

MALABAR RESOURCES LIMITED

ANTI-CORRUPTION POLICY

INTRODUCTION

This is the Anti-Corruption Policy (Policy) for Malabar Resources and its related bodies corporate (as defined under the *Corporations Act 2001*) (Malabar). This Policy establishes a standard of behaviour of integrity, honesty and transparency which applies to Malabar, its directors, officers, employees, agents, and any other party representing Malabar (collectively Malabar Group Personnel).

Malabar is committed to conducting its business with integrity and:

- a) does not engage in corrupt business practices;
- b) complies with all applicable anti-bribery and corruption laws; and
- c) maintains and implements appropriate measures to prevent Bribery and Corruption by Malabar Group Personnel.

PURPOSE

This Policy explains what conduct is expected of Malabar Group Personnel; and provides information and guidance on how to recognise and deal with potential instances of Bribery and Corruption to assist Malabar Group Personnel to comply with this Policy and all of their legal obligations in connection with Bribery and Corruption.

In most countries, including Australia, Bribery and many other forms of Corruption are crimes, which can have very serious consequences for Malabar and individuals involved in the conduct, including criminal and civil penalties or fines, criminal convictions and imprisonment.

DEFINITIONS

Bribery/Bribe: 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). Bribery can occur even if the bribe is 'unsuccessful' (e.g., the conduct sought to be induced does not occur).

Corruption/Corrupt Conduct: 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 Malabar).

Facilitation Payment: means a 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).

Secret Commission: means 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.

WHAT CONDUCT IS PROHIBITED?

Malabar Group Personnel must not, directly or indirectly, engage in Bribery or Corrupt Conduct, including:

- a) giving, offering to give, accepting or requesting a Bribe in any form;
- b) making a Facilitation Payment;
- c) authorising, undertaking or participating in any form of corrupt business practice (such as a scheme that gives any improper benefit, kick-back or Secret Commission to anyone) whether for their own benefit or the benefit of Malabar;
- d) engaging or causing any third party to do something that is prohibited under this Policy;
or
- e) retaliating in any way or otherwise causing any detriment to any person for reporting a potential violation of this Policy.

If you are not sure whether particular conduct, behaviour or practices are acceptable you must check with the Company Secretary before engaging in the behaviour.

WHAT CONDUCT IS REQUIRED?

Malabar Group Personnel must:

- a) comply with this Policy;
- b) report instances where improper payments (including Facilitation Payments) are requested as soon as possible after the request is made; and
- c) be alert for warning signs of Corrupt Conduct and immediately report or seek guidance about any suspected or actual violation of this Policy. Reporting may be through line management or to the Company Secretary.

WHEN ARE GIFTS, ENTERTAINMENT OR HOSPITALITY ACCEPTABLE?

Gifts, entertainment and hospitality have the potential to be misused as a cover for Bribes or improper payments by those seeking to get favourable treatment or influence decisions. Sometimes, even where there is no such intention, gifts, entertainment and hospitality can give the appearance that such improper influence is occurring, especially when they occur at times when such influence may be advantageous, for example, when negotiations are underway or a tender ongoing. This potential to improperly influence objective business judgment or create a conflict between the personal interests of individuals and the interest of Malabar creates risk.

The test to be applied is whether in all the circumstances the gift or hospitality is reasonable, proportionate and justifiable. The intention behind the gift or hospitality must always be considered—the purpose must be a genuine and legitimate business purpose, and it can never be for the purpose of influencing a person corruptly or improperly in the exercise of their duty.

Malabar Group Personnel must not offer, give or accept gifts, discounts, hospitality or entertainment which are in excess of the common courtesies associated with normal business practice or do not have a justifiable business purpose.

If you are not sure whether it is appropriate to give or receive a gift, discount, hospitality or entertainment, consult with the Company Secretary.

CHARITABLE DONATIONS, POLITICAL DONATIONS AND SPONSORSHIP

Any charitable donations, political donations or sponsorship must not be used for subterfuge, Bribery or in any way to obtain an improper advantage in Malabar's business.

All charitable donations and sponsorships below \$5,000 must be approved by the **Environment & Community Manager** and the **Maxwell Underground General Manager**. Donations above \$5,000 must be approved by the **Chairman** of the Board.

All political donations must be made in accordance with the Company's **Political Donations Policy**.

RECORD KEEPING

Malabar is required to keep accurate and complete records of all business transactions.

It is the responsibility of all Malabar Group Personnel to ensure that all business transactions are recorded honestly and accurately and that any error or falsification of documents are promptly reported to senior managers or the Company Secretary.

ACCOUNTABILITY

All Malabar Group Personnel are required to understand and comply with this Policy and to follow the reporting requirements set out in this Policy.

Failure to comply with the Policy may lead to disciplinary action being taken, including dismissal or removal in serious cases. Malabar may also refer matters to regulatory and law enforcement agencies.

MAINTENANCE

The Company Secretary is responsible for the maintenance of this Policy and will monitor the implementation of the Policy as well as review on an ongoing basis the Policy's suitability and effectiveness.