

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

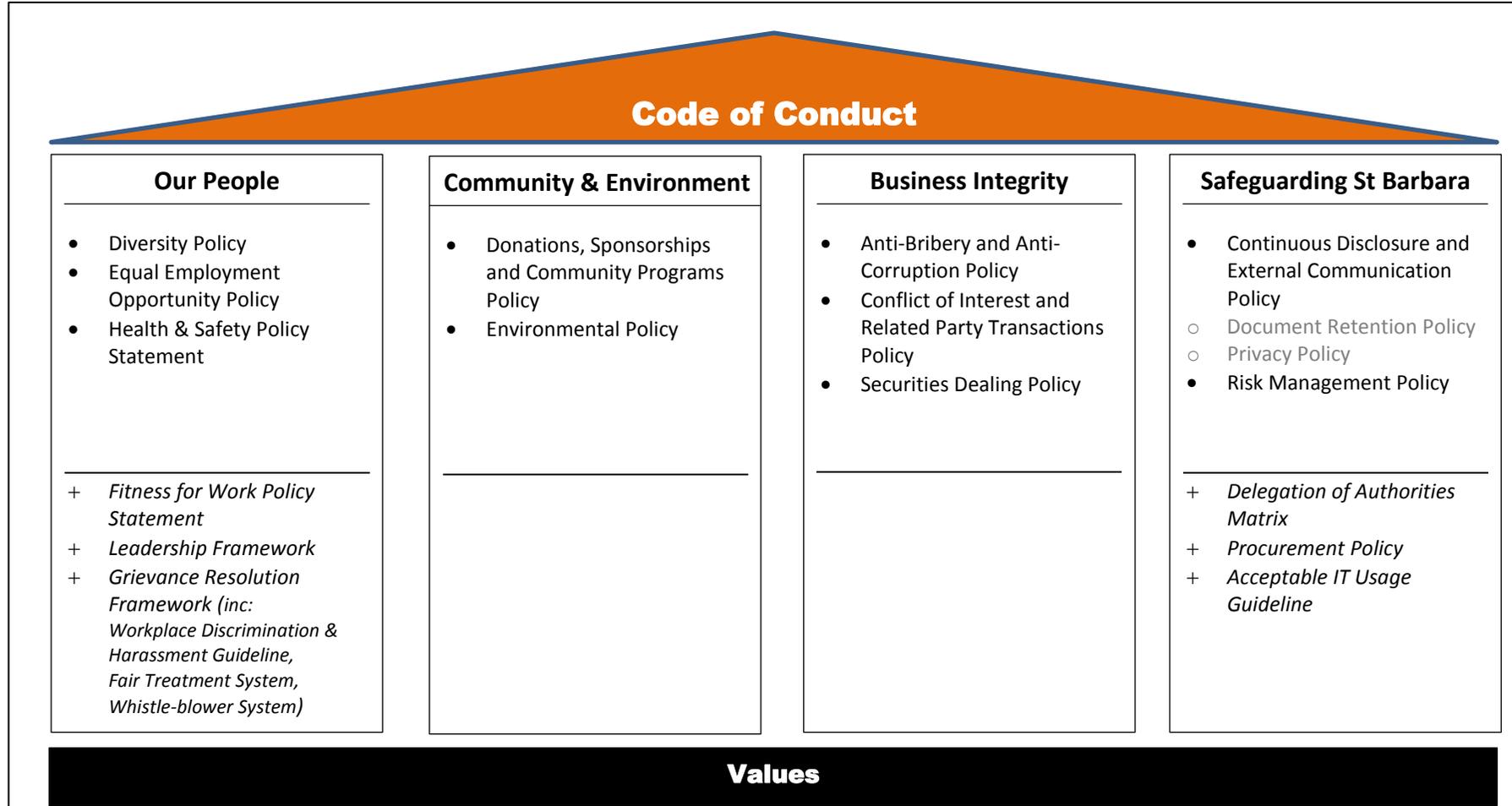
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St Barbara Code of Conduct Framework

This policy is one component of St Barbara’s Code of Conduct.

At the time of publication of this policy, the Code of Conduct includes the following policies and related documents:



● = Policy published on www.stbarbara.com.au

○ = Document in preparation

+ = Internal document published on ROCKi

SUMMARY OF THIS POLICY

This page is a summary of the Anti-Bribery and Anti-Corruption Policy which comprises this entire document. The summary is not a substitute for reading the entire policy.

St Barbara Limited and its subsidiaries (collectively, St Barbara) are committed to acting ethically, honestly, with integrity and in compliance with the law. St Barbara has zero tolerance for bribery or corruption in its business worldwide.

All countries in which we conduct business have laws that prohibit people and companies from engaging in corrupt conduct. Some of these prohibitions extend to cover bribes to private sector parties as well as to government officials. Breach of Anti-Bribery and Corruption laws could have serious consequences for St Barbara and its employees, officers, agents, representatives or contractors.

St Barbara expects that its directors, officers, employees, agents, contractors and any other party representing St Barbara, wherever they are in the world, will act ethically, honestly, with integrity and in compliance with the law and that they will not engage in any form of corruption or bribery.

We will:

- be guided by St Barbara's values of honesty and integrity, as well as openness, transparency and common sense, and will seek guidance when unsure;
- comply with all applicable Anti-Bribery and Corruption laws and St Barbara's Anti-Bribery and Anti-Corruption Policy, Code of Business Conduct and related measures;
- maintain measures to prevent and detect bribery and corruption by St Barbara or any other party representing St Barbara; and
- be alert for instances of corrupt conduct and report suspected or actual breaches.

We will not:

- engage in corrupt or dishonest business practices;
- offer or accept gifts or hospitality if this might impair objective judgement, improperly influence a decision or create a sense of obligation;
- directly or indirectly use Company property or funds for any unlawful, unethical or improper purpose;
- authorise, make, invite or accept, any bribe or improper benefit to obtain, retain or improve business or a business advantage;
- make a facilitation payment;
- permit anyone to offer or pay bribes or make facilitation payments on behalf of St Barbara;
- offer or give anything of value to a public official (or their representative or family member) to induce or reward them for acting improperly in the course of their public responsibilities;
- make any political contributions in cash or in-kind anywhere in the world.

Full details of the Anti-Bribery and Anti-Corruption Policy are set out on the subsequent pages in this document.

Bob Vassie
Managing Director and Chief Executive Officer
29 November 2016

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1. PURPOSE

St Barbara Limited and its subsidiaries (collectively, St Barbara), requires and expects that its directors, officers, employees, agents, contractors and any other party representing St Barbara, wherever they are in the world, will act ethically, honestly, with integrity and in compliance with the law - they will not engage in any form of corruption or bribery.

All countries in which we conduct business have laws that prohibit people and companies from engaging in bribery or corrupt conduct. Some of these prohibitions extend to cover bribes to private parties as well as to government officials. Breach of Anti-Bribery and Anti-Corruption laws is criminal conduct which could have serious consequences for St Barbara and individuals involved— including substantial fines and liabilities, imprisonment and reputational damage.

This Anti-Bribery and Anti-Corruption Policy (Policy) prohibits St Barbara Personnel (defined below) from directly or indirectly using bribes to influence anyone – whether in the public or private sector - to use his or her discretion to benefit St Barbara. This prohibition is clear and simple but the laws prohibiting bribery are not as straightforward.

To ensure that St Barbara Personnel do not engage in activity that constitutes (or could be perceived to constitute) bribery or corruption, this Policy:

- explains what conduct is expected of St Barbara Personnel in observing and upholding the prohibition on bribery, corruption and related improper conduct; and
- provides information and guidance on how to recognise and deal with instances of bribery and corruption.

This Policy also supports St Barbara's corporate governance framework.

2. SCOPE

This Policy applies to all individuals at all levels who are employed by, act for, or represent St Barbara or any of its subsidiaries anywhere in the world (St Barbara Personnel), including:

- a. directors;
- b. officers;
- c. managers;
- d. employees;
- e. contractors;
- f. consultants;
- g. agents; and
- h. any other person representing or acting on behalf of St Barbara.

This Policy applies to St Barbara Personnel irrespective of their employment status (that is, whether they are employed on a full-time, part-time, maximum or fixed term, casual or temporary basis).

3. DEFINITIONS – WHAT IS BRIBERY AND CORRUPTION

It is easier to understand the reach of bribery and corruption laws and the scope of this Policy in light of the following defined terms and concepts.

3.1 BRIBERY

Bribery means the offering, promising or giving (on the one hand) or accepting or soliciting (on the other hand) anything of value (including a financial or other advantage) to improperly influence actions. Improper influence involves the intent to induce an action which is illegal, unethical, dishonest or a breach of trust or duty (a misuse of someone's position). The influence is often, but not always, sought in order to obtain business or a business advantage (which can be obvious, like getting a contract, or less clear, like obtaining a licence or permit, avoiding a negative outcome or expense, or some other advantage). The impropriety of the influence can often be tested by considering transparency— would those involved be comfortable if the benefit and influence were openly and publically known? Considerations about whether the end goal (the thing the influence is intended to assist to achieve) is in fact legitimately due to St Barbara or St Barbara Personnel may be relevant to, but are not always determinative of, whether provision of the benefit breaches this Policy or relevant laws. Steps along the way to a goal considered legitimate or owing may involve benefits not so legitimate or appropriate.

Bribery can take many forms, is often disguised and may be difficult to trace or detect. Some examples of common types of bribes, and things often used to hide or disguise bribes, include:

- money (or cash equivalent such as shares, gift cards, etc);
- gifts, including customary gifts;
- entertainment or hospitality (including upgrades, flights or accommodation);
- discounts;
- benefits and 'perks' to relatives including employment, education and training;
- unwarranted allowances or expenses;
- kickbacks;
- "facilitation" or "grease" payments (see below);
- political or charitable contributions;
- community outreach and stakeholder engagement expenses, including:
 - "daily fees", or fees charged for services already required to be provided, expenses related to those services, or matters for which a fee is not legitimately due;
 - uncompensated or improper use of Company services or facilities;
 - enhanced fees or commissions or false invoices; and
 - information.

Other important points to remember about bribery include:

- **Direct or indirect** - Bribery can be direct or indirect. It may involve procuring an intermediary or an agent to make (or solicit) an offer which constitutes a bribe to another person, or where a bribe is made to an associate of a person who is sought to be influenced.

- **Incomplete or unsuccessful bribes** - The offence of bribery can occur even if the bribe is not actually accepted or paid, or if the bribe is ‘unsuccessful’ (eg, the conduct sought to be induced does not occur).
- **Required ‘intent’, risk and wilful blindness** - To be an offence, an act must be done with improper or corrupt intent. This typically means an act done voluntarily and intentionally, and with a purpose or motive of accomplishing either an unlawful end or result, or a lawful end or result but by some unlawful method or means—typically this involves dishonesty. Corrupt intent will exist where an offer, payment or promise was intended to induce the recipient to misuse his or her official position or position of trust. Importantly, a person can be found to have the intent necessary to commit an offence under Anti-Bribery laws if they are aware of a significant risk that bribery is occurring (on behalf of the Company) and they choose to ignore that risk. This is often called “wilful blindness” or “conscious disregard” of the act, risk or evidence of bribery. In other words, St Barbara and St Barbara Personnel cannot avoid liability under the relevant laws by turning a blind eye while an employee or agent pays a bribe, or by doing nothing to prevent a bribe from occurring where it is plain (or it should be plain) that there is a significant risk it will occur. Finally, authorities may infer that intent existed based on the nature of the acts.
- **Ancillary offences** - people who get caught up in the net of a corrupt act can be guilty of a related offence, for example conspiring to commit the offence or concealing the offence.

3.2 CORRUPTION

Corruption is dishonest activity involving the misuse of position, office, power, influence and/or trust to obtain an advantage or gain not legitimately due (whether a personal advantage or an advantage for St Barbara).

3.3 PUBLIC OFFICIAL

Whether the target of the act of bribery works in the public or private sector is irrelevant. The relevant laws apply to bribery of public officials as well as bribery in respect of any proposed or completed commercial transaction in the private sector. However, there is a higher risk of improper conduct or offering/solicitation of bribes (as well as more stringent regulation and enforcement of laws) in relation to bribery of a Public Official.

Public Official is a broad term, extending beyond the common understanding of the term. It includes:

- Any elected member of a government legislature, official or employee of a government (in any case whether national, state/provincial or local) or agency, department or instrumentality of any government (including legislative, judiciary and executive personnel and including all levels);
- any official or employee of a government-owned or controlled entity or enterprise;
- any official or employee of any public international organisation (for example, the UN, the World Bank, the IFC, etc);
- 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 (including some indigenous or tribal leaders or community sector leaders who are authorised and empowered to act on behalf of the relevant group of indigenous peoples; and members of royal families);
- any political party, party official or candidate of a political party or for political office;

- any person who holds themselves out to be an authorised intermediary of a public official; or
- a close relative (sibling, spouse, parent or child) of any of the above.

If you are unsure whether an individual is a Public Official, please contact Manager Legal (failing which, the Company Secretary).

3.4 FACILITATION PAYMENT

A Facilitation Payment is a minor payment or other inducement provided to a Public Official for the purposes of securing or expediting a routine government action which the Public Official is already ordinarily obliged to perform.

3.5 SECRET COMMISSIONS/“KICK-BACKS”

A Secret Commission is an undisclosed payment (or something of value) that is offered or provided to an agent or representative of a person/company (the ‘principal’) for the purpose of influencing the conduct of the business of the principal. These are also commonly called ‘kick-backs’.

3.6 ANTI-BRIBERY AND ANTI-CORRUPTION LAWS (ABAC LAWS)

Many laws criminalise or otherwise prohibit bribery and corruption, and many of those laws have ‘extraterritorial reach’, and so regulate conduct anywhere in the world if certain (sometimes quite minimal) connections exist with the country of the law. Most countries in the world have Anti-Bribery and Corruption laws criminalising direct or indirect bribery involving foreign government officials. For the purposes of this Policy, Anti-Bribery and Corruption Laws (ABAC Laws) include, without limitation, the laws of Australia, the UK, the US, Canada, and Papua New Guinea, and any other anti-corruption laws which may apply to St Barbara, its business partners or third parties operating on its behalf.

4. WHAT CONDUCT IS PROHIBITED?

St Barbara Personnel must not, directly or indirectly:

- a. breach ABAC laws or engage in bribery or corrupt conduct, including by:
 - i. giving, offering to give, accepting or requesting a bribe in any form;
 - ii. authorising, undertaking or participating in any form of corrupt business practice (such as a scheme that gives any improper benefit, kick-back or secret commission to anyone) whether for their own benefit or the benefit of St Barbara; or
 - iii. engaging or allowing any third party to do something that St Barbara or St Barbara Personnel are prohibited from doing under this Policy; or
- b. make a facilitation payment; or
- c. retaliate in any way or otherwise cause any detriment to any person(s) for reporting in good faith a breach or suspected breach of this Policy.

There is heightened risk and misunderstanding of obligations associated with giving and receiving of gifts and entertainment, charitable and political donations, dealing with Public Officials, extortion attempts, the prohibition on facilitation payments, and recordkeeping requirements. Therefore, there are separate sections in this Policy (below) dealing with each of these more thoroughly.

If you are not sure whether particular conduct, behaviour or practices are acceptable you must check with Manager Legal (failing which, the Company Secretary) before engaging in the behaviour.

5. WHAT CONDUCT IS REQUIRED—RESPONSIBILITIES

5.1 RESPONSIBILITIES

It is the responsibility of St Barbara and St Barbara Personnel to comply with the letter and spirit of this Policy and to aid in the prevention, detection and reporting of behaviour which may breach this Policy. Accordingly, St Barbara personnel must:

- a. comply with this Policy and all ABAC Laws;
- b. be alert for signs of or instances of corrupt conduct in connection with St Barbara's business and immediately report any actual or suspected corrupt conduct or other violation of this Policy to any one or more of their immediate Manager, their Manager-Once-Removed, Human Resources, Manager Legal, or through St Barbara's confidential external independent Whistle-blower Hotline established under the Whistle-blower System;
- c. seek immediate guidance from Manager Legal (failing which, the Company Secretary) if they are uncertain about conduct or have questions;
- d. report instances where improper payments (including facilitation payments) are requested as soon as possible after the request is made;
- e. be open and transparent in communications and seek opportunities to reinforce and reward individuals for actively seeking to comply with and enforce this Policy;
- f. conduct appropriate due diligence into potential counterparties, agents, joint venturers and other business partners and ensure that they comply with this Policy or that their own Anti-Bribery and Corruption Policies are consistent with St Barbara's Policy and are being followed (see below, Dealing with Third Parties); and
- g. communicate St Barbara's expectations regarding ethical business conduct and use appropriate contractual requirements in agreements with third parties to ensure that St Barbara has adequate protections (including warranties and guarantees) and rights (including notification, indemnification, audit, and termination) (see below, Dealing with Third Parties).

5.2 PROTECTIONS

St Barbara strongly encourages St Barbara Personnel to report any suspected or actual breach of this Policy. As detailed in the St Barbara's Whistle-blower Policy and System, St Barbara is committed to ensuring that no person will suffer detriment because they have reported a matter in good faith. Detriment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with reporting a matter.

Persons who are subjected to such treatment should notify the Manager Legal or Company Secretary.

6. WHAT ARE THE CONSEQUENCES OF A CONTRAVENTION OF THIS POLICY

A breach of this Policy by any St Barbara Personnel will be regarded by St Barbara as serious misconduct, and any such breach will be investigated and addressed by St Barbara. Depending on the circumstances, consequences may include:

- disciplinary action, the nature which action will depend on the severity of the breach, but which may include a reprimand, formal warning, demotion, and/or termination of employment in the case of employees, or termination of contract in the case of contractors, consultants or other agents;
- referral of the matter to regulatory and law enforcement authorities; and/or
- criminal and civil penalties or fines, criminal convictions and imprisonment.

As noted above, in most countries, including Australia, bribery and many other forms of corruption are crimes, which can have very serious consequences for St Barbara and individuals involved in the conduct. For instance, individuals breaching the Australian ABAC laws by bribing foreign public officials can be liable for fines of up to 100,000 penalty units (equivalent to A\$18 million¹) and/or a maximum of 10 years jail. Under PNG law, individuals breaching ABAC laws can be subject to a fine and/or a maximum of between 7 to 14 years jail depending on the offence committed.

Additional business consequences for St Barbara can also be very serious, and include potential criminal and civil liabilities, loss of business, damage to relationships, and other such outcomes.

7. HEALTH AND SAFETY

The health and safety of St Barbara Personnel is paramount. Sometimes, a demand for a payment (including a Bribe or Facilitation Payment) is accompanied by a direct or associated threat to physical safety or security of the individual or an associated person, which threat payment may avoid. A person reasonably believing that there is an immediate and credible threat of this type may make a payment. However, the demand and payment details must be immediately reported to the Company Secretary or Manager Legal, or otherwise in accordance with the Whistleblower Policy and System.

8. WHAT GIFTS, ENTERTAINMENT AND HOSPITALITY MAY BE GIVEN OR ACCEPTED

Gifts, entertainment and other hospitality are often provided for a legitimate business purpose, such as building legitimate business relationships. However, they also pose special risk to St Barbara, because they may compromise, or have the appearance of compromising, the exercise of objective business judgment. This risk is heightened where Public Officials are involved, in part due to the special rules and scrutiny applied to Public Officials.

To manage the special risk posed by gifts, entertainment and hospitality, St Barbara requires all St Barbara personnel to follow the rules and procedures set out below.

8.1 MANDATORY CRITERIA FOR ALLOWABLE GIFTS

Gifts, entertainment and other hospitality must never be used to corruptly or improperly influence business decisions.

Nothing of value (including but not limited to a gift, entertainment or hospitality) may be provided or received from any external party or entity, and in particular any public official, unless:

¹ At November 2016, a penalty unit under s4AA of the Crimes Act = A\$180

- a. it is directly connected to a legitimate business purpose or activity (for example, building or maintaining a business relationship or continuing a business discussion over a meal);
- b. it is of an appropriate value/nature in line with common business courtesies and considering local custom, the position of the recipient and the circumstances and otherwise complies with the limits and requirements of this Policy;
- c. it is not offered or received at a time when it could be perceived to impair objective business judgement, for example, when a regulatory approval (such as the granting of permits or licences) is being considered by that person or official (or their department), when a tender is pending, or a transaction is under negotiation;
- d. the proposed recipient can appropriately accept any such Gift (many government officials and other private sector representatives cannot do so under local laws or their own code of conduct);
- e. the proposed recipient is not commonly or regularly in a position to exercise discretionary decision-making authority regarding some aspect of St Barbara's business; and
- f. the giving or acceptance of the Gift would not cause a third party to form an impression that there is an improper connection between that Gift and a business opportunity.

If St Barbara Personnel have any concerns about the appropriateness of a gift, entertainment or hospitality, they should obtain prior written clearance from their Immediate Manager, Manager-once-Removed, or Manager Legal.

In addition, the gift, entertainment or hospitality must comply with the remaining requirements in this section 9.

8.2 LIMITS ON GIFTS, ENTERTAINMENT AND HOSPITALITY

St Barbara Personnel must not, without prior written approval from a General Manager or above, give or accept gifts of **cash, loans or cash equivalents** such as shares, gift certificates or vouchers of any value.

St Barbara Personnel must not, without prior written approval from a General Manager or above, provide or receive anything of a value exceeding AUD 200 to/from a person (including public officials) (per person if at a meal or event with multiple attendees) or provide or receive multiple things of value over the course of any 12 month period to/from that person which exceed an aggregate value of AUD 1,500.

8.3 REGISTER OF GIFTS, ENTERTAINMENT AND HOSPITALITY

St Barbara will maintain a central registry of gifts, entertainment and hospitality (Register of Gifts). St Barbara Personnel must record in the Register of Gifts:

- a) anything of more than nominal value (AUD 10) given or received to/from a Public Official;
- b) anything of value which is given or received by St Barbara Personnel (other than to/from a Public Official) that is of a value in excess of AUD 50;
- c) anything given to or received from the same person or entity which amounts to an aggregated value over a 12 month period in excess of AUD 1,500 if the amounts aggregated have not already been recorded as individual entries as per the above.

However, St Barbara Personnel are not required to record in the Gift Register things of value provided or received in accordance with the following other written policies of St Barbara:

Charitable and Political Donations Policy, Community Program/Capacity Building Guidelines, and Scholarships Guidelines.

8.4 GIFTS AND HOSPITALITY TO PUBLIC OFFICIALS

As noted in section 3.3 of this Policy, there is a high risk associated with the provision of gifts or hospitality to Public Officials. Gifts and hospitality can only be given to Public Officials if the requirements of this Policy are met. As set out in section 9.1, gifts and hospitality to public officials must not constitute a political contribution in cash or in-kind anywhere in the world.

Any gift or hospitality given to a Public Official must be given in an open and transparent manner and must not be given to induce or reward the improper performance of an official function or activity (of that official or of some other official). The gift or hospitality must not be extravagant in value and must be infrequent.

In order to provide additional guidance to St Barbara Personnel, some examples of gifts or hospitality given to a Public Official that would likely be acceptable include:

- Provision of tokens and mementos such as company branded pens, mugs, stationery, or caps; and
- Modest hospitality such as a cup of coffee, light refreshments or lunch provided during the course of a legitimate business meeting.

The following examples of gifts or hospitality are unlikely to be acceptable:

- Cash, gift certificates, or jewellery;
- Gifts of significant value, such as expensive wine or alcohol;
- Extravagant entertainment (including meals); and
- Travel, accommodation and tickets for conferences or social events.

If you have any doubt about the appropriateness of giving a gift or hospitality to a Public Official, please contact the Manager Legal and Company Secretary.

9. CHARITABLE DONATIONS, SPONSORSHIPS AND POLITICAL DONATIONS

St Barbara supports a number of charitable causes, including by making charitable donations, without expectation or acceptance of favourable action or the exercise of influence. Sponsorships differ from charitable donations in that, in addition to providing a benefit to the organisation, event or activity being sponsored, they are also aimed at obtaining some marketing benefit for St Barbara. However, in certain circumstances, a charitable donation or sponsorship may be or may be perceived to be a bribe or corrupt act, for example, where the subject charitable organisation is a sham or front, or is affiliated in some way with a third party the Company may wish to influence.

To manage this risk, St Barbara requires all St Barbara charitable donations to comply with its Charitable Donations, Sponsorships and Political Donations Guideline. That Guideline requires, generally, that such donations:

- a. be made only to approved, registered not-for profit organisations whose goals reflect St Barbara's values;
- b. where significant in value (more than AUD500), be approved by the Managing Director & CEO;
- c. be accurately recorded in business records of the Company;
- d. be tax-deductable;

- e. not be made to individuals or for-profit organisations;
- f. not be made in cash or to accounts not clearly affiliated with the approved charitable organisation;
- g. not be made to projects that are the responsibility of federal, state or local governments;
- h. not be made to Public Officials; and
- i. not be subterfuge, ploy or deception for bribery or contrary to law.

9.1 POLITICAL DONATIONS

St Barbara's approach to political contributions is clear, and is set out in St Barbara's Charitable Donations, Sponsorships and Political Donations Policy. In short, St Barbara will not make any political contributions in cash or in-kind anywhere in the world. Political contributions include contributions to political parties, politicians, elected officials or candidates for public office in any country.

There may be circumstances in which you are invited to attend an event or activity organised by a political party, politician, elected official or candidate as a representative of St Barbara for the purpose of a business briefing. Prior to accepting such invitations, you should seek approval from your Immediate Manager. Approval will only be granted when it is sought prior to an event, the attendance is for business briefing purposes only and the attendance is in compliance with the Charitable Donations, Sponsorships and Political Donations Guideline and this Policy.

Whilst it is not possible to provide an exhaustive list, examples of prohibited political activities and contributions include:

- sponsorship or hosting of functions or events organised by or associated with a political party, politician, elected official or candidate with the purpose of raising funds, campaigning, launching policies or otherwise building the profile of the party or individual;
- free or discounted use of St Barbara's premises, equipment or resources as an in-kind donation to a political party, politician, elected official or candidate;
- paying wages or salaries of a St Barbara employee who is working for a political party, politician or candidate during normal working hours (but not if the employee takes paid leave to undertake this work);
- using your position at St Barbara to try to influence another Company, organisation or person to make a political contribution or to provide any other form of support for a political party, politician, elected official or candidate; and
- attempting to disguise political contributions by using charitable donations or making contributions to organisations that you know to be affiliated with a political party, politician, elected official or candidate for public office.

10. COMMUNITY PROGRAM/CAPACITY BUILDING

In addition to general Charitable Donations and Sponsorships, St Barbara is committed to working constructively with and in the communities in which it operates to help to improve educational, infrastructure, health and governance capabilities. St Barbara will consider any bona fide request for investment in such programs in the communities in which it operates. However, all St Barbara community outreach and engagement programs, including sponsorships, scholarships or contributions to education, infrastructure, health or governance

must be administered in accordance with transparent, clear and objective guidelines and procedures (including accurate and complete record-keeping and periodic audit) as set out in St Barbara's Community Program/Capacity Building Guideline, its Scholarship Guideline, and this Policy.

Any investment in such a program will require approval:

- a) by the Managing Director & CEO for programs valued at less than AUD 5,000;
- b) by the Managing Director & CEO and Manager Legal for programs valued at AUD 5,000 or more;
- c) by the Board for programs valued at AUD 50,000 or more.

All community investment/capacity building support valued at more than AUD100, or repeated support valued at more than AUD 1000 in any 12 month period is to be recorded in the Register of Community Programs/Capacity Building, which will be maintained by the General Manager, Health, Safety, Community and Environment and reviewed quarterly by Manager Legal.

11. HOW DOES THIS POLICY APPLY TO RELATIONSHIPS WITH THIRD PARTIES

Any improper conduct by a third party may damage St Barbara's reputation and expose the Company and its directors and employees to criminal or civil liability or other sanctions.

St Barbara will carefully select third parties with whom it does business (including but not limited to agents, intermediaries, consultants, distributors, contractors, business partners or joint venture partners) and will engage those third parties appropriately, seeking to ensure that they will abide by applicable Anti-Bribery and Anti-Corruption laws.

Consequently, St Barbara has developed a Procurement Policy and accompanying Third Party Due Diligence Guideline to ensure that St Barbara exercises an appropriate level of due diligence regarding any third party before it enters into a relationship with that third party. The appropriate level of due diligence will depend on various factors, including the location and nature of the proposed relationship/transaction, the value of the proposed transaction, the third party's past conduct, the level of interaction with Public Officials the third party will have on St Barbara's behalf, and more.

The Procurement Policy and accompanying Third Party Due Diligence Guideline will aim to ensure that:

- a. the third party is reputable, competent and qualified to perform the work for which they are being engaged;
- b. the compensation the third party requests is reasonable and in accordance with market value;
- c. the third party has not committed nor been investigated or prosecuted previously for a bribery or corruption offence that means engaging the third party may be inappropriate;
- d. there is no conflict of interest that means engaging the third party would be inappropriate;
- e. St Barbara's position regarding Anti-Bribery and Anti-Corruption as set out in this Policy is communicated to the third party, and where practicable, the third party either agrees in writing to comply with this Policy or has appropriate Anti-Bribery and Anti-Corruption Policies of its own;

- f. the agreement with the third party is documented and incorporates St Barbara's standard terms in relation to Anti-Bribery and Anti-Corruption, as appropriate based on the risk based assessment of the third party, including clauses that:
 - i. the third party has not breached Anti-Bribery laws in the past three years;
 - ii. the third party will comply with St Barbara's Anti-Bribery and Anti-Corruption Policy or with its own such Policy, if applicable and appropriate;
 - iii. it will report any relevant conduct or breach to St Barbara going forward;
 - iv. provide St Barbara with a right to audit the relevant books and records for compliance with St Barbara's Anti-Bribery and Anti-Corruption Policy, as related to the contract;
 - v. provide St Barbara with a right to terminate the relationship if the third party engages in conduct which breaches St Barbara's Anti-Bribery and Anti-Corruption Policy, or if St Barbara has a reasonable belief that it has done so; and
- g. appropriate monitoring of the third party's relevant performance and conduct takes place (which may involve periodic due diligence and review).

12. COMMUNICATION AND TRAINING

St Barbara encourages open communication and dialogue regarding this Policy and any matters which may arise under it.

St Barbara will regularly communicate this Policy to St Barbara Personnel and will provide training appropriate to the level of various personnel.

13. RECORD KEEPING

St Barbara and St Barbara Personnel must keep accurate and complete accounts, invoices, and other documents and records relating to dealings with any external party or third party. No accounts may be kept "off-book" for any reason or treated/managed in a way so as to facilitate, conceal or disguise potential breaches of this Policy or other St Barbara Policies.

Further, St Barbara Personnel will:

- a. make no false or misleading entries in the books and records of St Barbara;
- b. ensure contracts, invoices and other documents relating to third party relationships accurately describe the transactions to which they relate;
- c. abide diligently by payment control procedures; and
- d. abide diligently by requirements to record and obtain approvals for payments and expenses, including those relating to gifts, hospitality, entertainment, travel, charitable donations, sponsorships, political donations, community program/capacity building and other stakeholder engagement.

Under the Australian Commonwealth Criminal Code, it is a criminal offence if, amongst other things, a person makes, alters, destroys or conceals an accounting document either recklessly or with the intention to facilitate, conceal or disguise a bribe to foreign public officials, Commonwealth public officials or to corporations. Committing such an offence can result in

individual fines of up to 10,000 penalty units (equivalent to A\$1.8 million²) and/or up to 10 years jail.

14. REVIEW

This Policy is to be reviewed:

- a. as soon as practicable after a key change in the nature or scope of St Barbara's activities or a change in legislation relating to bribery and corruption; or
- b. otherwise at least once every two years.

Date Policy first implemented: 10 July 2013
Date of this revision: 29 November 2016
Date for next scheduled review: 2018
Version number: 3

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² At November 2016, a penalty unit under s4AA of the Crimes Act = A\$180