

# NIMBA IRON ORE PROJECT



## Anti-Corruption Compliance Standard (English)

### NI-GPO-011

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All Group Policies, as a collection, must only represent performance requirements deemed mandatory by the SMFG Board and which specifically relate to the governance of Euronimba UK, Euronimba Liberia, SMFG and activities necessary to improve the overall effectiveness of the Group.

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## APPENDICES

Appendix 1    AUTHORITIES

## 1 OVERVIEW

The purpose of this Anti-Corruption Standard ("Standard") is to provide a clear and concise articulation of SMFG's ("Company") approach towards ensuring compliance with applicable anti-corruption laws.

As described by the Company's Code of Conduct, the Company is committed to working with integrity and has adopted a zero-tolerance approach to bribery and corruption in all of its forms. The anti-corruption laws and the requirements set forth in this document must not be breached by any SMFG Director, Officer, Employee, or Contractor. Any violation of this standard would likely be treated as serious misconduct and may lead to disciplinary action up to and including dismissal. Violation of this Standard may also give rise to criminal prosecution of the individuals involved or the Company, with the potential for fines, penalties, disengagement of future profits and imprisonment.

This Standard establishes key anti-corruption performance requirements and also defines roles and responsibilities with respect to the management of the Company's Compliance program and associated procedures. Further context and definitions are also detailed in this document.

## 2 APPLICATION OF LAWS TO THE COMPANY

The Company, its directors, officers, employees, contractors and Business Partners are subject to anti-corruption laws spanning a range of jurisdictions where the Company operates or maintains a business presence. Anti-corruption laws may be enforceable at the local level, however, there are laws in effect which can be enforced at an extra-territorial level by regulators operating outside of the country or territory where violations could hypothetically occur.

Specifically, the US Foreign Corrupt Practices Act ("FCPA") and the UK Bribery Act 2010 ("UKBA") as well as laws of Guinea and Liberia all contain provisions which prohibit companies, individuals and stock market issuers from offering or giving corrupt payments to foreign government (public) officials in order to gain an improper advantage. The FCPA also requires companies to maintain accurate financial books and records, and a system of internal controls. The UKBA requires companies to demonstrate they have 'adequate procedures' in place to prevent and detect bribery. The UKBA also prohibits bribery of private individuals, or so called "private to private" or "commercial" bribery. This is reflected in the Company's zero tolerance approach to both public and private corruption.

Anti-corruption laws may differ from country to country; however, the most commonly seen anti-bribery prohibitions (and those to which the Company adheres) are as follows:

- Do not offer or provide Anything of Value, directly or indirectly, to a Government Official to improperly influence official action or to anyone to induce them to perform their work duties disloyally or otherwise improperly.
- The Company has also adopted a zero-tolerance approach to Facilitation Payments. The UKBA, among other anti-corruption laws, expressly prohibits such payments.

- In addition to the basic anti-bribery prohibition, the FCPA contains provisions (known as the “Accounting Provisions”) that require issuers of US securities and their subsidiaries to maintain their books and records in sufficiently reasonable detail that they accurately and fully reflect transactions; and to maintain effective internal accounting controls.

Both the US and UK regulators have issued guidance to companies to assist them in complying with their respective anti-corruption legislation and to formulate proportionate, risk based anti-corruption compliance programs. This guidance has been considered in the formulation of this standard and other associated documents. The following "Hallmarks of an Effective Compliance Program" shall form the basis of the Company's approach to the management of Anti-Corruption compliance.

- "Tone from the Top" Commitment from Senior Management.
- Maintain accurate financial books and records in reasonable detail and implement and monitor a system of internal controls.
- Code of Conduct Implementation and Awareness.
- Oversight, Autonomy and Compliance Resources.
- Periodic Risk Assessments relating to Key Areas of Risk.
- Anti-Corruption Training and Ongoing Advice.
- Disciplinary Procedures.
- Proportionate, Risk Based Due Diligence on Business Partners.
- Confidential Reporting of Compliance issues.
- Monitoring & review.

### 3 DEFINITIONS

**Anything of Value** - Any item of value or intangible benefit, including but not limited to gifts, meals, entertainment, travel, employment or an offer of employment, obsolete company assets, promotional sponsorship, cash and cash equivalents, per diems, favours and business opportunities. Business opportunities may include provision of goods or services directly or indirectly.

**Business Partner** - Third parties that interact with others on behalf of the Company or controlled entities, such as agents, brokers, intermediaries, advisors, consultants, representatives, joint venture partners, co-investors, travel agents, freight forwarders, customs agents, tax advisors, law firms, finders, lobbyists, accountants and Engineering, Procurement & Construction (EPC) contractors.

**Facilitation Payment** - A payment to a public official to expedite or secure the performance of a routine, non-discretionary government action. Examples include cash payments to expedite the issuance of visas or to clear goods through customs, where there would be no legal basis for the public official to deny the visa or clearance of the goods. Facilitation Payments should not be confused with legitimate and published expediting or processing fees which may be legally charged by government agencies from time and paid by wire transfer or other means into official government accounts. Facilitation Payments are illegal under many anti-corruption laws, including the UKBA, and they are not permitted under this standard.

**FCPA** - US Foreign Corrupt Practices Act - US Federal Law designed to combat bribery of foreign Government Officials. The statute has two main provisions; Anti-Bribery; and Accounting (Books, Records & Internal Controls). The US may assert jurisdiction against companies who are listed on its securities exchanges (and are therefore regulated by the Securities & Exchange Commission). The US has also claimed jurisdiction over non-US companies when the link is less obvious, for example the act of transacting in US Dollar currency. Both the US Department of Justice and the US Securities & Exchange Commission enforce the FCPA.

**Government Official** - Includes:

- Any officer or employee of any national, regional, local or other governmental entity, department or agency thereof, including elected officials;
- Any officer, employee or official representative of a government or public international organisation or any government-owned or controlled entity (including State owned enterprises);
- Any private person acting in an official function or capacity for a government or public international organisation;
- Any political party or party official, or political office candidate;
- Any individual who holds or performs the duties of an appointment, office or position created by custom or convention, including, potentially, some tribal chiefs, indigenous leaders and members of royal families;
- Any person who holds themselves out to be the authorised intermediary of a Government Official
- Police officers and military personnel

**Compliance Officer** - Compliance Officer, Compliance Manager or officer assigned this role by SMFG management.

**Performance Standard** - Performance Standard documents give effect to the mandatory requirements arising from Company leadership. They describe the mandatory minimum Performance Requirements and accountabilities for definitive business obligations, processes, functions and activities across Company.

**Performance Requirement** - A clearly defined and concise key activity or task that fulfils a business obligation that results in governance/regulatory compliance. It must be outcome based and complete in its design, with no missing information or overlap with other Performance Requirements. It is supported by a number of associated Performance Controls.

**Performance Control** - A minimum set of mandatory measurable elements (activities, deliverables, methods, outcomes) that must all be performed to regulate and produce a consistent quality and standard in achieving a Performance Requirement.

**UKBA** - Bribery Act 2010 (United Kingdom), UK Law which came into force in July 2011. The Bribery Act ("UKBA") is designed to combat all forms of bribery and it contains both general anti-bribery provisions and prohibitions on bribery of foreign public officials. The UKBA also prohibits private to private or "commercial" bribery. Under the UKBA, Facilitation Payments

are considered to be the same as bribes. The UKBA also establishes a new offence of 'failure of commercial organisations to prevent bribery'. The UKBA requires companies to put 'adequate procedures' in place to prevent and detect bribery. The UKBA also makes companies responsible for the actions of 'associated persons' acting on the company's behalf. An associated person is defined as any person who 'performs services' on behalf of the company, which may include employees, subsidiaries, and agents.

#### 4 COMPLIANCE STANDARD REQUIREMENTS

The following section defines and outlines the key standard requirements including a brief description of roles, responsibilities and accountabilities.

- All employees and contractors of the Company are responsible for anti-corruption compliance and it shall be understood that this responsibility cannot be delegated.
- Any breach or suspected breach of anti-corruption law must be reported to the Compliance Officer or CFO immediately.
- The SMFG CEO, as leader of the business, is the owner of anti-corruption risk and is responsible for all business outcomes where anti-corruption must be considered.
- The SMFG CEO is the owner of Business Integrity policy and anti-corruption standard.
- The compliance officer and CFO are responsible for managing the implementation of Anti-corruption compliance standard and its maintenance.
- Any change to the Standard must be approved by the CEO.
- The CEO, CFO and the Compliance Superintendent will endorse and approve Pre-Approval of Anything of Value ("PAAV"), Community Development Projects & Donations ("CDPD"), and Business Partner Pre-Clearance ("BPPC") requests if these are deemed to be appropriate and in compliance with Company policy and applicable laws.
- One director level employee (CEO, CFO, Project Director, ESR director, or their delegate) will approve forms after the endorsement of the Compliance Superintendent. These documents include the Pre-Approval of Anything of Value ("PAAV"), Community Development Projects & Donations ("CDPD"), and Business Partner Pre-Clearance ("BPPC") requests if these are deemed to be appropriate and in compliance with Company policy and applicable laws.
- Specialist compliance external legal counsel will be consulted on PAAVs, CDPDs and BPPCs that are deemed to be high risk. PAAV, CDPD and BPPC forms have a risk assessment feature built into them, based on the responses that are entered, and risk scores over a selected threshold value (currently set at 50 points), and those forms with automatic referral flags will be sent to specialist compliance external legal counsel for their review and feedback to the CFO, Compliance Superintendent and the CEO for their consideration before possible CFO and CEO approval.
- The CFO will develop an annual action tracker and associated procedures to ensure that Performance Requirements and associated Performance Controls are maintained. The annual action tracker will describe each task, responsible party and timeline for task implementation. The annual action tracker shall be updated on a regular basis and reviewed with the Board of Directors of the Company or their delegate which may include the Euronimba Management Committee. The annual action tracker will be approved by the CEO prior to implementation.

- The Compliance Officer will implement a risk-based compliance monitoring and review process with a particular focus on sensitive business partners and transactions.
- The safety of our workforce comes first. In the event that any Company employee or contractor is threatened with imminent physical harm and it is necessary to provide a thing of value to a Government Official or any other person to avoid immediate risk to the individual's safety, the thing of value should be provided. However, the following steps must be taken:
  - Wherever feasible, a fully completed pre-approval (PAAV or CDPD) request shall be submitted to the SMFG Compliance Superintendent, CFO and the CEO in advance for emergency approval, citing the reasons for requesting the emergency approval. If the SMFG CEO is satisfied that an emergency situation does in fact exist, the CEO may provide an emergency approval without seeking advice from external counsel.
  - If a payment has been made without advance approval as a result of an imminent threat to health or safety of any SMFG employee or contractor, or any accompanying person, the following steps must be taken:
    - The employee or contractor who made the payment must immediately report the payment to their line manager and the Compliance Officer or CFO;
    - The employee must document the event accurately and in reasonable detail.
  - Any instance in which a Company employee or contractor is threatened with physical harm, arbitrary arrest, or otherwise has his or her health or safety threatened by Government Officials seeking payments or any other thing of value must immediately be reported to the Compliance Officer, regardless of whether Anything of Value was provided.
  - Emergency approvals only apply to the circumstance in question and further payments of a similar nature must be subject to separate review and approval. Emergency approval in one case does not imply automatic approval in others.

## 5 BREACH MANAGEMENT

**Performance Requirement 1:** Anti-corruption laws must never be breached. SMFG regards violation as serious misconduct which may lead to disciplinary action up to and including dismissal, very serious fines for SMFG and/ or its related entities and individuals, actions for damages by third parties against SMFG, criminal proceedings and possible imprisonment.

- All individuals (employees, contractors or officers) must contact their line manager and SMFG Compliance Officer or CFO if:
  - They become aware of any breaches or potential breaches of anti-corruption laws or this document by any SMFG director, employee, contractor, officer, or Business Partner;
  - A complaint is received from anyone (with or without evidence) that SMFG's conduct, or proposed course of conduct, is, or may be, in violation of applicable anti-corruption laws;
  - They have any questions regarding this document or anti-corruption laws.



- All compliance investigations should include consultation with external legal counsel. Progress of investigations and their outcomes must be reported to shareholder compliance representatives.

## 6 ACCOUNTABILITIES AND JURISDICTION

**Performance Requirement 2:** All SMFG directors, officers, employees, and contractors must comply with SMFG’s Business Integrity policy and all applicable anti-corruption laws, including those of their home country. In the event of conflict between this document and anti-corruption laws, the stricter obligation applies. The CEO of the company is responsible for providing the resources necessary to carry out the performance requirements:

- The SMFG CEO shall assign the necessary employees and contractors and the resources within SMFG to implement the Performance Requirements contained in this document.
- In support of SMFG, the CFO shall:
  - Draft, maintain and seek approval for the SMFG Anti-Corruption Standard;
  - Develop a detailed Compliance annual action tracker, assigning tasks, completion dates and responsible personnel who will implement the Performance Requirements and controls contained in this document;
  - Develop and perform annual, risk-based anti-corruption risk assessments.
- In support of SMFG, the Compliance Officer and CFO shall:
  - Develop an anti-corruption training curriculum, providing annual training to SMFG Employees, Contractors and selected Business Partners;
  - Ensure Employees and Contractors receive anti-corruption training within two months of joining SMFG;
  - Ensure high-risk Business partners receive anti-corruption training before engagement;
  - Develop, maintain and enhance additional business-level anti-corruption procedures to support the implementation of this document and the SMFG Business Integrity policy;
  - Seek guidance on legal compliance matters from specialist compliance external legal counsel;
  - Promptly investigate potential compliance concerns, in consultation with specialist compliance external legal counsel where appropriate, and develop remediation plans where required; and
  - Consult SMFG’s CEO immediately if a suspected anti-corruption breach is encountered.
- The SMFG CEO, supported by the Compliance Officer and CFO should develop and deliver regular tone from the top messaging on anti-corruption compliance.
- SMFG management shall address corruption-related risks in making decisions, including recruitment of employees and contractors, business planning, reviewing and making investments, all interactions with government officials (which includes employees of State-owned enterprises), and all activities with business partners.
- SMFG shall document all transactions and payments accurately and to the required level of detail.

## 7 PROHIBITED ACTIVITY

**Performance Requirement 3:** Do not authorise, offer, give, promise or provide Anything of Value directly or indirectly to a Government Official to improperly influence official action or to gain a business advantage or to anyone to induce them to perform their work duties disloyally or otherwise improperly.

Special care and scrutiny is required when dealing (directly or indirectly) with Government Officials (which includes Ministers and employees of government ministries and agencies, members of SMFG's Military Detachment or other members of the armed forces, the police, personnel of ministerial agencies (such as CEGENS), employees of local prefectures, and any State-owned enterprises, officials and employees of political parties, and employees of public international organizations) because special laws and considerations apply and an offer of Anything of Value to such an official could be viewed as improper.

Do not authorise, offer, give or promise to participate in the following:

- Schemes to give any improper benefit, kick-back, secret commission to anyone, or an unfair business opportunity;
- Offering or giving Facilitation Payments, even if it is customary to make such payments;
- Contributions, on behalf of SMFG to any political party, politician, elected official or candidate for public office;
- Use of a Business Partner, consultant, attorney, or any other third party to do something that SMFG is prohibited from doing directly; or
- Providing Anything of Value to a Business Partner when there is any meaningful risk that the Business Partner will engage in prohibited conduct on SMFG's behalf.

## 8 ANYTHING OF VALUE

**Performance Requirement 4:** Precautions must be taken when offering, promising or giving Anything of Value directly or indirectly to Government Officials to ensure that applicable anti-corruption laws and the SMFG Business Integrity Policy are not violated and to protect against allegations of improper behaviour.

Under local law, or in accordance with pre-established contracts for the provision of commercial or government services, per diems may be permitted, however, the legal basis for such a payment must always be verified. Mitigating controls should also be adhered to including, but not limited to, issuing of transparency letters to related Government Ministries or Ministers, entering into of specific contracts or agreements for the performance of services and detailed recording of work performed and outcomes of the work.

Even if in circumstances in which it may be appropriate to provide something of value, it cannot be the intent to gain a business advantage or to induce Government Officials (or private individuals) to perform their work duties disloyally or otherwise improperly; and the value must be moderate and appropriate to the circumstances, including the position of the recipient.

- Ensure that Anything of Value being offered or given meets the following criteria:
  - Is not offered, promised or given to influence or reward action taken by a Government Official or to induce anyone to perform work duties disloyally or otherwise improperly or reward that person for doing so, taking into consideration any other things of value given to the recipient in the previous six months;
  - Is of an appropriate value and nature (considering local custom, the position of the recipient and the circumstances) and would not cause embarrassment to SMFG or risk creating an impression that it intended to improperly influence the recipient, taking into consideration any other things of value given to the recipient in the course of the previous six months; and
  - Serves only legitimate business purposes.
- Consult the SMFG Compliance Officer or CFO if there is any risk that the frequency or value to be provided (alone or when combined) to the same person(s) could be viewed as anything other than moderate and appropriate, when measured against local norms.
- Obtain pre-approval as required (see Appendix 1) using the Pre-Approval Anything of Value template and maintain a business register with records of all authorisations.
- Notify the SMFG Compliance Officer if actual expenditures exceed the authorized amounts.
- Notify SMFG Compliance Officer if actual expenditures exceed the pre-approval threshold and no pre-approval was sought (on the basis the expenditure was not expected to exceed the threshold, or the event was unplanned and it was not possible to obtain pre-approval).
- Maintain accurate and appropriately detailed records of relevant expenditures and any supporting documents and provide such documents to SMFG's Compliance Officer upon request.
- Do not use personal funds or split or divide up payments to avoid any of the above requirements.

## 9 MANAGING BUSINESS PARTNERS

The following section defines and outlines the key Anti-corruption compliance standard requirements including a brief description of roles, responsibilities and accountabilities

- The Contract owner must complete the Business Partner Pre-Clearance Form and submit it to the Compliance Officer in order to request anti-corruption due diligence examination and approval before the Business Partner is engaged and before any payments, commitments or promises are made to the Business Partner.
- The following steps must be followed to ensure Business Partners act appropriately:
  - Compliance officer must Conduct initial due diligence to determine whether there are concerns with the Business Partner and risk-based refresher due diligence on a periodic basis;
  - SMFG's standard procurement processes must be followed and the contract owner is responsible for ensuring that the contract includes standard anti-corruption provisions (for example, anti-corruption representations and warranties, audit rights, and termination provisions);

- The contract owner must explain SMFG’s expectations about compliance with anti-corruption laws and SMFG’s policies to the Business Partner and keep a record of this (as noted above, in certain cases the Compliance Officer will also deliver anti-corruption training to the Business Partner, thus further communicating these expectations);
- The contract owner and Finance Department must regularly monitor Business Partner invoicing to identify any potentially concerning charges, ensure accurate billing in accordance with agreed pricing for services, and ensure supporting documentation is provided for disbursements and pass through charges.
- The compliance officer must maintain all records related to the due diligence and engagement with Business Partners.

## 10 RELEVANT/RELATED DOCUMENTS

- SMFG Business Integrity Policy
- SMFG Code of Conduct
- US Foreign Corrupt Practices Act 1977 ("FCPA")
- UK Bribery Act 2010 ("UKBA")
- OECD Good Practice Guidance

## 11 CONTACTS

If you have any concerns or you would like any advice please contact:

| Position                  | Contact Name   | Contact Email  |
|---------------------------|----------------|--|
| Compliance Officer        | Hyacinthe Loua | <a href="mailto:Hyacinthe.Loua@nimbairon.com">Hyacinthe.Loua@nimbairon.com</a> |
| Compliance Superintendent | Mohamed Conde  | <a href="mailto:Mohamed.Conde@nimbairon.com">Mohamed.Conde@nimbairon.com</a>   |
| CFO                       | Shane Kay      | <a href="mailto:Shane.Kay@nimbairon.com">Shane.Kay@nimbairon.com</a>           |
| CEO                       | Bronwyn Barnes | <a href="mailto:Bronwyn.Barnes@nimbairon.com">Bronwyn.Barnes@nimbairon.com</a> |

## 12 LIST OF ABBREVIATIONS

| Abbreviation | Meaning  |
|--------------|--|
| BPPC         | Business Partner Pre Clearance                         |
| CEO          | Chief Executive Officer                                |
| CFO          | Chief Financial Officer                                |
| CDPD         | Community Development Project and Donation             |
| FCPA         | Foreign Corrupt Practices Act 1977                     |
| OECD         | Organisation for Economic Co-operation and Development |
| PAAV         | Pre-Approval Anything of Value                         |
| SMFG         | Société des Mines de Fer de Guinée                     |

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| Abbreviation | Meaning             |
|--------------|---------------------|
| <b>UK</b>    | United Kingdom      |
| <b>UKBA</b>  | UK Bribery Act 2010 |
| <b>US</b>    | United States       |

## Appendix 1 AUTHORITIES

### ANTI-CORRUPTION AUTHORITY

- Per diem, cash or cash equivalent payments to a Government Official
- Gift > US\$50
- Meal or entertainment > US\$125 for a Government Official or US\$250 for a private individual
- Travel or accommodation (excluding private sector suppliers under approved purchase orders or contracts)
- Promotional sponsorship
- Any other things of value to a Government Official (refer to the definition in section three)
- Clearance of Business Partners
- Community Development Projects or Community Donations

|     | <b>Responsibility by SMFG Officer</b>   | <b>Inform</b> | <b>Endorse &amp; refer to legal counsel where applicable</b> | <b>Approve</b> |
|-----|---|---------------|--|----------------|
|     | Compliance Officer (for requests originating from employees, contractors)                   | ✓             |  |                |
| and | CFO and Compliance Superintendent (for requests originating from employees and contractors) |               | ✓  | ✓              |
| and | CEO   |               |  | ✓              |