

1. Introduction

Corazon Mining Limited (**Corazon**) is committed to responsible corporate governance, including ensuring that appropriate processes are in place to promote the compliance with anti-bribery and corruption laws in countries where Corazon operates.

Accordingly, the Board has endorsed this Bribery and Corruption Policy (**Policy**) to support its governance framework. References in this Policy to Corazon include its subsidiaries.

2. Purpose of this Policy

The purpose of this Policy is to:

- a) outline Corazon's position on bribery and other corrupt behaviour;
- b) outline responsibilities of Corazon directors, officers, employees, consultants, contractors (Corazon Personnel) in observing and upholding our position on bribery and corruption;
- c) promote the use of legitimate business practices in presenting Corazon's position on issues to government authorities and in the marketplace; and
- d) provide information and guidance on how to recognise and deal with instances of bribery and corruption.

3. Scope

This Policy applies to all Corazon Personnel, any parties acting as representatives or agents of Corazon, and others who may provide services on Corazon's behalf (**Corazon Group Representatives**).

This Policy applies to Corazon's majority-owned operations in countries in which we or our subsidiaries operate. Where Corazon has a minority interest, we require compliance with the minimum requirements outlined in this Policy, recognising that the manner in which these requirements are met by our business partners may vary.

4. Sources of Legal Obligations

The sources of legal obligations behind this Policy are the anti-corruption laws of countries in which we operate, under the United Nations Anti-Corruptions Convention as well as the OECD Convention on the Combating Bribery of Foreign Public Officials in the International Business Transactions, including:

- a) *Criminal Code Act 1995 (Cth), Criminal Code Amendment (Bribery of Foreign Officials) Act 1999 (Cth) and Corporations Act 2001 (Cth)* (Australia);
- b) *Bribery Act 2010* (UK);
- c) *Foreign Corrupt Practices Act 1977* (US) and the US Code, sec 666- theft or bribery concerning programs receiving Federal funds (United States); and
- d) *Corruption of Foreign Public Officials Act* (Canada); and
- e) any anti-corruption law of a country which applies to Corazon, its business partners or third parties operating on its behalf.

5. Policy Compliance and Reporting

Corazon does not tolerate any form of bribery or corruption. Bribery and corruption involve the misuse of position and influence, in return for improper advantage, undermining integrity and fairness of the marketplace. We aim to comply with all applicable anti-bribery and corruption laws in countries where we operate.

Corazon and Corazon Group Representatives must:

- a) understand and comply with this Policy;
- b) report instances where improper payments (including facilitation payments) are requested as soon as possible after the request is made;
- c) be alert for warning signs of corrupt conduct and, if in good faith, considers the conduct is or may be a breach of this Policy must immediately report or seek guidance about any suspected or actual violation of this Policy. Reporting may be through management, to the relevant legal counsel, or through a whistleblower organisation or authority, depending on what is most comfortable or appropriate in the circumstances to the individual(s);
- d) reward individuals for actively seeking to comply with and enforce this Policy, including those who refuse to engage in bribery or other corrupt conduct;
- e) conduct appropriate due diligence into potential counterparties, agents, joint venturers and other business partners and ensure that they comply with this Policy or that their own anti-bribery and corruption policies are consistent with this Policy and are being followed in accordance with section 10;
- f) use appropriate contractual requirements in agreements with third parties to ensure that Corazon has adequate protections (including, for example, warranties and guarantees) and rights (including, for example, notification, indemnification, audit, and termination) in accordance with section 10; and
- g) discipline individuals who violate the Policy in accordance with section 15.

If any Corazon Group Representative is unsure whether a particular act constitutes bribery, a facilitation payment, a secret commission or money laundering, or has any other queries, they should ask their immediate manager.

6. Definitions

Bribery means the offering, promising, giving or accepting or soliciting of 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 or a breach of trust (a misuse of someone's position).

Corruption means dishonest activity involving the abuse of position and/or trust to get an advantage or gain not legitimately due (whether a personal advantage or an advantage for Corazon).

Bribery can often be difficult to identify, and it is important to remember that:

- Bribery can take many forms, is often disguised and may be difficult to trace or detect. Some examples of common types of bribes, and things often used to hide bribes, include:
 - money (or cash equivalent such as shares, gift cards, etc);
 - discounts;

- unreasonable or extravagant gifts, entertainment or hospitality (including free or discounted upgrades, free or heavily discounted flights, accommodation or other product);
 - benefits and ‘perks’ to relatives, including employment, education, training, etc;
 - inflated or false invoices (or enhanced fees/commissions);
 - unwarranted allowances or expenses;
 - kickbacks;
 - “facilitation payments” also known as “grease payments” (see below);
 - political/charitable contributions;
 - uncompensated use of company services or facilities;
 - information;
 - anything else of value; or
 - another advantage not legitimately due (whether financial or not).
- Bribery may be direct, or it may be indirect, for example, involving an intermediary or agent of the person giving or accepting the bribe.
 - Bribes need not involve large sums of money and in fact, a bribe can occur even if no money is exchanged at all.
 - The offence of bribery can occur even if the bribe is ‘unsuccessful’ (eg, the conduct sought to be induced does not occur).

A **facilitation payment** is a small payment or other inducement provided to a government official in order to secure or expedite a routine function that the official is ordinarily obliged to perform already (such as the grant of a license or customs approval).

A **secret commission** is an undisclosed payment (or something of value) that is offered or provided to a representative of a person for the purpose of influencing that person in the conduct of their business.

Extortion is an improper demand for payment from an employee or representative.

The definition of “government official” is relatively broad and extends beyond the common understanding of the term. **Government Official** includes:

- any official or employee of a government (whether national, state/provincial or local) or agency, department or instrumentality of any government;
- any official or employee of a government-owned or controlled entity (including state owned or controlled enterprises);
- any official or employee of any public international organisation (for example, the UN, the World Bank, etc);
- any person acting in an official function or capacity for such government, agency, instrumentality, entity or organisation;
- any person who holds or performs the duties of any appointment created by custom or convention or who otherwise acts in an official capacity (including some indigenous or tribal leaders who are authorised and empowered to act on behalf of the relevant group of indigenous peoples and members of royal families);
- any political party, party official or candidate for political office;
- any person who holds themselves out to be an authorised intermediary of a government official.

If you are unsure whether an individual is a Government Official, please contact your immediate manager.

7. Improper Exchanges – Offering and Receiving

Corazon Group Representatives must not offer, promise, accept, receive or request – or engage another party to offer, promise, accept, receive or request anything of value (cash, loan, gift, hospitality, personal/family/social/sporting/ cultural favour or other financial or non-financial advantage) for the purpose of inducing or rewarding a discretionary favourable action or the exercise of influence, regardless of the country, public or private sector or person concerned. The payment or receipt of secret or undisclosed commissions is strictly prohibited.

Corazon and Corazon Group Representatives must not consent to, or connive in, aid or abet, counsel or procure the commission of any of the conduct outlined in this Policy.

8. Extortion

Corazon also condemns improper demands for payment from Corazon Group Representatives, referred to in many parts of the world as “extortion”. A payment can be made where a member of Corazon Group Representatives reasonably believes that his/her or another’s life or health is at risk unless a demand for payment is met, provided the Corazon Group Representatives immediately reports the incident to the Chief Executive Officer of Corazon (**Chief Executive Officer**).

Absent an immediate threat to life or health, where an improper demand for payment has been made under threat or confinement or serious destruction of company property, the Chief Executive Officer should be contacted immediately.

9. Gifts, Discounts and Hospitality

Exchange of gifts, discounts or hospitality (including customer travel and accommodation) made in the ordinary course may compromise – or appear to compromise – the exercise of objective business judgement. These may also give rise to the conflict between the personal interests of Corazon Group Representatives and the interest of Corazon. Corazon Group Representatives must be cautious when offering or receiving gifts and hospitality, discounts or hospitality, and only do so when these are:

- a) token, seasonal or due to a special occasion or local custom, and in line with the accepted business practice;
- b) not seen to impair independent business judgement, particularly in connection with an anticipated or pending business transaction or regulatory approval; and
- c) be consistent with this Policy.

In some jurisdictions there are strict restrictions on exchanging gifts and hospitality with government officials and the reimbursement of government officials’ expenses. When dealing with government stakeholders, Corazon Group Representatives must comply with Corazon’s regional guidelines on gifts and hospitality to ensure compliance with local law.

When dealing with private or publicly-listed business partners, Corazon Group Representatives must not accept or offer gifts and hospitality valued at over \$250 at any one occasion. Multiple exchanges of gifts and hospitality under this threshold with the same person should also be avoided. Where in doubt, Corazon Group Representatives must consult with the Chief Executive Officer. The Chief Executive Officer has absolute discretion to approve hospitality or gifts over this threshold if appropriate and permissible by law. Such gifts and hospitality are recorded in a gifts and hospitality exemptions register.

Where a Corazon subsidiary company's rules in relation to gifts and hospitality are more restrictive due to the jurisdiction in which it operates, then affected Corazon Group Representatives must comply with the rules of the subsidiary.

10. Intermediaries, Agents, Business Partners and Other Third Parties

In situations where a third party/intermediary is engaged for example, to:

- represent Corazon's interest, for example, to current and potential private or government business partners (such as a sales agent, a customs clearing agent or a lobbyist) (an **intermediary**);
- conduct work on behalf of Corazon (a **contractor**); or
- work with Corazon on a particular project or matter (such as a **JV partner** or **business partner**),

the Corazon Personnel responsible for the engagement must:

- a) ensure that Corazon undertakes appropriate and documented due diligence regarding the integrity, reputation, credentials and qualifications of the third party;
- b) ensure that the fees payable to the third party are reasonable for the services being rendered. Ad valorem or percentage-based fees may not be agreed without prior approval of the Chief Executive Officer or a designated person;
- c) ensure that the Corazon's position with respect to anti-bribery and corruption as set out in this Policy is communicated to the third party;
- d) ensure that the third party either agrees in writing to comply with this Policy, or has similar values and similar appropriate anti-bribery and corruption policies of its own. Where such third parties have a policy which substantially meets the principles and requirements set out in this Policy, Corazon may accept a commitment by that entity to comply with that entity's own policy in place of requiring a commitment to comply with this Policy;
- e) ensure that the agreement with the third party incorporates Corazon's standard terms in relation to anti-bribery and corruption, as appropriate based on the risk based assessment of the third party (including clauses relating to matters such as warranty, guarantee, reporting, audit, termination and indemnification); and
- f) undertake regular reviews (as appropriate) of the third party's performance to monitor relevant performance and prevent misconduct.

It is the responsibility of the employee engaging the third party to ensure that these requirements are met.

Entities Corazon seeks to acquire must also be subject to appropriate and documented anti-bribery and corruption due diligence.

11. Charitable Donations

Corazon supports a number of charitable causes around the world. By making charitable donations, without expectation or acceptance of favourable action or the exercise of influence. In limited circumstances, a charitable donation may pose a risk of corruption, for example by being made to an artificial charitable organisation, or ultimately benefiting a third party such as a government official.

To address this risk, charitable donations on behalf of Corazon must:

- a) be made only to approved not-for-profit organisations whose goals reflect Corazon's values;
- b) be approved only by the Chief Executive Officer or a designated person;

- c) be accurately recorded in the business records of the Company;
- d) not be made to individuals or for-profit organisations;
- e) not be made in cash or to private accounts; and
- f) be consistent with this Policy.

Authorisation of charitable donations must only be made within relevant authority limits and the approved operating budget.

12. Sponsorships

Sponsorships differ from charitable donations in that, apart from providing a benefit to the organisation, event or activity being sponsored, they are also aimed at obtaining a marketing benefit for Corazon. Sponsorships can create problems where they are seen to improperly induce or reward a discretionary favourable action or the exercise of influence.

Corazon will not sponsor events or activities that are:

- a) inconsistent with Corazon's values or this Policy; or
- b) linked to any organisation or individuals that could bring Corazon into disrepute.

Authorisation of sponsorship arrangements must only be made within relevant authority limits, and is subject to approval by the Chief Executive Officer or a designated person.

13. Maintaining Business Records

Corazon Group Representatives must keep complete and accurate business records, including financial, human resources, payroll and environmental records, and not create false, misleading or artificial entries to conceal improper payments or corrupt activity. All applicable control and approval procedures must be followed.

All expenses relating to gifts and hospitality provided by Corazon or Corazon Group Representatives must be accurately recorded, with reasonable detail, in the business records of the Company in accordance with the relevant Corazon policy (if any).

14. Training and Communication

Corazon will communicate this Policy to Corazon Group Representatives through its established communication channels and provide the appropriate level of training.

Corazon encourages open communication regarding this Policy and any matters which may arise under it.

As noted in section 5, Corazon Group Representatives are required to report any suspected breach of the Policy.

As no Policy such as this can address every possible situation that may arise to which it may apply, this Policy is intended to serve as a source of guiding principles and to encourage open dialogue and communication.

15. Breach of Policy

Corazon considers any breach of this Policy to be serious misconduct.

Disciplinary action will be taken against anyone who breaches this Policy; the nature of such action will depend on the severity of the breach but may include a reprimand, formal warning, demotion, and/or termination of employment.

If a third party providing services to or on behalf of Corazon does not comply with this Policy, Corazon will review, and may terminate, the engagement of that third party.

Any breach of this Policy is a serious matter which will be investigated and addressed by Corazon. Depending on the circumstances, Corazon may also refer matters to regulatory and law enforcement agencies. As noted at the outset of this Policy, in most countries, including Australia, bribery and many other forms of corruption are crimes, which can have very serious consequences for Corazon and individuals involved in the conduct, including criminal and civil penalties or fines, criminal convictions and imprisonment. Business consequences can also be very serious, and include potential liabilities, loss of business, damage to relationships, exclusion from bids, and other such outcomes.

16. Review of this Policy

The Chief Executive Officer of Corazon is responsible monitoring and applying this Policy and for keeping this Policy current.

From time to time, this Policy will be submitted for review by the Board of Corazon. The Board is responsible for approving this Policy.

Outcomes from audits (including any special audits and/or investigations) will also be taken into account in updating the Policy.

Reviewed and approved by the Board: September 2020