



ALARA
RESOURCES

Anti-Bribery and Corruption Policy

1. Introduction

Alara Resources Limited (**Alara** or the **Company**) is committed to operating in a manner consistent with the laws of the jurisdictions in which it operates, including those relating to anti-bribery and corruption. Honesty, integrity and fairness are considered integral to the way the Company operates, and conduct associated with bribery and corruption is inconsistent with these values.

The Company does not tolerate its personnel, suppliers or Third Parties with which we do business engaging in bribery or other corrupt practices. We strictly prohibit the payment, offer or authorisation of bribes as well as the receipt or acceptance of bribes.

This Anti-Bribery and Corruption Policy (**Policy**) sets out the Company's policy and procedures to ensure compliance with applicable anti-bribery and anti-corruption laws.

The laws prohibiting bribery and corrupt practices affecting Alara include:

- Australian Criminal Code;
- US Foreign Corrupt Practices Act; and
- UK Bribery Act.

Alara has taken these laws into account in framing this Policy on prohibiting bribery and corruption.

The purpose of this Policy is to:

- set out the responsibilities of the Company and its personnel in observing and upholding the prohibition on bribery and corruption;
- provide information and guidance on how to recognise, avoid and deal with instances of bribery and corruption; and
- protect the Company's reputation.

2. Application

This Policy applies to:

- Alara and all of our directors, officers, employees, long term consultants (whether permanent, fixed-term, full time, part time, casual or temporary), trainees, interns and volunteers (referred to in this Policy as "personnel");
- any of Alara's subsidiaries and their respective personnel; and
- any individual or organisation associated with Alara or our subsidiaries including clients, customers, suppliers, joint venture partners, contractors, agents, intermediaries, consultants, distributors, business contacts and advisers (referred to in this Policy as **Third Parties**).

3. Personnel Responsibilities

All Alara personnel are required to:

- read, understand and comply with this Policy;
- complete any anti-corruption training that they are required to undertake from time to time;
- sign the undertaking set out in Appendix 1 acknowledging they have read and will comply with this Policy;
- communicate our policy of prohibition of bribery and corruption, where practicable in writing, to all Third Parties at the outset of our business relationship with them; and
- procure, to the extent reasonably practicable, that suppliers, contractors, consultants, distributors and advisers sign the undertaking set out in Appendix 2 (if not already set out in the contract with such parties).

Any failure by personnel to comply with this Policy will be treated by us as a serious breach of duty for disciplinary purposes.

The prevention, detection and reporting of bribery and corruption are the responsibility of all personnel and Third Parties. You are required to avoid any activity that might lead to, or suggest to a reasonable person, a breach of this Policy.

If a member of personnel is unsure whether a particular act constitutes bribery or corruption, they should ask their manager or the Company Secretary.

Overall responsibility for the administration of this Policy lies with Alara's Company Secretary.

4. What is Bribery and Corruption?

Benefit means a payment, gift, provision of hospitality, provision of a service or other benefit without limitation. To be a Benefit the payment or other benefit of the kind referred to above does not need to be made or given directly to a person sought to be influenced. It could be given to a relative or friend of that person or a company or trust which they control or are involved in instead.

Bribery is the act of offering, promising, giving, demanding or accepting an advantage or anything of value (whether directly or indirectly) as an inducement for a party to take an action, whether or not the action is independently of surrounding circumstances a lawful or ethical action. It is of course even more serious where the inducement is offered or received or taking an action which is itself unlawful or unethical.

Acts of Bribery are designed to influence an individual to act dishonestly in the performance or discharge of their duty. Laws prohibiting bribery and corruption apply to both the public and private sector.

It is irrelevant if the bribe is accepted or ultimately paid. Merely offering a bribe will usually be sufficient for an offence to be committed.

Bribery encompasses both monetary and non-monetary benefits in direct and indirect forms. "Anything of value" should be interpreted broadly to include anything that provides a benefit to the recipient.

Examples of Bribery include:

- the direct or indirect promise, offering or authorisation of the provision of money, goods, services or anything else of value (whether the value is material or not);
- the offer or receipt of any kickback, loan, fee, reward, reciprocal favours, business or employment opportunities, lavish corporate hospitality or other advantage; and
- the giving of aid, political or charitable donations or voting, designed to exert improper influence.

Corruption is the misuse of office, power or influence for personal gain.

Appendix 3 contains a list of potential "Red Flag" risk scenarios. The list is for illustration purposes only and is not intended to be exhaustive.

5. Prohibition on Bribery and Corruption

Alara prohibits bribery and corruption, in any form, whether direct or indirect and whether the other party is in the private or public sector.

Under no circumstances will Alara approve of any offers, or make, request or receive an irregular payment or other thing of value, to win or influence a business regulatory decision in the Company's favour.

You must not engage in any form of corrupt practice, whether for the benefit of Alara, yourself or another party.

As Bribery can take many forms, it is important that you understand where risks may arise and what is expected of them.

It is not acceptable for you (or someone on your behalf) to:

- give, promise to give a benefit with the expectation or hope that an advantage will be received, whether in business or in dealings with Government or to award a business advantage or benefit from a government agency already given, which is not legitimately due;

- accept a benefit from a Third Party that you know or reasonably suspect is offered with the expectation that it will obtain an illegitimate business advantage for them;
- accept a benefit from a Third Party if you know or suspect that it is offered or provided with an expectation that an illegitimate business advantage will be provided by Alara in return;
- threaten or retaliate against another person who has refused to engage in bribery or corruption or who has raised concerns under this Policy.

A business advantage or benefit will be legitimate when it is given or offered in accordance with the applicable law of a country. A business advantage includes the grant of a tax concession, licence or permit.

A business advantage will be illegitimate when it is granted because of giving offering or promising a benefit rather than on the basis of merit.

6. Facilitation Payments

Facilitation payments are typically minor, unofficial payments made to secure or expedite a routine or necessary government action by a government official or employee, when Alara has already paid for, or is otherwise entitled to, that action.

The Company's policy is to prohibit facilitation payments.

You are encouraged to identify at-risk areas and to use your initiative to make demands for facilitation payments more difficult. This may include:

- restricting meetings which were previously held in-person to telephone conversations or email communications;
- choosing only to meet in the presence of senior staff or management; or
- choosing only to meet with a team of other people.

If faced with a situation where a demand for a facilitation payment is made, the response should be as follows:

- question the legitimacy of the demand and request receipts or documentation;
- request identification details of the individuals making the demand;
- explain to the individual that the payment is not required;
- explain that facilitation payments are against Company policy and that you will have to report the request to senior management;
- explain that facilitation payments are against local law and will result in an offence; and
- request to consult with superiors/managers of the individual making the demand.

All details of demands for facilitation payments made must be recorded including, if possible, the name and identification details of the individual requesting the payment and must be reported immediately to your relevant manager and the Company Secretary. The Company Secretary will report details of requests for facilitation payments to the Board of Directors as appropriate.

7. Gifts, Entertainment and Hospitality

7.1 Prohibition

Alara prohibits the offering or acceptance of gifts, entertainment or hospitality in circumstances where it:

- is inappropriate in light of the underlying business relationship;
- is so frequent, excessive in value or of such a nature that it might give rise to a perception of impropriety;
- might cause embarrassment to us and/or bring our reputation into disrepute;
- might cause the recipient to improperly perform his or her duties;
- might be construed as seeking to gain any improper business advantage, as representing an inducement for investment or other business, or as a bribe;
- might improperly influence the recipient's judgement and/or potentially impact or alter the provision or receipt of a service; or

- violate any applicable laws or regulations.

This is to ensure that the offer or acceptance of a gift or hospitality does not create an obligation or cannot be construed or used by others to allege favouritism, discrimination, collusion or other unacceptable practices by Alara.

Examples of inappropriate gifts include cash, expensive jewellery, airline tickets, holidays, electronic goods, expensive wine or extravagant purchases of any kind.

Personnel must not accept gifts, entertainment or hospitality from, or offer or provide them to, a person they know through their employment with us, except in accordance with this Policy.

When considering offering to or accepting from an existing or prospective client, consultant, intermediary or other goods/services provider, personnel must never use their position with the Company for personal or private gain for themselves, their families or other persons.

7.2 Acceptable Gifts, Entertainment and Hospitality

Alara recognises that in certain countries offering or accepting gifts, entertainment or hospitality of moderate value may be customary and in accordance with local business practice.

The offer or acceptance of gifts or hospitality is not prohibited where:

- it is done for the purpose of general relationship building only;
- it is not made with the intention to improperly influence a Third Party to obtain or retain a business advantage or benefit;
- it complies with local law;
- it is given in an open and transparent manner;
- it does not include cash or cash equivalents such as gift certificates or vouchers;
- it is reasonable and justifiable; and
- it is promptly recorded in the register of hospitality benefits.

Examples of acceptable gifts include flowers, chocolates or small amounts of inexpensive alcohol. The more lavish the gift, the greater the risk it could be considered to give rise to undue influence.

In addition to the above, gifts are not prohibited if they are:

- of a purely personal nature to mark occasions such as a wedding, birth of a child or retirement, which are not subject to this Policy provided there is no expectation that a relevant function or activity will be performed improperly or that business will be obtained or retained as a result of the gift; and
- seasonal or traditional, given to mark local festivals, where it is local business practice to exchange such gifts and provided that the gifts do not appear to be excessive in the circumstances.

The practice of giving business gifts and taking part in corporate hospitality events varies between countries and regions and what may be normal and acceptable in one may not be in another. The test to be applied is whether in all the circumstances the gift or hospitality is reasonable and justifiable. In any event, personnel should not solicit entertainment from Third Parties.

7.3 Public and Government Officials

Alara requires the exercise of a high degree of caution to the offering or giving of gifts or hospitality to Government officials.

A Government official includes:

- any political party, party official or candidate of political office;
- any official or employee of a government (whether national, state/provincial or local) or agency, department or instrumentality of any government or any government-owned or controlled entity (including state owned enterprises);
- anyone working in a legislative, administrative or judicial position;
- any official or employee of any public international organisation;

- any person acting in an official function or capacity for such government, agency, instrumentality, entity or organisation;
- any person who holds or performs the duties of any appointment created by custom or convention or who otherwise acts in an official capacity;
- any person who holds themselves out to be an authorised intermediary of a government official; and
- consultants who hold government positions.

For the purposes of this Policy, “Government official” includes close family members (parent, spouse, child, in-law, sibling, uncle, aunt, niece or nephew) or anyone else to whom the government official provides material support.

You must contact your manager or the Company Secretary if you have any concerns as to whether an individual is a government official.

The provision of a gift or hospitality to Government officials or politicians may be a legitimate and justifiable business activity in some circumstances; however, the practice has the potential to create the perception that Alara has sought to improperly influence an individual to achieve an improper advantage or obtain preferential treatment.

Gifts or hospitality or assistance must not be offered to, or accepted from, public or government officials without the prior approval of the Managing Director.

A cash gift will never be permitted no matter how small.

8. Sponsored Travel

Payment of travel and travel related expenses for government officials will only be permitted in the following circumstances:

- prior approval is given by the Managing Director;
- the payment is for reasonable and bona fide expenditure properly incurred for travel related activities; and
- the travel is undertaken to a Company project site or to an alternative location as required in connection with the execution or performance of a government official’s regulatory function.

Travel expenses should be modest and comply with government travel guidelines where applicable. Travel expenses should only be paid direct to a Third Party provider and not to a government official. A valid tax invoice should always be obtained.

9. Donations

9.1 Political Donations

Alara does not make political donations to any political party, politician or candidate for public office in any country unless the donation has been approved in advance by the Board of Directors.

9.2 Charitable Donations

Alara may make charitable donations that are legal and ethical under local laws and practices. In some countries, charities can be used as a screen for illegal bribes. Care must be taken to ensure that charitable donations are applied for the intended purpose.

Donations should only be made to bona-fide charities that are regulated by local laws.

Donations are not to be made to charities that operate for the benefit of government officials or where charities have a government official as an officeholder.

Charitable donations may only be authorised in accordance with the Company’s Delegated Approval Authority Matrix.

9. Dealing with Third Parties

Alara may in certain circumstances, engage a Third Party to act for or on behalf of the Company. These Third Parties may include agents, representatives, advisers or contractors.

Third Parties that pose particular risk to Alara of breaching anti-bribery laws include those that are involved in negotiating any business arrangements or seeking any regulatory approvals on behalf of the Company.

The process to appoint Third Parties to represent the Company must include the following:

- sufficient due diligence must be performed to ensure it is appropriate for the Third Party to represent Alara;
- the standards of conduct set out in this Policy must be clearly communicated;
- the appointment of a representative must be documented in a written agreement which contains anti-bribery and corruption clauses consistent with this Policy and termination rights for failure to comply with this Policy; and
- oversight of the work of the Third Party must be maintained by relevant Alara personnel. Any concerns arising from this should be raised with the Company Secretary.

11. Record Keeping

The Company's books and records must record all transactions with strict accuracy and completeness. No transactions are to be concealed that disguise the true nature of any transaction.

The Company Secretary or nominee of a subsidiary will maintain and securely store a central file containing:

- signed originals of all undertakings to comply with this Policy;
- details of all gifts, benefits or entertainment given or received which have a value above A\$50, including any rejected gifts; and
- details of all donations made.

The Company Secretary or a nominee will periodically review (at least annually) the frequency of gifts and entertainment being received and given and seek the advice of the Board where the cumulative monetary value of gifts and entertainment given or received by any individual appears excessive or inappropriate.

12. Reporting

You must immediately (and if not reasonably practicable, within 24 hours) notify the Company Secretary using the "Contact Details" set out in this Policy (or in the case of Third Parties, their nominated contact point within Alara) if you:

- discover an instance of bribery or a corrupt practice;
- suspect that a bribe has been, or is in the process of being paid or received or even merely discussed;
- become aware of information of any suspected or actual instances of bribery or corrupt practices. For example, a client or customer offers you something to gain a business advantage with Alara, or indicates to you that a gift or payment is required to secure their business or an outcome;
- suspect that a related breach of this Policy has occurred; or
- receive or otherwise become aware of information which suggests that a related breach of this Policy has been or is in the process of being committed.

If you are unsure whether a particular act constitutes bribery or corruption, you should ask your relevant manager or the Company Secretary (or in the case of Third Parties, their nominated contact point within Alara).

All reports of alleged violations, concerns or complaints will be treated in confidence and fully investigated. Every effort will be made to grant anonymity. However, you should be aware that anonymity may be difficult or even impossible to preserve if, as a result of investigations, the police are informed or disciplinary action is taken.

Once you have reported a suspicion or concern to the appropriate person, the matter should not be discussed with any person other than those responsible for investigating it until the information is made public.

If you are not comfortable reporting a concern to the Company Secretary, you should report the concern to your relevant manager or member of management whom you are comfortable approaching. Any person who receives a report of an alleged violation, concern or complaint must immediately forward the report to the Company Secretary.

The Company Secretary, relevant manager or contact person to whom concerns are expressed or notifications made must act promptly and notify the person of any action taken. Where it is decided that further investigation is not appropriate, the person must be given a prompt and full explanation of the reasons for reaching this conclusion.

The Company Secretary will manage the investigations of reports of alleged violations of this Policy and will report the findings to the Board of Directors as appropriate.

13. Protection

Alara personnel or Third Parties who raise a concern or report a violation of this Policy will not suffer any form of retaliation or detrimental treatment. Alara will never sanction a person who refuses to make a facilitation payment.

If you believe that you have suffered any such treatment, you should inform your relevant manager or the Company Secretary.

14. Consequences of Breaching this Policy

A breach of this Policy is a serious matter which will be investigated and addressed by the Company. Disciplinary action will be taken against any personnel who breach this Policy. This includes failure to report breaches of this Policy. The action taken will depend on the severity of the breach but may include:

- a reprimand;
- a formal warning;
- a demotion; and
- termination of employment or any analogous arrangement.

Alara may terminate its relationship with any Third Party which has breached this Policy.

Alara may, at its sole discretion, take into account any mitigating circumstances for breaches of this Policy.

Depending on the circumstances, the Company may refer matters to law enforcement agencies.

A breach of this Policy may also expose an individual to criminal and civil liability and could result in imprisonment or the imposition of a significant financial penalty.

If a Alara company is found to have taken part in bribery and corrupt practices, it could face a fine and suffer reputational harm.

15. Contact Details

The contact details of the Company Secretary are:

Alara Resources Limited

Address: PO Box 963, Balcatta, WA 6914

Phone: 08 92404211

Email: cosec@alararesources.com

16. Review

The Managing Director is accountable to the Board of Directors for ensuring that this policy is implemented.

This policy will be reviewed on a yearly basis.

This Policy applies to all staff, contractors and joint venturers engaged in activities under Alara's operational control.

Anti-Bribery and Corruption Policy

Appendix 1

Personnel's undertaking to comply with Alara's Anti-Bribery Policy

Name:

Job title:

[If you cannot make each of the statements in this certificate in good faith, unconditionally and without exception, you must consult with the Company Secretary or your relevant manager]

I have read and understand the Company's Anti-Bribery and Corruption Policy (**Policy**), I am fully familiar with its contents, and I undertake to observe and follow the provisions of the Policy as a condition of my employment.

All employees reporting to me have been informed of, and provided with, the Policy. *[Cross out if not applicable]*

I do not know of any gifts, payments, offers, promises, agreements or authorisations prohibited by the Policy, and I do not know of any violation of record keeping requirements of the Policy. There are no facts known to me that constitute reasonable grounds for suspicion that a violation of the Policy by any person subject to it (including 'Third Parties' as defined in the Policy) has occurred.

Date:

Signature:

Appendix 2

Third Party undertaking to comply with Alara's Anti-Bribery Policy

[Insert name] acknowledges receipt of the Anti-Bribery and Corruption Policy (**Policy**) of Alara Resources Limited and its subsidiaries and that it, and all of its directors, officers, employees, representatives, subcontractors and agents will, in the performance of its obligations under the [insert contract] dated [insert date], comply with the Policy as it applies to Third Parties.

Date:

Signature of authorised representative:

Name:

Job title:

Appendix 3

Potential Risk Scenarios: "Red Flags"

The following is a list of bribery and corruption red flags that may arise during the course of working for or providing services to Alara. The list is for illustration only and is not intended to be exhaustive.

If you encounter any of the following, you must notify the Company Secretary or your relevant manager immediately in accordance with Alara's Anti-Bribery and Corruption Policy.

1. You learn that a Third Party engages in, or has been accused of engaging in, improper business practices.
2. You learn that a Third Party has a reputation for paying bribes or requiring that bribes are paid to them.
3. You learn that a Third Party has been the subject of previous enforcement action.
4. You learn that a Third Party has a reputation of "getting things done" or the Third Party makes representations that for a fee, the Third Party can fix the problem or make it "go away".
5. A Third Party boasts about its relationship with government or local authorities.
6. A Third Party has a connection to government, for example its shareholders, directors, officers or employees hold positions in government or managerial positions at state-owned entities.
7. A Third Party is vague or elusive about its source of funding.
8. You learn that a Third Party is not listed or known in the particular industry in which it operates.
9. A Third Party insists on receiving a commission or fee payment before committing to sign up to a contract with Alara or carrying out a government function or process for Alara.
10. A Third Party requests payment in cash and/or refuses to sign a formal commission or fee agreement, or refuses to provide an invoice or receipt for a payment made.
11. A Third Party requests complex payments arrangements, for example split payment to avoid certain thresholds.
12. A Third Party requests that payment is made to a country or geographic location different from where the Third Party resides or conducts business.
13. A Third Party requests an unexpected additional fee or commission to "facilitate" or "fast track" a service.
14. A Third Party requests political, charitable or other additional contributions.
15. A Third Party demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services.
16. You learn that a colleague has been taking out a particular supplier for very expensive and frequent meals.
17. A Third Party requests that a payment is made to "overlook" potential legal violations.
18. A Third Party requests that Alara provide employment or some other advantage to a friend or relative.
19. You receive an invoice from a Third Party that appears to be non-standard or customised, for example containing a vague or false description.
20. You receive an invoice from a Third Party which lacks the appropriate documentation or supporting agreement.
21. A Third Party insists on the use of side letters or refuses to put terms agreed in writing.
22. You notice that Alara has been invoiced for a commission or fee payment that appears.
23. A Third Party requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to Alara.
24. You are offered an unusually generous gift or offered lavish hospitality by a Third Party.
25. Requests for donations to be made to a charity associated with a government official.
26. A government official or agency requests that Alara engage or hire specific Third Parties.
27. You learn that a Third Party engaged by Alara has inadequate credentials.
28. You learn that a Third Party engaged by Alara lacks an office or established place of business or frequently moves location.
29. You learn that a Third Party engaged by Alara is a shell company or has some other unusual corporate structure.

30. A Third Party requests that Alara not report certain business activities.
31. A Third Party requests that the identity of individuals not be disclosed or that those individuals not be seen or identified in public.
32. A Third Party refuses to certify its own compliance with anti-bribery requirements.