



Resource Generation Limited ACN 059 950 337

Anti- Bribery and Corruption Policy

Policy Statement

Resource Generation Limited will not tolerate wilful acts of bribery and corruption in its operations and activities since such acts are legally, morally and ethically wrong. Bribery and corruption are criminal offences and such acts by Resource Generation, its subsidiaries, its directors, officials, employees, contractors and other representatives could generate the risk of legal action possibly resulting in fines and/or imprisonment.

Any breach of this Policy will be regarded as a serious matter and disciplinary action may result in termination of employment or contract.

The Resource Generation policies support the objectives of the Australian Criminal Code and the South African legislation of 2004 on the prevention and Combating of Corrupt Activities Act and the Organisation of Economic Cooperation and Development (OECD) Anti-bribery Convention, to which both Australia and South Africa are a signatory.

This policy must be implemented whilst complying with all applicable privacy and data protection legislation.

The Resource Generation Code of Conduct sets the tone and provides the overall values- based framework for upholding ethical standards.

The Policy applies to all directors, officers, and employees of Resource Generation, and all subsidiaries, contractors, secondees, consultants, agents and other individuals or entities that are effectively controlled by Resource Generation or act on its behalf (either directly or indirectly).

1. Definitions

Corruption - is the abuse of entrusted power or office or influence for private gain.

Benefits – are things of value that are exchanged between Resource Generation and its subsidiaries and an external party for which the recipient has not paid or paid less than market value

Bribery - is the offer or receipt of any gratification, gift, loan, fee, reward or another advantage to

or from any person as an inducement to do something that is dishonest, illegal or in breach of trust, in the conduct of the enterprise's business. Bribery can occur even if the bribe is 'unsuccessful' (e.g. the conduct sought to be induced does not occur).

Solicitation of bribes - is the act of asking or enticing another to commit bribery.

Extortion - when this becomes a demand and is accompanied by threats that endanger the personal integrity or the life of the person involved.

Facilitation Payment - is a payment of a minor nature and made for the sole or dominant purpose of expediting or securing the performance of a routine government action of a minor nature (such as the grant of a licence, visas or customs approval).

Gratification - covers the range and types of benefit that may be involved in an act of bribery. This includes:

- a) Money, whether in cash or otherwise;
- b) Any donation, gift, loan, fee, reward, ,valuable security, property or interest in property of any description, whether movable or immovable, or any similar advantage;
- c) The avoidance of a loss, liability, penalty, forfeiture, punishment or other disadvantage;
- d) Any office, status, honour, employment, contract of employment or services, any agreement to give employment or render services in any capacity and residential or holiday accommodation;
- e) Any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part;
- f) Any forbearance to demand any money or money's worth or valuable thing;
- g) Any other service or favour or advantage of any description, including protection from any penalty or disability incurred or apprehended or from any action or proceedings of a disciplinary, civil or criminal nature, whether or not already instituted, and includes the exercise or the forbearance from the exercise of any right or official power or duty;
- h) Any right or privilege;
- i) Any real or pretended aid, vote, consent, influence or abstention from voting; or
- j) Any valuable consideration or benefit of any kind, including any discount, commission, rebate, bonus, deduction or percentage.

Government Officials include:

- a) Employees of state owned enterprises or of government agency or regulatory authority;
- b) Employees of an international public organisation such as the World Bank or International Monetary Fund;
- c) Political party officials;
- d) Individuals who hold or perform the duties of an appointment, office or position created by custom or convention, including some members of royal families and some tribal leaders;
- e) Police officers; and

- f) Children or other relatives of a government official

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

2. Occurrence

Bribery and corruption may occur in all sorts of areas, including:

(a) In dealing with Government Officials

It is not uncommon to find examples where dealings between public and private persons may be subject to various forms of bribery and/or corruption. A benefit or gratification may be offered or solicited by one or other (or both) parties in order to have a matter dealt with in a dishonest or illegal manner.

Such activities are not confined to the initial administrative issues leading to the commencement of operations but may also involve the ongoing operation of the enterprise.

These transactions can be major in terms of the benefit and influence/effect involved, amounting to the serious criminal offences with effect in the order of millions of dollars. However, the most common are facilitation payments. These are small payments made to a Government Official to secure or expedite the performance of a routine necessary action to which the payer of the facilitation payment is entitled.

(b) In dealing with Tenders and Awarding of Contracts

Resource Generation has specific procedures in place for dealing with the calling of tenders, their assessment in a fair and legitimate fashion and the awarding of contracts. This procedure specifically requires those involved to follow designated actions and seek required approvals so as to eliminate the possibility of bribery and/or corruption influencing the outcome. Dealing with and the awarding of contracts is probably the most common and well known area of corruption. Resource Generation will ensure that all contracting activities result in the optimum outcome for the Company and its shareholders while conforming to relevant laws and rules.

In South Africa, Resource Generation observes the requirements for affirmative action in regard to consideration to be given to local suppliers and manufacturing. In addition, compliance with the BEE Procurement targets of both the Mining Charter and the DTi codes is taken in to account in the awarding of contracts.

(c) In dealing with Human Resources and Administration

Resource Generation has developed and promulgated policies in regard to Human Resources and Administration. A Corporate Code of Conduct is in place.

In South Africa there are requirements for affirmative action in regard to employment and training of indigenous South Africans (Historically Disadvantaged South Africans – HDSAs) with a special emphasis on women, Resource Generation will comply with these requirements.

In recruitment, career development, promotion and/or discipline and dismissal there are many areas where benefits, inducements, favours or 'gratifications' can be offered or sought in such a manner as to influence the outcome for the person being dealt with in a favourable way. These benefits etc. can be in the form of dealings of a business nature, favour for family (nepotism) or a friend, monetary benefit, sexual favours, physical threats or extortion. Whatever the form, such actions are corrupt and will be dealt with by disciplinary action.

(d) In dealing with Health and Safety

Several purpose designed laws to suit the country and/or the workplace involved cover the issue of health and safety in the workplace. In addition to these laws, Resource Generation will be developing its own Health and Safety Policy which all employees are required, as part of their conditions of employment, to understand and observe.

This area is not free from the practices of bribery and corruption. Corruption can occur when employees or representatives adopt or try to adopt activities in breach of official procedures for personal gain. This can include by-passing or ignoring safety provisions in order to increase production or bribing a supervisor to ignore an adverse medical report. Any such action will be dealt with by disciplinary action.

(e) In dealing with Corporate Social Responsibility Programmes

It is becoming common practice in South Africa for contracts to include a commitment to some form of corporate social responsibility (CSR) project or expenditure as required contract condition. It is important to ensure that CSRs are not used as a subterfuge for bribery so transparency through the tender process and the process to approve, manage and report on the CSR spend is critical. Appropriate due diligence review on the various parties involved in the governance and administration of the CSR project is required.

(f) In dealing with Suppliers and Customers

In certain commercial arrangements, circumstances have been known to arise where a commission is taken, given or solicited without disclosing that commission to the principal. The Secret Commission is given or taken as an inducement to that person to use their position to influence the conduct of their principal's business. This would include, for instance, making a payment to an employee or agent of a customer of Resource Generation, where that employee or agent does not disclose that payment to the customer, in return for gaining a commercial advantage for Resource Generation from that customer.

Resource Generation prohibits the giving, offering, promising, authorising, accepting or requesting a bribe or engaging in corruption in any of the occurrences listed in (a) – (f) above.

3. Facilitation Payments

Resource Generation does not condone corruption and/or the payment of bribes. However, in some countries and regions, government employees may expect small facilitation payments for expediting routine government actions that they would in any case perform. These payments may be virtually unavoidable in the course of efficient business operation. Resource Generation recognises that this may be the case but nonetheless is opposed to any form of bribery and corruption.

The United Nations and the OECD actively discourage such payments. South Africa makes no distinction between these and other forms of gratification and in the United Kingdom they are unlawful.

Resource Generation prohibits the making of facilitation payments.

4. Gifts and Entertainment (see also- Code of Conduct)

Resource Generation accepts that employees may offer and be offered gifts, meals, entertainment, travel or invitations to sporting or cultural events as a normal part of doing business. Any such offer, if made, must be recorded and reported to that employee's supervisor. It may only be acceptable if approved, be of a modest nature and be such that it does not affect, or be perceived to affect, the judgement, impartiality or conduct of that employee in matters affecting Resource Generation or its subsidiaries. No offers of cash or cash equivalent may be made or accepted.

5. Reporting of suspected bribery and/or corruption

Every person who has executive, managerial or supervisory responsibilities, whether employed directly or as a contractor or consultant, is expected to be vigilant in detecting and reporting any incidence of bribery and corruption. They are also expected to ensure that all people under their control are aware of this policy and the consequences for any person – irrespective of position – who breaches these provisions.

All employees, directors, contractors or consultants are encouraged to report any genuine concerns that they believe constitute a breach of Resource Generation's Anti- Bribery and Corruption Policy or the law. The following reporting channels are available when you become aware of, or suspect a violation of this policy:

- a) talk to your direct manager/supervisor; or
- b) contact the Ledjadja Coal Human Resource Manager; or
- c) Contact the Risk and Compliance Manager; or the Company Secretary.

If you are unsure whether a particular act constitutes bribery, a facilitation payment, a secret commission, or have any other queries, you should ask your manager, the Risk and Compliance Manager or the Company Secretary.

The Company plans to appoint an external independent 'whistleblower' service in the lead up to commencement of operations.

No action will be taken against anyone reporting in good faith a suspected violation of this Policy. However any person who is found to have knowingly made a false or misleading report or accusation under the terms of this Policy will be deemed to be in breach of this Policy and dealt with as though they have acted, or attempted to act, corruptly.

Suppliers, contractors, agents or other business partners who have any concerns which they wish to raise under this Policy should approach the Company Secretary.

6. Related policies

Resource Generation and its Group companies have adopted and implemented various related policies and procedures that are aimed at preventing bribery and corruption and include:

- a) Code of Conduct
- b) Resgen South Africa Ethics Charter;
- c) Ledjadja Coal - Ethical Behaviour Policy
- d) Ledjadja Coal - Corporate Gifts & Favours Procedure
- e) Ledjadja Coal – Whistle Blowing Procedure

Reviewed and approved by the Board: 26 April 2017