



Bribery, Fraud and Corruption Policy

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1.0 Purpose

- 1.1 AKORA Resources Limited (hereafter referred to as the “Company”) is committed to the highest standards of personal and professional ethical behavior.
- 1.2 The Company will not tolerate any incident of Bribery or Corruption, committed by employees of the Company and its Controlled Entities and Designated Persons, either within or outside the Company, and will take consistent and swift action against those persons committing Bribery or Corruption, irrespective of the length of service or position.
- 1.3 The Company seeks to comply, in full, with the laws and regulations of the countries in which it conducts its business and in which it seeks to raise equity finance and therefore, this Policy Statement specifically incorporates measures set out in the Australian Criminal Code Act 1995, UK Bribery Act 2010 and the US Foreign Corrupt Practices Act.
- 1.4 This Policy Statement has been adopted by the Board of Directors to:
 - 1.4.1 Assist in the prevention of Bribery and Fraud;
 - 1.4.2 Ensure that the Company and its Controlled Entities implement best practice procedures to prevent any Bribery and Fraud;
 - 1.4.3 Inform management and staff of the procedures to be adopted when there is evidence or suspicion of an incident of Bribery or Fraud having been committed; and
 - 1.4.4 Outline the reporting and investigation procedures for any incident.
- 1.5 The Policy applies to the Company and its Controlled Entities and to all employees and Designated Persons as a condition of employment or engagement.

2.0 Definitions

The following terms have the meanings set out below in this Policy Statement:

“**Bribery**” means the giving, offering, receiving or requesting of any advantage which need not be financial, including any payment, gift, loan, fee or reward to or from any person in order to influence them corruptly or improperly in the exercise of their duty;

“**Company**” means AKORA Resources Limited;

“**Controlled Entity**” means an entity over which another entity has the capacity to dominate the financial and operating decision-making policies;

“**Designated Person**” means anyone who is engaged or paid to represent any entity controlled by the Company and includes advisors, consultants, contractors, suppliers, tenderers or other persons;

“Employee” means a person retained by the Company and undertaking tasks on fulltime, tasks on parttime or tasks on a fixed term which entitles the person to annual leave, superannuation or WorkCover protection.

“Entity” means any legal, administrative, or fiduciary arrangement, organizational structure or other party (including a person) having the capacity to deploy scarce resources in order to achieve objectives.

“Fraud” means any corrupt, dishonest or false representation, failure to disclose information, abuse of position or use of deception with the intention of making a gain, avoiding an obligation or causing loss (or potential loss) to another party; and

“Management” means the Chief Executive Officer/Managing Director and Chief Financial Officer.

3.0 Bribery and Fraud Prevention Framework

- 3.1 The characteristics of the Bribery, Fraud and Corruption prevention framework is set out in Table 3.1
- 3.2 The framework provides the basis on which the Company complies with the Australian Criminal Act 1995, the UK Bribery Act 2010 and the US Foreign Corrupt Practices Act 2004.

Bribery and fraud prevention, detection and response framework			
Governance and Control Structures	Prevention	Detection	Response
Board	Management and Code of Conduct oversight	Identification	Reports on investigations and implementation of recommendations
Management	Policies and procedures development	Auditing and monitoring	Investigations, enforcement and accountability
	Third Party Due Diligence Standards	Mechanisms for reporting	Corrective actions
Business principles	Training		
Bribery, Fraud and Corruption	Communications		

Policy

Internal Control
Mechanism

Audit and risk
assessment
processes

3.3 Governance and control structures

3.3.1 Board of directors

The Policy has been approved by the board of directors acknowledges the role of the Board of Directors in overseeing Management in the development and implementation of policies and procedures to prevent Bribery or Fraud and to actively respond to incidents of Bribery or Fraud through ensuring Management implements recommendations on improvements/refinements to reviews policies and procedures.

3.3.2 Management

Management is responsible for providing leadership and the resources for implement of the Policy Statement through the development of policies and procedures to establish an environment for ethical business practices and compliance, commitment to education and training of employees, prompt and thorough investigations of potential Bribery or Fraud incidents and implementation of recommendations arising from the investigations.

3.3.3 The policy implementation and control environment

Policy development and implementation processes, internal control framework and risk management practices are subject to consideration, discussion and approval of the Board of Directors. Accordingly, Management is required to report to the Board of Directors on an annual and half-yearly basis the performance of the Company in terms of the implementation of these policies, procedures and practices. This reporting process enables Management to provide the Board of Directors with capacity to oversee the effectiveness policies and procedures as well as a mechanism for monitoring the response of Management with refinements to policies and procedures, enforcement and ensuring accountability at all levels of the Company.

4.0 Processes

4.1 Prevention processes

4.1.1 Management role

Management is responsible for the effectiveness of this Policy Statement and must proactively ensure that the requirements of this Policy Statement are

applied by the Company and its Controlled Entities and make resources available for the prevention and detection.

Specifically, Management is responsible for:

- (a) Developing appropriate policies and procedures to ensure that the Company and its Controlled Entities adopt the highest standards in ethical business practices;
- (b) Reviewing and refining the policies and procedures as a result of recommendations from investigations and legislative changes in the countries in which the Company and its Controlled Entities operate and the countries in which the Company seeks to raise equity;
- (c) Communicating this Bribery, Fraud and Corruption Policy Statement to employees of the Company and its Controlled Entities and Designated Persons engaged by the Company and its Controlled Entities;
- (d) Ensuring that all potential or suspected Bribery or Fraud incidents are investigated and reporting to the Board of Directors; and
- (e) Enforcing the zero-tolerance policy to an incident of Bribery or Fraud.

4.1.2 Code of Conduct

The Code of Conduct of the Company sets out the policies on:

- (a) the persons to whom the Code applies;
- (b) gifts and hospitality;
- (c) payments to public officials;
- (d) specific areas or situations which may present risk of Bribery and Fraud arising; and
- (e) dealing with specific-business issues in transparent and ethical manner.

The Code of Conduct of the Company sets out:

- (f) the procedures for approval, recording and accounting for payments such gifts and hospitality; and
- (g) sanctions and penalties in the event of breach of the rules.

4.1.3 Third Party Due Diligence Standards

The Company and its Controlled Entities are required to comply with the standards set out in the Third-Party Due Diligence Policy Statement.

The Third Party Due Diligence Policy Statement is designed to ensure that the ethical standards developed by the Company form the basis of its relationship with Designated Persons, whether as a supplier of goods and services, joint venture partner or acquisition target.

The Third-Party Due Diligence Standards include:

- (h) consultation with geo-political advisors, legal advisors and other parties before engaging the Designated Person, entering into a joint venture arrangement, acquiring entities or projects;
- (i) due diligence exercises;
- (j) inclusion of appropriate representations and warranties in contractual documents on engagement; and
- (k) periodic review of the performance of the Designated Person.

4.1.4 Training

The Company shall provide all employees and Designated Persons with training on a continuous basis outlining the zero tolerance of the Company and its Controlled Entities to Bribery and Fraud and the mechanisms for reporting any incident.

Training is to be delivered by way of pamphlets, posters, web-based tools, electronic means and group or one to one sessions.

4.1.5 Communication

The key mechanism for internal communication is to make employees and Designated Persons aware of the various Policy Statements approved by the Board of Directors and the importance that the Company and its Controlled Entities place on complying with all aspects of the Policy Statements.

The key mechanism for external communications is to alert stakeholders to the Policy Statements, the zero tolerance to violations of Policy Statements and the no exclusion enforcement penalties.

4.1.6 Bribery and Fraud Risk Assessment

The risk of Bribery and Fraud must be integrated into the risk management policies and practices within the Company and its Controlled Entities. Risk evaluation for the Company and its Controlled Entities requires the identification of critical business processes, identification of risks associated with each process and the development of effective, efficient and transparent controls to mitigate or reduce the exposure to the identified risks. Accordingly, the risk evaluation must assess the likelihood and impact of a Bribery or Fraud occurrence.

Management must submit to the board of directors a Letter of Representation outlining the risk assessments and mitigation action plans on an annual basis.

4.1.7 Audit process

The Company and its Controlled Entities will not be subject to any internal audit process and therefore, each annual audit programme and half-year audit review programme must agree with its external auditors a materiality threshold which tests internal control processes as well as the prevention and detection processes for any incident of Bribery and Fraud.

4.2 Detection processes

4.2.1 Identifying of Bribery and Fraud

The responsibility for development and implementation of strategies to effectively deal with bribery and Fraud risk is the responsibility of Management. The initial responsibility for identifying instances of suspected Bribery or Fraud risks lies with the managing Director and the Chief Financial Officer. Over time it is the responsibility of all officers, employees and Designated Persons to be vigilant of the risk of Bribery or Fraud and to report any suspicion or incident of Bribery or Fraud or any concerns about any risks in this regard through the reporting mechanisms established by the Company and its Controlled Entities under this Policy Statement.

4.2.2 Discovery through auditing and monitoring

The audit process of prevention is set out in Paragraph 4.1.7.

In the event of Bribery or Fraud being discovered during the performance of an audit, the matter is reported to the Managing Director and/or Chief Financial Officer, who will individually or jointly, determine whether the matter warrants a detailed investigation.

The Managing Director and/or the Chief Financial officer should also report the discovery to the board of directors.

4.2.3 Reporting Bribery or Fraud

Employees should raise concerns and violations as soon as possible.

If an employee or an Designated Person feels that, due to reasons of confidentiality a report of a suspicion or incident of Bribery or Fraud cannot be given to his/her supervisor/manager then the employee should report the matter to Bentleys at _____.

In all cases the employee should report any suspicion or incident of Bribery or Fraud to his/her supervisor or manager. The supervisor/manager shall advise the most senior manager at the operating site at which the informant

is employed. After performing some initial work as swiftly and discreetly as possible to gauge the veracity of the allegations, the most senior manager at the operating must inform.

Where the amount involved is not expected to exceed \$5,000:

- (l) Chief Financial Officer
- (m) Legal representatives of the Company
- (n) Auditors of the Company

Where the amount involved is expected to exceed \$5,000 or, irrespective of the value, it could have serious reputational consequences of the Company and its Controlled Entities, or involves a senior officer

- (o) Managing Director
- (p) Chief Financial Officer
- (q) Legal representatives of the Company
- (r) Auditors of the Company

In all cases relating to Bribery the Managing Director must be informed and the Managing Director will then inform the board of directors either formally or informally and outline the investigative measures being undertaken.

4.2.4 Whistleblowing

Where for good reason the discovering employee cannot report the suspicious activity to his immediate superior, he should make use of either a toll-free, confidential Ethics Line operated independently of the Company and its Controlled Entities by Ernst and Young.

The confidential ethics Toll-free Line is _____ and the confidential ethics E-mail address is ethics@indpacific.com.

Any concerns reported through the Ethics Line or Ethics E-mail Address will be treated as confidential (subject to any legal constraints) and relayed in confidence to Ernst and Young who will report the matter to a nominated member of the board of directors.

Bentleys in conjunction with the nominated member of the board of directors will determine the most appropriate method to investigate the substance of the claim and ensure that there is appropriate monitoring of progress until the matter has been satisfactorily resolved.

All confidential calls to the Ethics Toll-free Line and Ethics E-mail Address must be reported every six months to the board of directors as part of the annual and half-year audit programmes.

Where the employee or Designated Person reporting the activity has acted on the basis of a legitimate concern, no penalties will apply, and their identity will be kept confidential to provide protection against discrimination or retaliation after the event.

4.3 Response

4.3.1 Investigation

Where an initial report of potential Bribery or Fraud has been made under the procedure in Section 4.2 above (and the pro-forma report set out in Appendix I has been prepared and submitted to the Company), the Managing Director in collaboration with the Chief Financial Officer, Ernst and Young and legal advisors to the Company will determine whether the report warrants a detailed investigation.

If the Managing Director in collaboration with the Chief Financial Officer, Ernst and Young and legal advisors for the Company agrees that a detailed investigation is appropriate, Ernst and Young will conduct the detailed investigation under the direction of either the Managing Director or the Chief Financial Officer.

Simultaneously, the Managing Director will inform the board of directors that a detailed investigation will be conducted into a potential bribery or Fraud incident and will provide ongoing updates to the board of directors on the progress of the detailed investigation and advise the board of directors on the outcome of the detailed investigation, including actions taken as a result of the findings.

The Chief Financial Officer and Ernst and Young will develop the scope of work for the detailed investigation.

4.3.2 Conduct of investigation

As stated in Paragraph 4.2.3 Ernst and Young will conduct the detailed investigation and will be responsible for ensuring that evidence, physical assets and records, which may be used in subsequent investigations, are secured at an early stage.

The party being investigated for potential Bribery or Fraud may be denied access to the premises and information systems of the Company and its Controlled Entities.

The party who reported the potential Bribery or Fraud, members of the Bentleys investigating team and employees closely associated with the gathering of evidence may require security or access to security and accordingly, the Chief Financial Officer and Ernst and Young will need to consider the safety as part of the scope of work.

Retaliation against anyone person for raising a legitimate concern or assisting to address a potential Bribery or Fraud incident will not be tolerated by the Company or its Controlled Entities. Serious action will be taken against any person who attempts or causes retaliation to those parties conducted or assisting investigate a potential Bribery or Fraud incident.

The principles of natural justice will be applied in all cases where the Company and/or its Controlled Entities.

\ 4.3.3 Enforcement and accountability

Any disciplinary action to be taken in connection with any potential Bribery or Fraud will be determined by the Chief Financial officer and Ernst and Young in conjunction with the Managing Director.

4.3.4 Corrective actions

Disclosure of results and causes

A report will be prepared for each investigation undertaken by Ernst and Young and will include identification of causes of the incident/violation.

On receipt of the report, the Managing Director in conjunction with the Chief Financial Officer will thoroughly consider and analyses the findings and immediately take remedial measures to address the identified deficiencies/gaps by amending existing policies and procedures, implementing new policies and procedures, enhancing assurance activities and requesting Designated Persons to make changes to their systems to address identified causes.

The Managing Director will provide the board of directors will a summary of the findings of the investigation and the actions taken to address the identified causes. If requested, the Managing Director will provide the board of directors with the full report prepared by Ernst and Young.

Communications to employees

The Managing Director is required to advise all employees and Designated Persons by way of a written announcement with appropriately limited information on incidents of Bribery or Fraud proved and the corrective actions taken by the Company or its Controlled Entities. The announcement

must emphasize the zero tolerance of the Company and its Controlled Entities to any unethical business behavior.

Loss or damage recovery actions

The Company will seek advice from its legal advisors to determine whether it is appropriate to recover funds that have been misappropriated.

5.0 Conclusion

- 5.1 Attached to this Policy Statement are a number of pro-forma report formats for the recording of an initial report and final report into Bribery or Fraud.
- 5.2 These report formats set out the matters that need to be addressed in the initial reporting of a potential Bribery or Fraud incident and the final report of an investigation into Bribery or Fraud with recommendations, including improvements to existing systems and development of new systems.

Appendix 1

Pro-forma discovery of Bribery or Fraud – Initial report

To:
Managing Director
Copy to:
Chief Financial Officer
From:
Date:
Subject:
Detection of Bribery or Fraud/Suspected Bribery or Fraud

Location Location of detected/suspected bribery or Fraud
Amount Best estimate of amount of proven or suspected Bribery or Fraud
Date of suspected bribery or Fraud detected

Date of suspected Bribery or Fraud reported
How was suspected Bribery or Fraud detected? Briefly describe means/method of how the Bribery or Fraud/suspected Bribery or Fraud detected
Result of preliminary investigation Confirm veracity of information and that a full investigation should proceed

Appendix 1

**Pro-forma discovery of Bribery or Fraud – Initial report
Continued**

Action taken to date Outline of any management actions taken to date Suspension of person Securing all relevant documentation Securing the site Commencement and conclusions of any preliminary investigations Further investigation required
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Appendix 2

Pro-forma Investigation of Bribery or Fraud – Final report

To:
Managing Director
Copy to:
Chief Financial Officer
From:
Date:
Subject:
Detection of Bribery or Fraud/Suspected Bribery or Fraud

Location Location of detected/suspected bribery or Fraud
Amount Best estimate of amount of proven or suspected Bribery or Fraud
Date of suspected bribery or Fraud detected
Date of suspected Bribery or Fraud reported
How was suspected Bribery or Fraud detected? Briefly describe means/method of how the Bribery or Fraud/suspected Bribery or Fraud detected
Result of preliminary investigation Confirm veracity of information and that a full investigation should proceed

Initial actions taken Outline of any initial management actions taken following initial investigation

Appendix 2

Pro-forma investigation of Bribery or Fraud – Final report

Continued

Scope of work undertaken by Ernst and Young Summary of scope of work agreed between the Company and its auditors for detail investigation and capacities of Ernst and Young representatives to conduct the detailed investigation
Results from detailed investigation of suspected Bribery or Fraud Details of alleged/suspected employees or external people involved in the Bribery or Fraud, suspected duration of the Bribery or Fraud, and the extent of Bribery or Fraud, losses incurred etc... Evidence to support the allegations/suspected Bribery or Fraud Description of the means by which the Bribery or Fraud was penetrated, and the root causes and deficiencies that allowed the incidents to occur; {Potential effects on policies and procedures at the location; Any actions taken to recover missing assets or monies; and Immediate actions taken to improve policies and procedures, internal controls and other systems that allowed the Bribery or Fraud to occur.

Proposed courses of action (outline of future proposed actions)

As a guide, future actions will include:

Involvement of Managing Director, Chief Financial Officer, Bentleys and legal advisors to oversee suspension/dismissal of persons involved;

Assessment and improvement of policies and procedures, internal controls and other systems

Recovery, if possible, of money or assets; and

Consideration of legal action

Appendix 3

Ethics Line

Each officer, employee and Designated Person is responsible for acting in accordance with Policy Statement on Bribery, Fraud and Corruption. Any concerns about compliance should be raised with immediate supervisors/managers or with the Managing Director or, in his absence, Chief Financial Officer of the Company.

Where it is not possible to speak to supervisors/managers or with the Managing Director, for whatever reason, the Toll-free telephone number set out below should be used to conduct Bentleys. The ethics line is independently run by Bentleys and any concerns reported through the telephone line will be relayed in confidence and on an anonymous basis to the Managing Director or, in his absence, the Chief Financial Officer for appropriate action. Alternatively, any concern can be transmitted by way of E-mail message to _____

Australia

Madagascar