

PEAK RESOURCES LTD

Anti-Bribery and Corruption Policy

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Peak Resources Limited

Anti-Bribery and Corruption Policy

Introduction

Peak Resources Ltd (**Peak**) is committed to conducting its operations ethically, with integrity, and in compliance with all applicable laws and regulations. As part of this commitment, Peak strictly forbids all forms of bribery and corruption and will take reasonable and necessary steps to ensure that such conduct does not occur in Peak's business operations.

This Peak Anti-Bribery and Corruption Policy (**ABC Policy** or the **Policy**):

- sets out the standards and practices that are generally expected of Peak and its Personnel and Business Partners in observing and maintaining the company's stance against bribery and corruption;
- and provides information and guidance to those working with Peak on how to recognise and deal with bribery and corruption issues.

The annexes to this Policy contain the following procedures which must be used by all Personnel and Business Partners to implement the Policy:

Annex A: Gifts and Hospitality Procedure;

Annex B: Business Partner Due Diligence Procedure; and

Annex C: Charitable Donations, Sponsorships and Community Investments Procedure,

(together, the **Procedures**).

The Procedures outline in detail the steps that Personnel and Business Partners must take before engaging in certain transactions (for example, providing gifts to a Government Official (Annex A); engaging a third party as a Business Partner (Annex B); or investing in a local community project (Annex C). Many such transactions require the completion of the forms attached to the Procedures.

The Procedures form part of this Policy and should be interpreted and implemented in accordance with this Policy. Use of the Procedures is mandatory when the Policy indicates they are required.

This Policy should be read in conjunction with Peak's other policies.

1. Scope and applicability

This Policy applies to Peak and all of its Personnel and Business Partners.

In the event of a conflict between this Policy and any laws, regulations or other applicable company policy, procedure or guidance, you must adhere to the more restrictive requirement. If you have any doubt, you should contact the Chief Financial Officer or Managing Director (the **Compliance Officers**) for guidance.

When in doubt about a potential course of conduct covered under this Policy, consider the following questions:

Is the conduct legal?

Is the conduct ethical?

Would the conduct reflect positively on Peak and me personally?

2. Key Terms

- **Anything of Value** is broadly construed and includes, (but is not limited to) cash and cash equivalents in any amount; gifts and gift cards; meals, entertainment and other hospitality; travel and lodging; training; in-kind services; business for which fair value for services and/or supply is not rendered, employment, education or investment opportunities; contractual rights or interests; discounts or credits; commissions, kickbacks, rebates, loans or other compensation; payment of other expenses; and political donations or charitable contributions.
- **Applicable Anti-Corruption Laws** mean any law, rule, regulation, or other legally binding measure of any jurisdiction that relates to bribery and corruption applicable to Peak and its Personnel and Business Partners including, but not limited to, the U.K. Bribery Act (**UKBA**), the U.S. Foreign Corrupt Practices Act of 1977 (**FCPA**) and Division 70 of the Australian Criminal Code Act.
- **Business Partner** means all third party individuals (i.e., those individuals not included in the definition of Personnel) or entities engaged by Peak to interact with external parties for or on behalf of Peak or to otherwise represent Peak before external parties (for example, agents, consultants, brokers, introducers, commercial representatives, political advisors). Third parties that do not interact with external parties on behalf of Peak are not Business Partners (for example, customers, utility companies, banks, suppliers of goods or equipment). Further guidance on the types of third parties who are Business Partners is set out in the “*Third parties*” section of this Policy.
- **Facilitating Payment** means a payment made to a Government Official to expedite or secure the performance of any routine or non-discretionary governmental action, which is ordinarily and commonly performed by a Government official, such as processing government paperwork or providing telephone or mail service, but does not include payments that are required under local law.
- **Government Official** means any: (1) officer, employee or agent of any government or public international organisation (e.g., United Nations, World Bank) or any agency, department or instrumentality thereof (including officers, employees or agents of a company or business owned (even partially), controlled, or operated by any government or public international organisation); (2) officer, employee or agent of a political party; (3) candidate for political office; or (4) person acting on behalf of any of the foregoing.
- **Personnel** means all employees, officers, and directors, as well as all other individuals who work at or with Peak in the same capacity as an employee, including agency workers, secondees and contract hires.

3. Bribery and corruption

“*Corruption*” is generally understood as the abuse of power for private gain. “*Bribery*” is more specific and refers to the offering, promising, accepting or soliciting of an advantage or Anything of Value as an inducement for an action which is illegal, unethical or a breach of trust. Bribery is a form of corruption and often features in corruption cases.

In a business context, bribes may be sought or offered in order to obtain or retain business. For example, a Government Official may seek a bribe in exchange for favourable treatment in a governmental action.

The Applicable Anti-Corruption Laws generally criminalise conduct amounting to bribery and corruption. Disguising or concealing bribe payments in accounting records are also often criminal offences under the Applicable Anti-Corruption laws. The penalties for violating these laws are serious and can include severe fines and other penalties (e.g., debarment) for companies, and fines and imprisonment for individuals.

Some Applicable Anti-Corruption Laws prohibit acts of bribery or corruption regardless of whether the conduct takes place in a public sector or private sector context. Some Applicable Anti-Corruption Laws, such as the FCPA, and the UKBA, may have extra-territorial effect, meaning that they may apply to conduct occurring outside the countries where the laws have been enacted. Prohibited payments must also not be made indirectly (i.e., via a third party as an intermediary).

Peak does not condone bribery and corruption. All Personnel and Business Partners are prohibited from, directly or indirectly, offering, promising, giving or demanding a bribe or other undue/improper advantage, with the intention of corruption, to or from Government Officials, third parties or other individuals closely connected with such Government Officials and third parties (such as family members). Peak also expects all Personnel and Business Partners to conduct themselves, in particular with respect to Peak business, in an ethical manner that is free of bribery and corruption.

As noted above, the provision of Anything of Value as a bribe or an undue/improper advantage can take many forms. Examples of conduct that could be perceived as a form of bribery include:

- Providing employment to the relative of a Government Official when that individual is unqualified and/or overpaid for the position;
- Making a charitable donation to an organization closely associated with a Government Official;
- Using a supplier that is owned, wholly or partially, by a Government Official (or relatives of a Government Official);
- Providing excessive and/or unjustified rebates and discounts to certain customers; and
- Agreeing to a kickback scheme with a supplier to allow the supplier to overcharge the company and create a "slush fund" to make improper payments to others.

Personnel who violate this Policy will face serious consequences, including, but not limited to disciplinary action (including dismissal), sanctions and/or (where appropriate) reports to government authorities. Business Partners who violate this Policy may be subject to termination of all commercial relationships with Peak and reporting to relevant government authorities.

4. Policy

This section of the Policy provides guidance on the following anti-corruption / anti-bribery issues likely to arise in the course of Peak's business operations:

- Gifts and hospitality;
 - Third-parties;
 - Facilitating payments;
 - Solicitation, extortion and personal safety payments; and
 - Political contributions and charitable donations.
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4.1 Gifts and hospitality

Exchanging reasonable gifts of nominal value and sharing hospitality (e.g., coffee, meals) in connection with a legitimate business purpose can foster constructive business relationships. Additionally, Personnel and Business Partners may need to interact with Government Officials in the course of carrying out work relating to Peak's business or its operations (e.g., obtaining licenses or permits etc.). However, gifts and hospitality are considered Anything of Value under the Applicable Anti-Corruption Laws. Personnel and Business Partners who improperly provide gifts and hospitality to Government Officials or others can erode trust in Peak and such conduct can be a mask for bribery. Improper behavior includes any excessive or frequent gifts or hospitality that is more than a routine social courtesy.

Personnel and Business Partners must never offer or give gifts and hospitality to Government Officials or others to affect, or appear to affect, the ability of the recipients to make objective business decisions or in exchange for preferential treatment.

Accordingly, to avoid the appearance of impropriety, Peak prohibits the offer or giving of Anything of Value of over AUD\$100.00 for payments considered gifts or to Government Officials and up to AUD\$300 for payments considered hospitality, without prior written approval from the Compliance Officer.

Personnel and Business Partners may provide gifts and hospitality under AUD\$300.00 in value to Government Officials and others without prior written approval, provided that the gifts and hospitality are not:

- cash or cash equivalents (e.g., iTunes gift cards);
- offered in exchange for something in return (i.e., as *quid pro quo*);
- likely to be perceived as extravagant (e.g., tickets to the World Cup with overnight stay);
- given at a time when you are negotiating a contract or a business deal with the other party;
- part of what might appear to be a pattern of giving frequent gifts;
- indecent or sexually oriented;
- illegal or violates this Policy;
- capable of adversely impacting Peak's reputation; and/or
- intended, or may be perceived by others, to influence the recipient's business decisions.

Gifts and hospitality given to a third party should be properly recorded in Peak's books and records, or in the case of a Business Partner, in that Business Partner's financial records.

Personnel and Business Partners must not use personal funds to pay for any gift or hospitality provided in connection with Peak business.

Gifts and Hospitality Procedure

Peak's Gifts and Hospitality Procedure, which outlines in detail the steps that Personnel and Business Partners must take before providing gifts and hospitality, is attached as **Annex A** to this Policy.

4.2 Third parties

All dealings with third parties (including Business Partners) are to be carried out with the highest ethical standards and shall comply with all relevant laws and regulations, including all Applicable Anti-Corruption Laws.

Peak Personnel and Business Partners are prohibited from making payments to a third party, when it is known, or if there is reason to believe, that such payments would result in a bribe.

Business Partners

Peak must conduct reasonable due diligence on all potential Business Partners to ensure that the company only enters into business relationships with reputable and qualified Business Partners that are willing and able to comply with this Policy.

Whether a third party is a Business Partner depends on the scope of work to be undertaken by that third party for Peak. The table below provides a non-exhaustive list of third parties and includes guidance to assist with determining whether a third party is a Business Partner. If a third party falls within the definition of a Business Partner then they must be subject to reasonable due diligence in accordance with the Business Partner Due Diligence Procedure (**Annex B**) before being engaged by Peak.

Any questions or concerns as to whether a third party is a Business Partner which must be subject to the Business Partner Due Diligence Procedure (Annex B) should be directed to the Compliance Officer.

Example of third party	Business Partner?
<i>Any third party acting for or on behalf of Peak</i>	✓
<i>Political advisor or consultant dealing with Peak's relations with Government Officials</i>	✓
<i>Security consultant interacting with military or police forces at the instruction of Peak</i>	✓
<i>Agent processing visas for Peak</i>	✓
<i>Travel agent responsible for making travel arrangements for Government Officials on Peak's behalf</i>	✓
<i>Customs broker working on behalf of Peak</i>	✓
<i>Supplier of goods or machinery used by Peak on-site</i>	✗
<i>Agent instructed to assist Peak in obtaining environmental permits for Peak</i>	✓
<i>Company engaged by Peak to train Personnel</i>	✗
<i>Freight forwarder engaged by Peak regarding the export of concentrate</i>	✓
<i>Customer purchasing concentrate from Peak</i>	✗

Due diligence

Before doing or agreeing to do business with any prospective Business Partner, Peak shall require each potential Business Partner to complete the appropriate due diligence questionnaire and compliance

certificate, which will be reviewed by the Compliance Officer, who will then determine the appropriate level of due diligence.¹

Further targeted or enhanced due diligence may be warranted when “red flags” are present (i.e., any indication that the Business Partner has committed a violation of the Policy or that such a violation may likely occur). For example, Peak shall conduct more extensive due diligence on any Business Partner who will be providing services in a country with a history of corruption or will be interacting with Government Officials on behalf of Peak. Depending on the level of potential risk, due diligence may include one or more of the following steps:

- Performing a basic internet search to determine if the Business Partner has any close ties to Government Officials, if media reports raise questions about the reputation of the Business Partner, or if any other potentially troublesome information arises;
- Requesting and checking the Business Partner’s references and qualifications;
- Identifying the legal and ownership structure, including whether the Business Partner is owned or controlled, in whole or in part, by any Government Official;
- Checking with local embassies, law enforcement, and business groups to verify the Business Partner’s bona fides and ethical reputation; and
- Checking various government debarred lists.

As is appropriate under the circumstances, Personnel should consult with the Compliance Officer to determine the necessary level of due diligence. Due diligence records should be maintained in Peak’s files for a minimum period of five years.

Peak shall perform periodic due diligence updates throughout the Business Partner’s engagement. Peak will not engage Business Partners if there is any reason to suspect that they may attempt, directly or indirectly, to violate this Policy.

Written agreement

No Business Partner may act on Peak’s behalf, and Peak shall not be liable to pay any Business Partner, until (1) the engagement is approved by both the relevant Peak business unit responsible for the relationship and the Compliance Officer; and (2) Peak and the Business Partner enter into a written contract.

Where appropriate, Peak may require that the written contract include appropriate anti-corruption provisions, such as: (1) a commitment from the third party to comply with this Policy; (2) a clause permitting Peak to terminate the contract for violations of this Policy; and (3) audit rights that allow Peak to examine the third party’s books and records relevant to its work for or on behalf of Peak.

Payments

Payments to a Business Partner must only be made pursuant to such contract, and shall comply with this Policy and any other applicable procedures, including accounting procedures. Peak must properly record all payments made to Business Partners in the company’s accounting records

¹ Certain well-known international companies (or whose shares are traded in a major international stock exchange) may require modified due diligence under this Policy. If you are considering a relationship with such a company, please consult with the the Compliance Officer regarding whether you need to send a due diligence questionnaire to the proposed third party.

(including expense reports), and the records must contain sufficient detail, so that the recipient(s) and purpose of payment to a Business Partner are clear and accurate.

Compliance

Any Business Partner that violates this Policy may be subject to termination of all commercial relationships with Peak.

Business Partner Due Diligence Procedure

Peak's Business Partner Due Diligence Procedure, which sets out in detail the steps that Peak Personnel must take before engaging a third party as a Business Partner, is attached as **Annex B** to this Policy.

4.3 Facilitating Payments

Facilitating Payments can amount to bribery under the Applicable Anti-Corruption Laws and are, in most situations, *illegal*.

Peak strictly prohibits the paying of Facilitating Payments in the conduct of its business. If a Facilitating Payment is made in violation of this Policy, then the Facilitating Payment must be promptly reported to the Compliance Officer.

4.4 Solicitation, extortion and personal safety payments

On occasion, a Government Official, someone claiming to act on the Government Official's behalf, or others may attempt to solicit or extort Anything of Value from Peak, its Personnel and/or its Business Partners. When encountering such a situation, all Personnel and Business Partners must inform the Government Official that Peak does not improperly provide Anything of Value to Government Officials or others, and immediately report the incident to the Compliance Officer.

However, Peak recognises that Personnel and Business Partners may encounter situations in which payments are demanded, without advance notice or disclosure. This Policy permits such payment in situations *where harm to an individual's health or safety appears real and imminent*, or where that individual believes that they or others may be in imminent danger, if payment is not made (a **Personal Safety Payment**).

Some examples of situations in which Personal Safety Payments may be encountered are the following:

- stopped by police, military or paramilitary personnel, or militia (uniformed or not) at designated or other checkpoints or other places and payment is demanded as a condition of passage of persons or property;
- stopped at the airport by customs or passport control personnel or military personnel (uniformed or not) and payment is demanded for entry or exit of persons or property; or
- asked by persons claiming to be security personnel, immigration control, or health inspectors to submit to an allegedly required inoculation or other similar procedure, but a payment will avoid this.

The circumstances surrounding any actual, potential or suspected Personal Safety Payment must be reported thereafter as soon as possible to the Compliance Officer. Depending on the situation, the the Compliance Officer may determine that it is appropriate to report the issue to that individual's consulate and/or embassy, or to the relevant local authorities (including authorities of the individual's home jurisdiction).

In all such cases, the making of any Personal Safety Payment must be appropriately recorded in Peak's books and records or, in the case of a Business Partner, in that Business Partner's financial records.

4.5 Political contributions and charitable donations

Peak does not allow contributions to political parties and/or to candidates for political office. No Personnel or Business Partner is to make a political contribution stated to be, or which could be taken to be, made on Peak's behalf.

A charitable donation is a gift made by an individual or company to a non-profit organization or charity. Charitable donations are commonly provided in the form of cash or other assets. However, charitable donations may also be made in the form of a contribution of services, facilities, merchandise, or Anything of Value. Charitable donations typically do not require the recipient to provide anything in return. Peak may exercise its discretion and make charitable donations to further worthy social causes.

Any charitable donation made by Peak (or in its name) must be approved by the Compliance Officer.

Charitable Donations, Sponsorships and Community Investments Procedure

Peak's Charitable Donations, Sponsorships and Community Investments Procedure, which sets out in detail the steps that Personnel and Business Partners must take before making such contributions, is attached as **Annex C** to this Policy.

5. Accounting Records

Peak expects all Personnel and Business Partners to comply with the applicable financial record-keeping and internal control standards to avoid risky or suspicious payments.

All expenditures made by or on behalf of Peak must be expeditiously and accurately recorded in Peak's books and records or, in the case of a Business Partner, in the Business Partner's books and records. All transaction entries must include reasonable detail so that accounting records fairly reflect the transactions.

All Peak Personnel and Business Partners are strictly prohibited from making any payments without correct supporting documentation, any "off the books" payments, or committing other fraudulent accounting practices such as altering or falsifying books and records to disguise or cover up payments, payment of false or fraudulent invoices, omission of relevant information, miscoding of the general ledger or falsifying expense reports.

6. Training

Peak will provide training to all Personnel, as appropriate, to ensure that they are thoroughly familiar with the prohibitions and obligations imposed by this Policy. Where necessary and appropriate, Peak may either request documentation showing that certain Personnel have attended adequate anti-corruption compliance training, or require these Personnel to undergo such training.

7. Monitoring compliance and expectation of cooperation

Peak may periodically conduct internal or external audits or other reviews of this Policy to assess the risk of violations of Applicable Anti-Corruption Laws and detect potential violations when they occur.

As part of these reviews, Peak expects all Personnel and Business Partners to cooperate with Peak, and its inside or outside legal counsel or auditors or similar parties.

8. Reporting

All Peak Personnel and Business Partners are expected to raise good faith concerns and to report all activity which may be a violation of this Policy. All reports will be kept confidential to the extent permitted by law.

Peak through its Whistleblower Policy is committed to ensuring that no one suffers any detrimental treatment (including disciplinary action, threats of any kind, or any other repercussions) as a result of refusing to take part in bribery, or because of reporting in good faith any concerns. Peak will not permit any form of intimidation or retaliation (such as demotion, suspension, threats or harassment) against any Personnel or Business Partner who makes such a report in good faith. Peak will take action against any person engaging in such retaliatory conduct.

All Personnel and Business Partners may ask questions, raise concerns or report possible violations of this Policy through any of the following resources available at Peak:

- the Compliance Officer or your immediate superior

All Peak Personnel and Business Partners may also report possible violations of this Policy via the company's Chair. To the extent permitted by law, such reports can be made anonymously. Peak will not permit any form of intimidation or retaliation (such as demotion, suspension, threats or harassment) against any Personnel who makes a good faith report

9. Exceptions

Personnel and Business Partners must obtain written approval from the Compliance Officer before taking any action that is inconsistent with, or could be viewed as being potentially contrary to, any of the terms of this Policy.

10. Peak's Expectations

Preventing, detecting and reporting bribery is the responsibility of all Personnel and Business Partners. In addition, all supervisors and managers at Peak are expected to promote a culture of compliance with this Policy. Accordingly, Peak expects all Personnel and Business Partners to:

- ensure that they understand and comply with this Policy and avoid any activity that may lead to a breach of this Policy in all business dealings in relation to, and on behalf of, Peak;
 - act with integrity in connection with their business dealings in relation to, and on behalf of, Peak, avoiding even the appearance of impropriety;
 - attend training sessions relating to this Policy as requested;
 - ask any questions, raise concerns or report any possible violations regarding this Policy through any of the resources available at Peak;
 - take necessary steps to ensure that all other Personnel and Business Partners understand and comply with this Policy;
 - maintain timely, accurate and complete books and records of, and internal controls over, all expenditures made by or on behalf of Peak; and
 - understand and respect the policies of other companies and government agencies with which Peak does business; and certify, as requested, that they have read, understood and complied with this Policy.
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11. Policy Review

Peak reserves the right to amend or revise this Policy from time to time to meet both regulatory and contemporary industry standards and practices and all amendments and revisions are effective immediately upon posting. Personnel and Business Partners must review this Policy from time to time to ensure they are in compliance.