



Anti-Bribery and Corruption Standard

Version	Document Name	Written by	Reviewed by	Approved by	Date
Final V1.0	STD-COR-ADM-030_Anti-Bribery & Corruption Standard_V1.0	DLA Piper	B Cohen J De Jager N Ferguson	AVZ Board	27 July 2022

TABLE OF CONTENTS

1.	Context and purpose.....	2
2.	Scope	2
3.	Standard.....	3
4.	What is Bribery and Corruption?	3
5.	Prohibition on Bribery.....	4
6.	Facilitation Payments.....	5
7.	Red flags.....	5
8.	Practical guidance.....	6
9.	Countries with higher risk	7
10.	Record keeping.....	7
11.	Joint Ventures.....	8
12.	Training	8
13.	Anti-bribery Officer	9
14.	Raising Concerns.....	10
15.	Non-compliance with this Standard.....	10
16.	Further Information	10
17.	Changes to Standard.....	11
18.	Approval of Standard	11
19.	Related Policies/Standards.....	11
20.	Document Control	11

1. CONTEXT AND PURPOSE

- 1.1 AVZ Minerals Group has zero tolerance of bribery or corruption in any form.
- 1.2 AVZ Minerals Group has a moral and ethical responsibility to act with integrity in how we conduct our business. We owe this duty to the communities in which we operate, and we take this duty seriously. Bribery and corruption hinder economic growth by confounding market principles, and the victims are individuals and businesses that rely on sustainable growth for their physical and social wellbeing. For this reason, AVZ Minerals Group does not tolerate bribery or corruption in any form.
- 1.3 In addition to our ethical responsibilities, AVZ Minerals Group is subject to local laws that prohibit bribery and corruption and require that steps be implemented to prevent bribery within AVZ Minerals Group and by our business partners. The consequences of any violation of these laws can be severe, including large fines for AVZ Minerals Group and imprisonment and fines for the individuals involved. Furthermore, failure to follow applicable laws can result in irreparable damage to AVZ Minerals Group' reputation.
- 1.4 AVZ Minerals Group endeavours to meet our ethical obligations and to abide by both the spirit and letter of applicable laws wherever we operate. For these reasons, AVZ has implemented this Anti-bribery and Corruption Standard (**Standard**) in addition to our existing Anti-bribery and Corruption Policy (**Policy**).

2. SCOPE

- 2.1 This Standard applies to:
1. AVZ Minerals Limited and all its subsidiaries and related entities (collectively the **AVZ Minerals Group**),
 2. all directors, officers, employees and any other person whose work is supervised by AVZ Minerals Group as though that person were an AVZ Minerals Group employee (**AVZ Minerals Group Personnel**);
 3. any other person or entity to the extent that they act on behalf of AVZ Minerals Group, including consultants, contractors, suppliers, agents or intermediaries (**AVZ Minerals Group third parties**).
- 2.2 You must ensure that you do not contravene any applicable laws and regulations on bribery and corruption, in countries in which AVZ Minerals Group operates or which AVZ Minerals Group is otherwise required to comply with.

3. STANDARD

- 3.1 AVZ Minerals Group does not accept or allow bribery or corruption in any form, whether by our AVZ Minerals Group Personnel or by any third party who acts on our behalf.
- 3.2 AVZ Minerals Group desires to do business with business partners that share our commitment to legal and regulatory compliance, acting ethically and with integrity in all business dealings, and those which have policies and procedures in place that reflect that commitment.
- 3.3 This Standard applies to private or commercial bribery, as well as bribes given to Government officials.
- 3.4 “Government Officials” include:
1. local, state, provincial and national governments (legislature, executive and judiciary);
 2. members of a ruling or royal family;
 3. sovereign wealth funds;
 4. public international organisations, such as the United Nations and World Bank;
 5. political parties and candidates for public office; and
 6. officers, employees, contractors and agents of the abovementioned categories.

4. WHAT IS BRIBERY AND CORRUPTION?

- 4.1 Bribery is promising, offering, giving or authorising the giving of anything of value to a person in business or government, to encourage that person to perform their functions or activities improperly or to reward that person for having already done so.
- 4.2 Bribes can take many forms, including money, cash equivalents (e.g., pre-paid vouchers), digital currency payments, gifts, offers of employment, preferential treatment, travel, entertainment, accommodation and charitable contributions.
- 4.3 Bribery can be indirect, for example, where:
1. a person procures an intermediary to bribe to another person; or
 2. a bribe is made to an associate of a person sought to be influenced.

4.4 Corruption is the abuse of entrusted power for private gain.

4.5 Corruption can occur in both the public and private sectors and takes many forms. It can include behaviours like the misuse of public money or granting jobs to family members

5. PROHIBITION ON BRIBERY

5.1 AVZ Minerals Group Personnel, and those acting on AVZ Minerals Group' behalf, must not be a party to any form of Bribery or related misconduct including, by way of example:

- offering, making or accepting anything of value that is not for legitimate services or goods, but are for encouraging the recipient or another person to act improperly;
- inducing or attempting to induce a government official to do anything by offering or giving anything of value to her/him personally or to a family member, friend or business associate;
- influencing or attempting to influence the business decisions of any person by offering or giving anything of value to her/him personally or to that person's family member, friend or business associate;
- accepting or requesting anything of value for your personal benefit or the benefit of a family member, friend or business associate, in exchange for giving preferential treatment to a business partner;
- offering, making or accepting payments that are not properly authorised;
- recording payments or other disbursements in AVZ Minerals Group' books or records inaccurately or with insufficient detail, that do not appropriately reflect AVZ Minerals Group' transactions or do not conform to the applicable legal requirements and to AVZ Minerals Group' system of internal controls;
- failing to record or report gifts or entertainment to the Anti-bribery Officer in accordance with any 'Gifts and Entertainment Standard' adopted by the AVZ Minerals Group from time to time, accurately and with sufficient detail, or failing to obtain approval where required;
- failing to report any suspicion that any of the above actions have taken place, whether internally or externally; or
- participating, encouraging or otherwise facilitating any of the above actions.

5.2 Particular care must be taken when providing donations or any charitable donations as it can be used to disguise bribes. In particular:

- **(Charitable donations)** - for any charitable donations' overs the value of AUD100 you must obtain prior written approval from the Anti-bribery Officer.

- **(Political party donations)** - with respect to any donations to be made to political parties, prior written approval must be obtained from the Chief Executive Officer in consultation with the Anti-bribery Officer, regardless of their value.
- **(Engagement with lobbyists)** - any engagement with lobbyists on behalf of AVZ Minerals Group must be approved in advance by the Chief Executive Officer in consultation with the Anti-bribery Officer.

6. FACILITATION PAYMENTS

- 6.1 Facilitation Payments are payments that are typically made to lower-level government officials to expedite routine services they are obliged to perform. For example, a customs official at an international airport asks you to pay \$20 for the official to process your paperwork for your entry into the country in a timely manner, the implication being that you will have to wait for the remainder of the day if you do not make the payment before being allowed through.
- 6.2 The definition of Facilitation Payments differs slightly from bribes – in that the additional payment is for services for which an individual is entitled. The request for a Facilitation Payment is not an attempt to distort proper decision-making processes. Nevertheless, they are banned in numerous jurisdictions.
- 6.3 AVZ Minerals Group is opposed to making Facilitation Payments. AVZ Minerals Group Personnel, and persons acting on its behalf, must not make these payments, unless they are forced to do so under duress (for example, they are threatened with harm if they do not make the payment). Any Facilitation Payments made under duress must be reported to the Anti-bribery Officer and must be documented.

7. RED FLAGS

The following are some examples of red flags that you should look out for, as they suggest a risk of bribery. Although such red flags may not themselves constitute violations, they are warning signs that need to be taken seriously and investigated:

- **(large retainer or success bonus)** a contractor we are about to engage has asked for a large retainer to “get things started” or a “success bonus”;
- **(excessive commissions)** a new customer has asked us to use a particular agent that charges commission at an above-market rate;
- **(lack of supporting documentation for invoice)** a local consultant recently submitted an unusually high invoice for “services rendered” without supporting documentation or a description of the services provided;

- **(request for donation)** a Government Official has indicated that a large donation to a local charity, or his/her political party, will be “looked favourably upon” in the upcoming licence/permit renewal;
- **(facilitation payments)** a Government Official has asked for a small payment to be paid to him/her to speed up a basic administrative task like issuing a visa, giving customs clearance, or connecting a phone line. AVZ Minerals Group does not make “grease” or “speed” payments (sometimes called “facilitation” payments), however small;
- **(payments to unrelated bank accounts)** a supplier has asked us to make payment to a bank account not registered in its name;
- **(Government Officials)** a consultant, contractor or other intermediary is an active or retired government official or is related to a government official, or the intermediary is owned in whole or in part by a government official or relative of a government official;
- **(provision of “influence”)** a consultant, contractor or other intermediary is new to the business or lacks the facilities or staff to perform customary services or can only contribute “influence”;
- **(media reports of improper conduct)** there have been public accounts in the media of actual or suspected improper conduct by a consultant, contractor or other intermediaries;
- **(lack of good business practice)** conduct by a consultant, contractor or other intermediary which is suspicious or inconsistent with good business practices;
- **(refusal to comply with laws)** refusal by a consultant, contractor or other intermediary to comply with anti-corruption laws and standards;
- **(promises to “expedite”)** promises by a consultant, contractor or other intermediary of being able to “expedite” normal business or bid processes;
- **(request for cash payments)** requests for commission or other payment to be made only in cash;
- **(offer of gifts)** a company wishes to win a major contract with AVZ Minerals Group and offers to purchase a car for an AVZ Minerals Group employee who can influence the tendering process; or
- **(offer of donation)** a wealthy client arranges for their company to make a significant ‘donation’ to a charity supported by AVZ Minerals Group, in return for a paid internship run by AVZ Minerals Group or other paid role within AVZ Minerals Group.

8. PRACTICAL GUIDANCE

8.1 If you are ever offered a bribe or are requested to make a Facilitation Payment, we have set out below a process for you to follow in rejecting and reporting the offer of a bribe or request for a Facilitation Payment:

1. **(enquire)** confirm the intention behind the requested payment or offer;

2. (**refuse**) if you consider it is a bribe (including a facilitation payment), note that it would be against company policy for you to make the payment or accept the offer;
 3. (**reiterate**) if they continue to discuss the matter, reiterate the above position at (2), request that they stop, and then walk away; and
 4. (**report**) after the discussion, immediately report the matter to the Anti-bribery Officer – you may wish to do so in accordance with AVZ Minerals Group’ applicable Whistleblowing Policies (please see paragraph 14 below).
- 8.2 If at any time you consider that your safety is at risk, please make the payment. You should then report the matter to AVZ’s Anti-bribery Officer as soon as you can.

9. COUNTRIES WITH HIGHER RISK

- 9.1 Each year, Transparency International (<https://www.transparency.org/en>) publishes a useful Corruption Perception Index. Staff can consult this Index to understand the perceived risks of corruption associated with particular countries.
- 9.2 You should take extra care in your due diligence prior to carrying out business in or with any countries flagged by Transparency International as having an unacceptable corruption rating (below 65). These countries present a much higher risk of bribery.
- 9.3 As part of that due diligence, you should liaise with the Anti-bribery Officer and note the intention to do business with or in that country. The Anti-bribery Officer will also consider what further precautions should be put in place prior to conducting the business in or with the relevant country.

10. RECORD KEEPING

- 10.1 All expenses incurred on behalf of AVZ Minerals Group, including expenses associated with dealing with third party intermediaries and Government Officials (e.g., gifts, entertainment, reimbursement for legitimately incurred travel expenses, etc), must be properly documented and accurately recorded. To the extent that gifts and entertainment is provided, these must be reported to the Anti-bribery Officer in accordance with any ‘Gifts and Entertainment Standard’ adopted by the AVZ Minerals Group from time to time.
- 10.2 Proper documentation should include, at a minimum:
- supporting invoices and receipts;

- the name of the person or organisation paid;
- the reason for the payment in sufficient detail; and
- the approval authority for the payment.

10.3 Some anti-corruption laws also contain provisions regarding the maintenance of books and records and prohibiting false entries and other means of deceptive accounting which could be employed to hide the use of monies for bribery. Large penalties for both companies and individuals can apply if these laws are breached. At AVZ Minerals Group, the falsification of accounting entries and other means of deceptive accounting is strictly prohibited.

11. JOINT VENTURES

The following procedures should be implemented in relation to joint venture arrangements:

1. where AVZ Minerals Group controls the joint venture, the parties to the joint venture must comply with the AVZ Group's Policies and Standards; and
2. where AVZ Minerals Group does not control the joint venture, the other party to the joint venture should be:
 - a) made aware of AVZ Group's Policies and Standards, and the significance that AVZ Minerals Group places on them; and
 - b) encouraged to apply the same or similar Policies and Standards to the operations of the joint venture.

12. TRAINING

12.1 The following persons must complete training in this Standard at such times as required by AVZ Minerals Group:

- c) AVZ Minerals Group Personnel;
- d) any person, acting on behalf of AVZ Minerals Group, on a project that spans more than six months.

12.2 All newly appointed AVZ Minerals Group Personnel must complete training in this Standard within three months of starting in their role.

13. ANTI-BRIBERY OFFICER

- 13.1 The Anti-bribery Officer is responsible for overseeing the implementation and compliance of this Standard and AVZ's wider anti-bribery programme.
- 13.2 The Anti-bribery Officer will be the Chief Financial Officer of AVZ Minerals Limited.
- 13.3 The Anti-bribery Officer will:
- ensure this Standard is easily accessible to AVZ Minerals Group Personnel and persons acting on its behalf;
 - oversee AVZ Minerals Group' compliance with anti-bribery and corruption;
 - ensure compliance with AVZ Minerals Group' anti-bribery training programs;
 - monitor the effectiveness of this Standard;
 - report as required to the Board regarding the effectiveness of this Standard whilst observing any obligations of confidence at law and under any applicable AVZ Minerals Group Whistleblowing Policy or Standard; and
 - recommend the adoption of Policies and Standards by the Board of Directors of AVZ Minerals Group companies.

- 13.4 The Anti-bribery Officer must provide written quarterly reports to the Board, that summarise any:
1. reports (made pursuant to clause 14 below); and
 2. matters of interest relating to this Standard, which are:
 - a) within the actual knowledge of the Anti-bribery Officer; and
 - b) a reasonable impartial person, acting in the capacity of the Anti-bribery Officer, would consider it should be made known to the Board.
- 13.5 The reports, mentioned above at clause 13.4, must comply with AVZ Mineral's Whistleblower Protection Policy,

14. RAISING CONCERNS

- 14.1 If you become aware of any information that gives you concerns about bribery or corruption related to AVZ Minerals Group, including a breach of this Standard, please alert the Anti-bribery Officer as soon as possible.
- 14.2 In raising your concern, you may wish to follow the whistleblowing process applicable to your circumstances (see [AVZ Mineral's Whistleblower Protection Policy](#), for more details on these processes).

15. NON-COMPLIANCE WITH THIS STANDARD

- 15.1 We consider non-compliance with this Standard to be a serious matter, which may warrant disciplinary action, including dismissal.

16. FURTHER INFORMATION

- 16.1 If you have any questions about this Standard, please contact the Anti-bribery Officer.

17. CHANGES TO STANDARD

17.1 We may change this Policy from time to time.

17.2 Any material changes to this Standard will be communicated as required.

18. APPROVAL OF STANDARD

18.1 Changes to Standard must be approved by the Boards of the AVZ Minerals Group.

19. RELATED POLICIES/STANDARDS

19.1 Associated AVZ Minerals Group policies include:

- AVZ Mineral’s Whistleblower Protection Policy;
- AVZ Mineral’s Code of Conduct; and
- AVZ Mineral’s Gift and Entertainment Standard

20. DOCUMENT HISTORY

Document Name: STD-COR-ADM-030_Anti-Bribery & Corruption Standard

Website Publication: Yes / No

Version	Document Name	Written by	Reviewed by	Approved by	Date
Final V1.0	STD-COR-ADM-030_Anti-Bribery & Corruption Standard_V1.0	DLA Piper	B Cohen J De Jager N Ferguson	AVZ Board	27 July 2022