

Anti-Bribery and Corruption Standard

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Table of contents

1.	Introduction	3.
2.	Purpose	3.
3.	Anti-BCM prohibitions	3.
4.	Application	4.
5.	Conflicts of Interest	4.
6.	Approval and Disclosure	4.
6.1.	Gifts and Entertainment	4.
6.1.1.	Politically Exposed Persons	4.
6.1.2.	Lobbying and Political Functions	5.
6.1.3.	Charity donations and Community Sponsorship	5.
6.1.4.	ASM providing Gifts or Entertainment	5
6.1.5.	ASM receiving Gifts or Entertainment	5.
6.2.	Approvals and Reporting	6.
7.	Training	6.
8.	Violations	6.
8.1.	Reporting Suspected or Actual Violations	6.
8.2.	Investigations	7.
8.3.	Consequences of Breach	7.
9.	Roles and Responsibilities	7.
10.	Definitions	9.
	Schedule 1 – Reporting Template	10.

1. Introduction

Australian Strategic Materials (ASM) is committed to conducting its business with integrity, accountability, honesty, and transparency.

ASM will not tolerate bribery, corruption, or money laundering (BCM) from anyone associated with ASM or our operations.

BCM activities undermine legitimate business activities, distort competition, and expose ASM and its personnel to significant risks. BCM also negatively impacts communities, adversely affects economic development, and entrenches poverty. No country is immune to BCM.

ASM is committed to operating with integrity and always complying with the laws of each country where we operate.

2. Purpose

The purpose of this Anti-Bribery-and-Corruption Standard is to assist ASM Personnel and Counterparties to understand, implement and comply with ASM's BCM prohibitions, standards, and controls.

This Standard also provides information relevant to the implementation of ASM's Policy, including definitions, roles and responsibilities, legislative context, and references to other applicable ASM Standards.

It is the responsibility of all Employees and Counterparties to comply with this Standard.

ASM's Code of Conduct also clearly outlines the standards of conduct expected from Personnel and Counterparties who act on ASM's behalf.

3. Anti-BCM prohibitions

ASM has a transparent and zero-tolerance approach to BCM, prohibiting BCM in all its forms.

ASM will always document any breach of the law brought to ASM's attention and will comply with any relevant laws in reporting any relevant breach.

ASM expects Counterparties to implement and enforce effective systems to counter BCM.

This Standard prohibits Personnel and Counterparties (directly or indirectly) from facilitating, promoting, or being involved in BCM anywhere in the world. Personnel and Counterparties may be exposed to disciplinary action, sanction, and criminal and/or civil liability if they engage in BCM.

Violation of BCM laws may result in ASM and its Personnel facing the risk of reputational damage, prosecution, fines, and imprisonment.

4. Application

This Standard applies to all ASM Personnel and Counterparties engaged by, or acting on behalf of ASM.

This Standard broadly sets out ASM's requirements, standards, and controls to achieve compliance with applicable laws and to manage its exposure to BCM risks.

If any Personnel or Counterparties are unsure how this Standard should be applied, or are concerned by any apparent conflict between this Standard and laws prohibiting BCM, they should seek advice from the **Compliance Officer**.

5. Conflicts of Interest

Conflicts of interest arise when a person's interests, duties, or commitments, conflict with (or may conflict with) the duties that person holds to ASM, or their obligation to comply with this Standard.

Personnel and Counterparties should notify ASM of conflicts of interest they identify which involve ASM Personnel.

Conflicts do not necessarily involve improper or corrupt behaviour. However, the existence of a conflict increases the probability of a breach of this Standard, particularly when undeclared.

Conflicts of interest are a normal part of business operations that parties must manage.

They may, but do not necessarily, preclude Personnel or Counterparties from being involved in activities. Similarly, they may, but do not necessarily, require greater oversight.

6. Approval and Disclosure

6.1 Gifts and Entertainment

It may be customary and appropriate to give or receive Gifts, Entertainment, and Sponsored Travel in certain circumstances. In these instances, ASM and Personnel must exercise a high degree of caution.

Personnel must not:

- ◆ Request Gifts or Entertainment from any Counterparty or potential Counterparty.
- ◆ Exchange Gifts or Entertainment with a Politically Exposed Person ("PEP") without prior approval.
- ◆ Accept invitations to events involving consecutive days, overnight accommodation, or travel without prior approval. ASM will meet any travel, accommodation, and related expenses unless determined otherwise by the Managing Director.

6.1.1 Politically Exposed Persons

ASM prohibits the payment of travel and travel-related expenses for PEPs without exceptional circumstances being present.

If exceptional circumstances are present, the Managing Director will present these to the Board for approval.

The Board will only approve if:

- ◆ The cost is for reasonable and bona fide expenditure appropriately incurred concerning travel (or travel-related activity); and
- ◆ Travel is directly related to the promotion, demonstration, or explanation of ASM's business, products, or services, or directly related to the performance of a contract with a government or government-owned organisation.]

ASM prohibits the provision of travel by PEPs in a vehicle owned or chartered by ASM, except where PEPs are otherwise unable to attend ASM premises.

Approval of the Managing Director must be sought before travel by PEPs in an ASM-owned or chartered vehicle. Requestors must include the Corporate Communications Manager and the Compliance Officer on the request for approval to the Managing Director.

Irrespective of any requirement for a PEP to travel, ASM will not pay additional “per diem” payments.

6.1.2 Lobbying and Political Functions

Personnel must not perform any political lobbying.

6.1.3 Charity donations and Community Sponsorship

ASM may provide charitable donations, Sponsorships, or invest in community development projects which are legal under local laws and practices, and where there is a legitimate business purpose.

Unfortunately, philanthropic support (such as the construction of a hospital or school) can be a screen for BCM. Accordingly, Personnel must ensure that the charity or cause is legitimate and not requested by, or linked to, a PEP.

ASM supports charitable donations and Sponsorships of local bodies who contribute to the community. Such philanthropic donations and sponsorships are only permitted when:

- ◆ Contributions are transparent, ethical, and fully compliant with the intent of local law, and
- ◆ The Managing Director has provided approval.

6.1.4 ASM providing Gifts or Entertainment

Where ASM provides a Gift or Entertainment, there must be a justifiable business purpose for incurring the expense. The business purpose may be related to fostering the business relationship or be ancillary to a business discussion during or immediately adjacent to the event.

6.1.5 ASM receiving Gifts or Entertainment

Personnel must report all Gifts or Entertainment received where the value exceeds AUD 50.

Where appropriate, Personnel should politely decline a Gift or Entertainment offered where the value exceeds AUD 250. Personnel must report all Gifts or Entertainment offered where the value exceeds AUD 250 irrespective of whether these Gifts or Entertainment are politely rejected.

If it is not appropriate or practicable to decline the Gift or Entertainment valued over AUD 250, Personnel should provide the gift to the Compliance Officer. The Compliance Officer will seek confirmation from the Managing Director as to whether the recipient can retain the gift. If the gift is not to be retained, the gift may be raffled or subject to a silent auction within ASM. A registered charity selected by the Corporate Communications Manager and approved by the Managing Director will receive any proceeds from the raffle or silent auction.

6.2 Approvals and Reporting

Gifts and/or Entertainment received or given must be reported to the individual in the table below and to gifts@asm-au.com.au using the template in Schedule 1.

Persons listed below should approve any Gifts or Entertainment given or received as per the table.

ASM Counterparty	Value of Gift / Entertainment / Donation	Prior written approval to be obtained from	Report
PEP	AUD 0 – 50	Compliance Officer	Mandatory
	> AUD 50	Managing Director	Mandatory
	Any travel	Board	Mandatory
Standard Counterparty	AUD 0 – 50	Not Required	Optional
	AUD 50 – 250	Direct report line manager	Mandatory
	> AUD 250	Direct report line manager and Compliance Officer	Mandatory
Community Sponsorship	> AUD 0	Managing Director	Mandatory
Charity Donation	> AUD 0	Managing Director	Mandatory

Within the limits as set out in the table above, the following persons must obtain specific approvals prior to giving or receiving of Gifts and/or Entertainment as per the table below.

Person giving or receiving Gifts and/or Entertainment	Approver
Compliance Officer	Managing Director
Directors (other than Board Chairperson)	Board Chairperson
Board Chairperson	Chair of Audit and Risk Committee

7. Training

All Personnel will be afforded access to appropriate training, including refresher training, relating to this Standard and associated procedures. All Personnel will have the opportunity to demonstrate their understanding of their obligations under this Standard.

8. Violations

8.1 Reporting Suspected or Actual Violations

Personnel must immediately report any suspected or actual violation of this Standard.

Personnel may make the report via the Speak Up Standard or to the Managing Director, the Compliance Officer, the General Counsel, or the Senior Lawyer. If Personnel believe the Managing Director is involved, they may also report to the Board or chairperson of the Board.

Personnel who are not involved in violations will not suffer any form of retaliation, reprisal, or detriment from ASM for raising a concern or reporting a violation of this Standard.

Personnel will not suffer any form of retaliation from ASM for refusing to make a corrupt payment.

8.2 Investigations

The Compliance Officer must arrange for any reported breaches or potential breaches of this Standard to be investigated under the Speak Up Standard.

The Compliance Officer must report any alleged BCM incidents or breaches to the Audit and Risk Committee, and to the Board.

8.3 Consequences of Breach

Breach of this Standard by any Personnel may be considered serious misconduct.

Violation of this Standard could lead to disciplinary action, including termination of employment.

Personnel may be exposed to personal liability or criminal liability at law, if they engage in BCM that is illegal in the jurisdiction where the BCM occurred.

If a Counterparty breaches this Standard, ASM may seek to terminate its relationship with the Counterparty.

9. Roles and Responsibilities

The Board	<ul style="list-style-type: none"> ◆ Ensure alignment and endorsement of all Anti-BCM Policies and Standards. ◆ Provide critical decision-making relating to Anti-BCM matters, where appropriate. ◆ Approve ASM and country specific Anti-BCM risk assessments. ◆ Approve any business or investment activities in a new jurisdiction.
Audit and Risk Committee	<ul style="list-style-type: none"> ◆ Hold private sessions with Compliance Officer to identify BCM risks at least every 12 months which may consider matters such as: <ul style="list-style-type: none"> ○ Risk assessments by a competent, independent third party (such as TRACE international or Transparency International), ○ Legal requirements about Bribery and Corruption in all the locations where ASM operates, ○ Key and common transaction arrangements, and ○ PEP exposure. ◆ Ensure appropriate allocation of resources to Anti-BCM activities. ◆ Review and follow up on all Anti-BCM related investigations, audit findings, recommendations, and remediation.
General Counsel	Act as Compliance Officer.

<p>Compliance Officer</p>	<ul style="list-style-type: none"> ◆ Oversee compliance with these Standards. ◆ Review and update this Standard at least every two (2) years. ◆ Ensure all reported BCM incidents or breaches are investigated and reported to the Audit and Risk Committee and Board. ◆ Review and update Anti-BCM training as required. ◆ Assist the Board with country specific BCM risk assessments. ◆ Maintain a register of: <ul style="list-style-type: none"> ○ BCM investigations, findings, and recommendations, ○ Attendances at Anti-BCM training, ○ Conflicts of interest declared, ○ Community Sponsorships, ○ Charitable donations, ○ Attendance at political functions by Personnel, ○ Gifts and Entertainment given and received by ASM and ASM Personnel. ◆ Provide advice, support, and relevant approvals for Anti-BCM matters.
<p>Chief Financial Officer</p>	<ul style="list-style-type: none"> ◆ Implement a robust process to ensure that every Counterparty that ASM engages with is: <ul style="list-style-type: none"> ○ Not on the Specially Designated Nationals and Blocked Person List, ○ Capable of being identified, and ○ Provides written commitment to ASM that the Party will not engage or participate in BCM. ◆ Ensure there is a process to analyse ‘ownership, control, status, and function’ to determine whether a particular Counterparty is a PEP. ◆ Implement a robust process to ensure that engagement with different PEPs has suitable rigour to mitigate the risk of BCM.
<p>Personnel</p>	<ul style="list-style-type: none"> ◆ Apply ASM’s Code of Conduct and associated ASM values to conduct all business honestly and ethically in all business dealings. ◆ Be committed to acting professionally, reasonably, and with integrity in all business dealings and relationships. ◆ Not offer inappropriate promises, Gifts, Entertainment, Facilitation Payments, or excessive hospitality to achieve unfair advantage or benefit. ◆ Resist efforts made by others (including existing or potential suppliers, customers, or clients) to affect any ASM decision-making process. ◆ Implement and apply ASM’s Anti-BCM Policy, Standard, and Procedures, including strict adherence to procedures and internal controls (including pre-approval requirements). ◆ Report suspected BCM (and other business conduct concerns) to Line Manager, Compliance Officer, or via the Speak Up Standard. ◆ Comply with ASM policies, standards, and procedures when onboarding and managing Counterparties. ◆ Seek guidance from the Compliance Officer on Anti-BCM questions and pre-approval requirements.
<p>Counterparties</p>	<ul style="list-style-type: none"> ◆ Give written commitment to ASM that they will ensure actions comply with this policy and applicable laws.

10. Definitions

Anti-BCM	Means ASM’s position and actions that are taken to prevent BCM
ASM	Australian Strategic Materials Limited and all its subsidiaries
BCM	Means Bribery, Facilitation Payments, Corruption, or Money Laundering
Bribery	A form of corruption that involves providing, offering, promising, or asking for a benefit to influence a person to gain an advantage that is not legitimately due. The act of offering a Bribe (irrespective of whether the Bribe is accepted) is usually enough to commit an offence.
Corruption	Involves an abuse of power for personal gain or advantage. The making of ‘facilitation payments’ either directly or indirectly through agents, contractors, or intermediaries may be a form of corruption. A facilitation payment could be a minor, unofficial payment to a public official to expedite a routine government action.
Counterparties	Are joint-venture partners, secondees, agents, consultants, contractors, customers, and representatives of ASM.
Entertainment	Relates to entertaining persons, including meals, beverages, or invitations to functions (e.g., concerts, charity events, or sporting events). If the host is not present at a function, the invitation should be considered a Gift.
Facilitation Payments	A form of Bribery that involves a small payment or other inducement provided to a PEP to expedite a routine Government transaction the PEP is ordinarily obliged to perform. ASM condemns Facilitation Payments as a means of doing business. Personnel should immediately report any request for such payment to the Compliance Officer.
Gifts	Tangible items such as promotional items, consumer goods, or samples.
Money Laundering	The process of washing illicit gains (often from Bribery or Corruption) through seemingly legitimate activities. Money Laundering seeks to insert, layer, and integrate monies into the global financial network in a manner that does not raise suspicion of the authorities.
Personnel	Directors, officers, and employees of ASM.
Politically Exposed Persons (PEP)	Individuals who hold a prominent public position or role in a government or international organisation, either in Australia or overseas. Immediate family members and/or close associates of these individuals are also considered PEPs. PEPs often have power over government spending and budgets, procurement processes, development approvals, and grants. Examples of PEPs include government ministers or equivalent politicians, senior government executives, judges, high-ranking military officers, and board members or executives of an international organisation. Because PEPs hold positions of power and influence, they can be a target for corruption and bribery attempts, and ultimately for money laundering or terrorism financing activities.
Sponsorship	Means the provision of funding or other support to promote the ASM brand. For example, Sponsor an event such as a sporting event, community event, or team.

Schedule 1 – Reporting Template

ASM Receiving Gifts and/or Entertainment

ASM Recipient Name	
Name of party providing gift to ASM	
ABN / company number of party providing gift and/or entertainment to ASM	
Name of individual who provided the gift and/or entertainment	
ASM approver	
Value of gift and/or entertainment	
Description of gift and/or entertainment	
Ultimate treatment of gift	

ASM providing Gifts and/or Entertainment

Name of ASM person providing gift and/or entertainment	
Recipient Name	
ABN / company number of recipient	
Is recipient a PEP? (Y/N)	
ASM approver	
Value of gift and/or entertainment	
Description of gift and/or entertainment	
Business purpose (why ASM provided the gift and/or entertainment)	
Tax treatment	

ASM providing a charitable donation

Name of ASM person providing gift and/or entertainment	
Charity receiving the gift and/or donation	
Charity ABN / company number	
ASM approver	
Value of gift and/or donation	
Description of gift and/or entertainment	
Business purpose (why ASM provided the gift and/or donation)	
Tax treatment of donation	

ASM providing community sponsorship

Name of ASM person providing gift and/or entertainment	
Community group receiving the gift and/or donation	
ASM approver	
Value of gift and/or donation	
Description of gift and/or entertainment	
Business purpose (why ASM provided the gift and/or donation)	
Class of persons impacted	
Estimated number of persons impacted	