an asset the recipient apparently received for free).

**2.5 Investigations and audits**

Any potential breaches of this ABC Policy will be properly recorded, investigated and dealt with.

This ABC policy and related procedures will additionally be subject to periodic audit and review. Periodic risk assessments will also be undertaken to identify bribery and corruption risk. The objective of any such audit or assessment is to determine whether breaches of the policy were properly recorded, investigated and dealt with and the policy or any of the procedures contained within it need to be updated as a result of any breaches.

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## **3 Responsibilities**

WA1 Personnel are expected to ensure that they understand the ABC Policy and the impact this has on their areas of responsibility. In particular, WA1 Personnel must:

- (a) endeavour to comply with the terms of the ABC Policy;

- (b) undertake all requisite training provided in relation to the laws and regulations relating to bribery and corruption and the ABC Policy; and
- (c) immediately report any concern, suspected or potential breaches of the ABC Policy to either:
  - (i) the Managing Director;
  - (ii) the Company Secretary; or
  - (iii) a Whistleblower Protection Officer in accordance with WA1's Whistleblower Protection Policy, which is available in the Corporate Governance section of WA1's website.

All material breaches of the ABC Policy must, where appropriate, be reported immediately to the Board.

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## 4 Breach of policy

Any suspected breaches of the ABC Policy will be thoroughly investigated. Any material breaches of the ABC Policy will also be reported to the Board.

In circumstances where a breach of the ABC Policy is established, appropriate disciplinary and remedial actions will be taken.

WA1 reserves the right to inform the appropriate authorities where it is considered that there has been criminal activity or an apparent breach of any law.

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## 5 Review and changes to this policy

- (a) The Board, in conjunction with the Audit and Risk Management Committee, will review the ABC Policy periodically to ensure that it is operating effectively and whether any changes are required.
- (b) The Board may change this policy from time to time by resolution.

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## Annexure A – Potential Risk Scenarios: “Red Flags”

The following is a list of bribery and corruption “red flags” that may arise during the course of working for or providing services to WA1. The list is for illustration purposes only and is not intended to be exhaustive.

If you encounter any of the following, you must report them promptly in accordance with section 4 of the ABC Policy.

- 1 The jurisdiction involved has a high level of perceived corruption risk (using the *Transparency International Corruption Perceptions Index* as a guide).
- 2 The transaction involves an industry with a high level of historical anti-bribery violations.
- 3 You learn that a third party engages in, or has been accused of engaging in, improper business practices, or has a reputation for colourable dealings.
- 4 You learn that a third party has a reputation for paying bribes or requiring that bribes are paid to it.
- 5 The third party is or has been unusually close to a Government or any Government Minister or official or has suspicious current or past political connections (whether through family, business relationships, current or past government roles or appointments, current or historical holding of an elected position or otherwise).
- 6 How a third party is “able to get things done” is puzzling having regard to the apparent lack of qualifications, resources or expertise of that third party.
- 7 A third party appears to lack the requisite capability, staff qualifications or expertise to provide the services or goods for which it is being engaged.
- 8 WA1 is being pressed by another party to engage the third party.
- 9 References from others call into question whether a third party is ethical.
- 10 A third party such as a lawyer, accountant or intermediary is undertaking work outside that party’s area of expertise and would not normally be directly involved in the type of project or business activity for which it is being retained.
- 11 A third party suggests in the context of a transaction that a donation be made to a political party or particular charity.
- 12 Aspects of a transaction with a third party lack commercial rationale or any transaction payments appear not to be arm’s length.
- 13 A third party demands payment that is excessive or not commercially explicable.
- 14 A third party insists on receiving a commission or fee payment before committing to sign up to a contract with an WA1 company, or carrying out a government function or process for an WA1 company.
- 15 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 or otherwise seems to wish to avoid a “paper trail”.



- 16 A third party requests that payment is made to a country or geographic location different from where the third party resides or conducts business.
- 17 Payment is requested to anonymous bank accounts or to an entity or person not party to the transaction or to an opaque jurisdiction or a shell company.
- 18 A third party requests an unexpected additional fee or commission to “facilitate” a service.
- 19 A third party demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services.
- 20 You learn that a colleague has been taking out a particular supplier for very expensive and frequent meals.
- 21 A third party requests that a payment is made to “overlook” potential legal violations.
- 22 A third party requests that an WA1 company provide employment, assistance with international education, or some other advantage to a friend or relative.
- 23 You receive an invoice from a third party that appears to be non-standard or customised.
- 24 A third party insists on the use of side letters or refuses to put terms agreed in writing or to enter into a usual contract.
- 25 A third party is reluctant to accept WA1’s standard anti-bribery and corruption contractual provisions or is reluctant to provide an anti-bribery and corruption certification.
- 26 You notice that WA1 has been invoiced for a commission or fee payment that appears large given the service stated to have been provided.
- 27 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 WA1 company concerned.
- 28 You are offered an unusually generous gift or offered lavish hospitality by a third party.
- 29 There is a suggestion of reciprocal favours as part of a business relationship.