

Anti-Bribery and Corruption Standard

Current as of 14 April 2023

Reason for Revision	Revision	Date	Prepared	Approved
Initial standard approval	1	24.03.22	24.02.22	23.03.22
Review and update	2	14.04.23	14.04.23	26.04.23

Table of Contents

1. Introduction	3
2. Purpose	3
3. Anti-BCM prohibitions	3
4. Application	4
5. Conflicts of Interest.....	4
6. Prohibitions on BCM	5
6.1. Gifts and Entertainment.....	5
6.1.1. Acceptable Gifts or Entertainment	5
6.1.2. ASM receiving Gifts or Entertainment.....	5
6.1.3. Approvals and Reporting	6
6.2. Political Donations and Political Functions	6
6.3. Charity donations and Community Sponsorship	7
6.4. Facilitation payments, secret commissions and money laundering.....	7
6.4.1. Facilitation payments.....	7
6.4.2. Secret commissions	8
6.4.3. Money laundering.....	8
7. Third Parties and Joint Ventures.....	8
7.1. Third Parties	8
7.2. Joint Ventures	8
8. Training	8
9. Violations	9
9.1. Reporting Suspected or Actual Violations.....	9
9.2. Investigations	9
9.3. Consequences of Breach	9
10. Roles and Responsibilities.....	9
11. Standard Review	11
12. Contact	11

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 undertaking business activities with integrity and always complying with the laws of each country where we operate.

2. Purpose

This Anti-Bribery-and-Corruption Standard aims 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 implementing ASM's ABAC Policy, including definitions, roles and responsibilities, legislative context, and references to other applicable ASM Standards.

All Personnel and Counterparties are responsible for complying 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 relevant laws in reporting all pertinent violations.

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.

Violating 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.

Personnel or Counterparties who are unsure how this Standard should be applied or concerned by any apparent conflict between this Standard and laws prohibiting BCM 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, may conflict with or have the appearance of conflicting with, the responsibilities or obligations that person holds to ASM.

Common examples of conflicts of interest (whether actual, potential or perceived) include:

- pursuing ASM opportunities for personal gain or the benefit of relatives or friends;
- holding outside employment, offices, or affiliations; or
- having investments (directly or indirectly) in a business or asset that does business with or for ASM.

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 from participating in activities. Similarly, they may, but do not necessarily, require greater oversight. ASM expects that Personnel do not engage in professional or private conflicts with their obligations to ASM or jeopardise their ability to make impartial decisions in ASM's best interests. Personnel should avoid dealings or relationships that could cause a conflict of interest.

Personnel should notify ASM of any actual, potential, or perceived conflicts of interest by emailing the Compliance Officer. Personnel should excuse themselves from any decision-making or oversight process where they have a true, potential, or perceived conflict of interest.

Personnel should seek written approval from their manager and the Compliance Officer to continue engaging in activities with any actual, potential, or perceived conflicts of interest.

6. Prohibitions on BCM

6.1. Gifts and Entertainment

ASM prohibits the giving or receiving of Gifts or Entertainment which are contrary to the ABAC Policy, this Standard or applicable law, including in circumstances where the Gift or Entertainment:

- could be considered to give rise to undue influence or improperly influence a relationship or decision affecting ASM;
- could give rise to the appearance of attempting to secure favourable treatment; or
- exceeds customary or accepted business practice.

The practice of giving Gifts and/or Entertainment varies between countries, regions, and industries, and what may be expected and acceptable in one may not be in another. ASM and Personnel should approach these matters conservatively and exercise caution in these instances.

Personnel must not request Gifts or Entertainment from any Counterparty or potential Counterparty.

6.1.1. Acceptable Gifts or Entertainment

Giving or receiving Gifts or Entertainment in certain circumstances may be customary and appropriate.

ASM acknowledges that the giving or receiving of Gifts or Entertainment may be acceptable where:

- it is made for a legitimate business purpose and will not be interpreted as an attempt to improperly influence the performance of the role or function of the recipient;
- it complies with applicable law;
- it is given openly and transparently;
- it does not place the recipient under any obligation or create any expectations of the recipient;
- it is consistent with ASM policies and of a form, value and frequency appropriate to the occasion; and
- the appropriate level of approval and notification has been obtained under this Standard (see section 6.1.3).

6.1.2. ASM receiving Gifts or Entertainment

Personnel must report Gifts and/or Entertainment received in accordance with this Standard (see section 6.1.3). Personnel must report all Gifts and/or Entertainment offered where the value exceeds AUD 100, irrespective of whether these Gifts and/or Entertainment are not accepted.

Personnel should politely decline Gifts and/or Entertainment offered where the value exceeds AUD 250. If it is not appropriate or practicable to decline the Gift and/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 regarding whether the recipient can retain the Gift. If the Gift is not to be kept, 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.

6.1.3. 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 2.

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

ASM Counterparty	Value of Gift/ Entertainment	Prior written approval is to be obtained from	Report
Public Official	AUD 0 – 50	Compliance Officer	Optional
	AUD > 50	Managing Director	Mandatory
Standard Counterparty	AUD 0 – 100	Not Required	Optional
	AUD 100 – 250	Not Required	Mandatory
	> AUD 250	Direct report line manager and Compliance Officer	Mandatory

The Managing Director may set further sub-limits in local currency for subsidiaries of the ASM Group in the context of the above approvals and to meet local regulatory requirements.

Within limits set out in the table above, the following persons must obtain specific approvals before giving or receiving 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 and Compliance Officer
Board Chairperson	Chair of Risk Committee and Compliance Officer

6.2. Political Donations and Political Functions

ASM does not make Political Donations to any political party, politician or candidate for public office in any country

Attendance by Personnel at Political Functions is permitted where there is a legitimate business purpose. Where Personnel are seeking to attend a Political Function on behalf of ASM:

- They must receive approval to do so from the Managing Director (or their delegate).
- A record of attendance (and the cost of attendance) must be maintained by ASM.

The following persons must obtain specific approvals before attending any Political Function on behalf of ASM:

Person attending the Political Function	Approver
Directors (other than Board Chairperson)	Board Chairperson and Compliance Officer
Board Chairperson	Chair of Risk Committee and Compliance Officer

6.3. 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 Public Official.

ASM supports charitable donations and Sponsorships of local bodies that 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 (or their delegate) has provided approval.
- The donation or Sponsorship is recorded accurately in accordance with ASM’s policies and procedures

The following persons must obtain specific approvals before making any donation or Sponsorship on behalf of ASM:

Person	Approver
Directors (other than Board Chairperson)	Board Chairperson and Compliance Officer
Board Chairperson	Chair of Risk Committee and Compliance Officer

6.4. Facilitation payments, secret commissions and money laundering

6.4.1. Facilitation payments

The payment of Facilitation Payments is a statutory offence in most jurisdictions. Such payments are difficult to monitor, and sometimes there is ambiguity as to whether such payments are legal or constitute bribes (depending on the country and governing legislation in which the conduct occurs).

ASM prohibits Personnel from offering or giving Facilitation Payments as a means of doing business, whether legal or not in the country where the offer of Facilitation Payments is made. Personnel should immediately report any request for such payment to the Compliance Officer.

6.4.2. Secret commissions

ASM prohibits the paying or receiving of Secret Commissions

6.4.3. Money laundering

ASM prohibits any form of Money Laundering in connection with its business activities.

7. Third Parties and Joint Ventures

7.1. Third Parties

Where ASM proposes to engage a Third Party to act for or on behalf of ASM, it must implement appropriate controls to ensure that the actions of the Third Party will not adversely affect ASM. Third Parties that pose a particular risk of BCM include those that operate in developing or emerging economies and those involved in negotiating any business arrangements or transactions with the public or private sector on behalf of ASM in any country.

To counter these risks, Personnel must, when dealing with Third Parties, comply with the following:

- **Communicate ASM's Policy:** Personnel must communicate ASM's ABAC Policy and this Standard to Third Parties, along with the expectation that the Third Parties must uphold ASM's principles on the prohibition of BCM.
- **Contracts with Third Parties:** Contracts with Third Parties must be in writing and should contain relevant anti-BCM and audit inspection clauses.
- **Due Diligence:** It is essential that ASM knows who it is dealing with and undertakes appropriate due diligence to assess any potential BCM risk. Personnel must undertake appropriate due diligence before engaging Third Parties to identify any issues or concerns and verify the identity of the Third Party, including the ultimate legal and beneficial owner of the Third Party.

7.2. Joint Ventures

ASM will ensure that the joint venture enterprises controlled or managed by ASM comply with ASM's ABAC Policy and this Standard or has equivalent policies and procedures in place.

Where ASM does not exercise effective control over the joint venture, ASM will take steps open to it to require that any such joint venture complies with this Standard.

8. Training

All Personnel will be required to undertake appropriate training, including refresher training, relating to this Standard and associated procedures.

9. Violations

9.1. 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 or the General Counsel. If Personnel believe the Managing Director is involved, they may also report to the Board or chairperson of the Board.

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

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

9.2. 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 of this Standard to the Risk Committee and the Board.

9.3. Consequences of Breach

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

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

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

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

10. 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.
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),

	<ul style="list-style-type: none"> ○ Legal requirements about BCM in all the locations where ASM operates, ○ Key and common transaction arrangements, and ○ Public Official exposure. ◆ Ensure appropriate allocation of resources to Anti-BCM activities. ◆ Review and follow up on all BCM-related investigations, audit findings, recommendations, and remediation.
General Counsel	Act as Compliance Officer.
Compliance Officer	<ul style="list-style-type: none"> ◆ Oversee compliance with these Standards. ◆ Oversee the rollout of Anti-BCM training on the ABAC Policy and this Standard. ◆ Review and update this Standard at least every two (2) years. ◆ Ensure all reported BCM incidents or breaches are investigated and reported to the 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; and ○ Gifts and/or Entertainment given and received by ASM and ASM Personnel. ◆ Provide advice, support, and relevant approvals for Anti-BCM matters.
Chief Financial Officer	<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 designated for any export controls or sanctions restrictions under any applicable legislation, ○ capable of being identified, and ○ provides a 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 Public Official. ◆ Implement a robust process to ensure that engagement with different Public Officials has suitable rigour to mitigate the risk of BCM.
Personnel	<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 honestly in all business dealings and relationships.

	<ul style="list-style-type: none"> ◆ Not offer inappropriate promises, gifts, entertainment, or excessive hospitality to achieve unfair advantage or benefit. ◆ Not make any Facilitation Payments. ◆ 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 ABAC Policy, Standards, and procedures, including strict adherence to guidelines 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.
Counterparties	<ul style="list-style-type: none"> ◆ Give a written commitment to ASM that they will ensure actions comply with this Standard and applicable laws.

11. Standard Review

This Standard will be reviewed every two years by the ASM Board or its delegated risk committee to check that it is operating effectively and assess what changes may be required.

12. Contact

If you have any questions, concerns or feedback about this Standard, you should contact the Compliance Officer at:

Compliance Officer
 Australian Strategic Materials Limited
 Level 4, 66 Kings Park Road
 WEST PERTH WA 6005

Phone: +61 8 9200 1681

Email: info@asm-au.com (Attention: Compliance Officer)

Schedule 1 – Definitions

ABAC Policy	Means ASM’s Anti-Bribery and Corruption Policy
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 a dishonest or fraudulent abuse of power or position of trust to receive some personal gain or advantage for either the person engaging in the corruption or for another person or entity.
Counterparties	Are joint-venture partners, secondees, agents, consultants, contractors, customers, distributors, service partners, suppliers, intermediaries, and representatives of ASM.
Entertainment	Relates to entertaining persons, including meals, beverages, or invitations to functions (e.g., concerts, charity events, or sporting events), provision of hospitality, provision of accommodation, and provision of travel (including travel to and from ASM sites). The invitation should be considered a gift if the host is absent at a function.
Facilitation Payments	A form of Bribery that involves a small payment or other inducement provided to a Public Official to expedite a routine Government transaction the Public Official is ordinarily obliged to perform.
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.
Political Donation	A donation given to political parties, politicians, candidates for political office or Public Officials to support political outcomes.
Political Function	Legitimate political activities that are of direct business relevance to ASM. Such activities include policy dialogue forums, trade delegations and other political functions such as speeches and events with industry participants.
Public Official	Individuals who hold a prominent public position or role in a government or international organisation, either in Australia or overseas. Public Officials include: <ul style="list-style-type: none"> • An employee, official or contractor of a government body or state-owned or state-controlled enterprise;

	<ul style="list-style-type: none"> • A person performing the duties of an office or position created under a law of a country or by the custom or convention of a country, such as a member of a royal family and some tribal leaders; • A person in the service of a government body, including a member of the military or the police force; • A politician, judge or member of the legislature of a local government authority, state, province or country; • An employee, contractor or person otherwise in the service of an international public organisation (such as the United Nations); • An individual who is or who holds themselves out to be an authorised intermediary or representative of a Public Official or any government body, agency, authority or enterprise at any level of government; or • A political party official or candidate for public office. <p>These individuals' immediate family members and close associates are also considered Public Officials.</p>
Secret Commission	<p>Typically, a secret commission occurs when a person or entity offers or gives a commission to an agent or representative of another person, which that agent or representative does not disclose to their principal. Secret commissions are made to induce or influence the conduct of the principal's business.</p> <p>An example of a secret commission would include paying an employee or agent of a supplier, where the employee or agent does not disclose the payment to the supplier, in return for obtaining a commercial advantage to ASM from that supplier.</p>
Sponsorship	<p>Means the provision of funding or other support to promote the ASM brand. For example, ASM provides funding to support events such as sporting events, community events, or teams.</p>
Third-Party	<p>Means any individual or organisation with whom Personnel contact while working for ASM. Third-Parties include actual and potential clients, customers, suppliers, distributors, joint venture partners, business contacts, agents, advisors, and government and public bodies, including their advisors, representatives and Public Officials.</p>

Schedule 2 – Reporting Template

ASM Receiving Gifts and/or Entertainment

ASM Recipient Name	
Name of the party providing a 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 or entertainment	
Description of gift or entertainment	
Ultimate treatment of gift or entertainment	

ASM providing Gifts and/or Entertainment

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

ASM providing a charitable donation

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

ASM providing community sponsorship

Name of ASM person providing sponsorship	
Community group receiving the sponsorship	
ASM approver	

Value of sponsorship	
Description of sponsorship	
Business purpose (why ASM provided the sponsorship)	
Class of persons impacted	
Estimated number of persons impacted	