

INTEGRITY STANDARD

Table of Contents

1	PURPOSE	3
2	APPLICATION	3
3	CONSEQUENCES OF NON-COMPLIANCE	3
4	CONCEPTS EXPLAINED	4
	4.1 BRIBERY, CORRUPTION, FACILITATION PAYMENTS, GIFTS, SECRET COMMISSIONS AND PER DIEMS EXPLAINED:	4
	4.2 PUBLIC OFFICIALS EXPLAINED:	5
	4.3 RED FLAGS EXPLAINED:	6
	4.4 SOURCES OF LEGAL OBLIGATIONS:	7
5	BASE PERSONNEL REQUIREMENTS	7
	5.1 ALL BASE PERSONNEL ARE REQUIRED TO:	7
	5.2 CRITERIA FOR ALLOWABLE GIFTS AND HOSPITALITY:	8
	5.3 AVOIDING CONFLICTS OF INTEREST:	11
6	WORKING WITH THIRD PARTIES	12
	6.1 MINIMUM STANDARDS FOR WORKING WITH THIRD PARTIES	12
	6.2 HIGHER RISK RELATIONSHIPS	12
	6.3 REQUIREMENTS FOR HIGHER RISK RELATIONSHIPS	13
7	POLITICAL INVOLVEMENT, CHARITABLE DONATIONS AND SPONSORSHIP	13
	7.1 POLITICAL INVOLVEMENT:	13
	7.2 CHARITABLE DONATIONS AND SPONSORSHIPS:	14
8	EXTORTION – LIMITED EXCEPTION	15
9	RESPONSIBILITY FOR THE INTEGRITY SYSTEM	15
	9.1 THE GROUP LEGAL MANAGER IS REQUIRED TO:	15
	9.2 THE INTEGRITY OFFICER IS REQUIRED TO:	15
	9.3 MANAGING DIRECTOR IS REQUIRED TO:	15
10	REVIEW	15
11	SUPPORTING DOCUMENTATION	16

1 PURPOSE

This Integrity Standard forms a core component of Base's Integrity System.

The overall purpose of the Integrity System is to ensure that Base, each of its officers and employees, and each person acting on behalf of Base, acts with absolute integrity.

Base's commitment to conducting its business in a legal, honest, and ethical manner is absolute. This commitment is enshrined in the unifying set of beliefs and behavioural expectations comprising the "Base Way" and is considered critical to achieving Base's long-term goals. Conduct associated with any form of bribery and corruption is entirely inconsistent with these beliefs and behavioural expectations and all forms of bribery and corruption are prohibited.

The purpose of this Standard is to:

- Give effect to the Integrity Policy and set the limits of discretion for Base Personnel (defined below).
- Set out the responsibilities of Base Personnel in observing and upholding the absolute prohibition on bribery, corruption, and related improper conduct.
- Provide information and guidance on how to recognise and deal with instances of actual, potential, or suspected bribery and corruption.

2 APPLICATION

This Standard applies to all individuals at all levels who are employed by, act for, or represent Base or its subsidiaries (**Base Personnel**). This includes, but is not limited to, the following:

- Directors.
- Officers.
- Employees.
- Contractors or consultants of Base where they are acting for, or otherwise representing, Base.

This Standard applies to Base Personnel irrespective of their employment status (that is, whether they are employed on a full-time, part-time, fixed term, casual or temporary basis or a contractor or consultant).

Unless the context requires otherwise, references to **Base** in this Standard are to Base Resources and each of its subsidiaries from time to time.

3 CONSEQUENCES OF NON-COMPLIANCE

A breach of this Standard by an individual considered to be Base Personnel:

- may expose the individual and Base to civil and criminal liability (as well as potential exposure for its directors), including imprisonment for the individual;
- may cause material reputational damage to Base and may cause Base to breach the terms of its contractual commitments thereby exposing Base to potential significant financial loss; and
- will be regarded by Base as serious misconduct and will lead to disciplinary action which may include termination of employment or engagement.

4 CONCEPTS EXPLAINED

4.1 BRIBERY, CORRUPTION, FACILITATION PAYMENTS, GIFTS, SECRET COMMISSIONS AND PER DIEMS EXPLAINED:

- **Bribery** is the act of offering, promising or giving a benefit, or causing a benefit to be offered, promised or given, with the intention of improperly influencing a person who is otherwise expected to act in good faith or in an impartial manner, to do or omit to do anything in the performance of their role or function, in order to provide Base with business or a business advantage or to provide a personal advantage for an individual.
 - A bribe could be either a direct or indirect promise, offering or authorisation of anything of value designed to exert improper influence. It may be monetary or non-monetary. For example, it may involve non-cash gifts, political or charitable contributions, loans, reciprocal favours, business (including the award of business contracts to third parties), employment opportunities or lavish corporate hospitality.
 - Bribery may also involve procuring an intermediary or an agent to make 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.
 - In most cases, the act of offering or requesting a bribe is illegal, even if the bribe is not actually given.
 - For the purposes of the Integrity System, whether the subject of an act of bribery works in the public sector or private sector is irrelevant. However, broadly speaking, the risk of bribery is higher where Base Personnel are interacting with Public Officials (defined below).
- **Corruption** is dishonest activity in which a director, executive, manager, employee, or contractor of an entity abuses their position of trust, power, or influence for private or personal gain or advantage (which includes the gain or advantage of the individual in question or a person with whom the individual has a close relationship). Corruption includes any Base Personnel accepting or **receiving a bribe**.
- **Facilitation payments** are typically minor, unofficial payments made for the purposes of securing or expediting a routine government action by a Public Official that a person is entitled to have performed. Examples include payments made in the following circumstances, where such payment is not legitimately required:
 - Payment of “inspection fees” for clearance through customs of goods for export, or equipment for import.
 - Payment to an airport customs officer to “fast-track” the processing of your visa and clearance through customs.
 - Additional payments to obtain a required permit, licence, or other official document, where all applicable criteria have otherwise been met and prescribed fees have already been paid.
- **Gifts** and **Hospitality** include gifts of any kind (such as tokens of appreciation, flowers, stationery, hampers, watches, jewellery, clothing etc), meals, food, refreshments (such as alcohol), entertainment (such as tickets to sporting events, concerts or the theatre), travel (whether domestic or international), accommodation or other hospitality.

- **Secret commissions** are typically an offering or giving of a commission to an agent or representative of another person (the principal) to induce or influence the conduct of the principal's business, without that agent or representative disclosing the commission to the principal. For example:
 - A Base employee paying an agent of a potential offtake customer in return for that agent facilitating Base securing favourable commercial terms in the offtake agreement, and that agent did not disclose the payment to the offtake customer, that payment would constitute a secret commission.
 - An agent of Base receiving a payment from a potential construction contractor in return for influencing Base to appoint that contractor or appointing that provider on terms commercially less favourable to Base, where the agent does not disclose that payment to Base.
- **Per diems** are daily allowances paid to cover meals and minor incidentals for attendance at a particular location.

4.2 PUBLIC OFFICIALS EXPLAINED:

As noted above, bribery can occur in the public or private sector, but the risks of bribery and corruption are greater when interacting with Public Officials. For the purposes of this Standard, a **Public Official** is defined broadly and means:

- an official or employee of or an individual who is acting on behalf of a (i) government or government owned enterprise, (ii) government body or agency or regulatory authority, or (iii) political party
- a person standing or nominated as a candidate for a government or public office
- any official or employee of an international public organisation such as the United Nations, World Bank or International Monetary Fund
- a member of the executive, legislature, judiciary, or magistracy
- an individual who holds or performs the duties of an appointment, office or position under any law or created by custom or convention, including some members of royal families and some tribal leaders
- a person who is, or holds themselves out to be, an authorised intermediary of a Public Official, or
- a relative (such as children or partners) or associate of any such Public Official.

A Public Official need not be an elected member of government. It can include people working for governments (and quasi-governments) at any level, regardless of whether they are elected or appointed. A Public Official also need not be someone holding an important role or high office. Public Officials include, among others:

- police officers
- customs and tax officials
- employees of state-owned enterprises
- local government employees
- political party officials.

Associates of Public Officials also include a Public Official's close friends, business partners (such as co-directors, co-shareholders or joint venturers), or related entities (such as wholly owned companies (or their subsidiaries), companies in which the Public Official has a substantial interest (5% of more) or that he or she is a director or office-holder of, or businesses operated by, or which employ, a Public Official).

If you are in any doubt about who is a Public Official, you must consult Base's Integrity Officer. If you are unsure, it is safer to assume that someone is a Public Official.

4.3 RED FLAGS EXPLAINED:

There are references in this Standard to **Red Flags**. Red Flags are activities, factors or situations that may reasonably raise bribery or corruption concerns. All Base Personnel must remain vigilant and notify their manager or the Integrity Officer if they encounter or suspect a Red Flag. The following is a non-exhaustive list of Red Flags that may reasonably raise bribery or corruption concerns:

Reputation

- the third party, or any of its beneficial owners or key personnel (e.g., directors, senior managers):
 - has been convicted of, accused of or investigated for engaging in, improper conduct (such as bribery, fraud or other financial crimes)
 - has a reputation for improper conduct
 - has been the subject of adverse media suggesting involvement in improper conduct
 - appears on a denied, designated or debarred persons list
- the third party refuses to provide (or provides insufficient, false, or materially inconsistent) information in response to due diligence questions, particularly questions about beneficial ownership
- the third party refuses to abide by Base's Integrity System, demonstrates no willingness to take steps to seek to prevent bribery and corrupt practices, or appears unwilling or reluctant to agree to Base's standard anti-bribery and corruption clause

Ownership, qualifications and experience

- the third party lacks apparent qualifications, experience or resources necessary for the proposed engagement
- there are signs that the third party is trying to conceal the true beneficial owner's identity

Involvement of Public Officials

- the third party is a Public Official, or is controlled by, has (or has a reputation for having) a close or familial relationship with a government, political party or other Public Official, or has been specifically requested by a Public Official
- money or property is passed through a third party (such as a consultant or representative) to a Public Official

Gifts, hospitality and conflicts of interest

- the third party demands gifts or hospitality before commencing or continuing contractual negotiations or the provision of services or offers unusually generous gifts or lavish/frequent hospitality
- the third party has a particularly close relationship with any Base personnel, or regularly attends meals or entertainment with Base personnel
- a representative of the third party appears to have a conflict of interest in their role

Structure of relationship or transaction

- the third party requests the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to Base, or a shell company serves as a middleman
- the third party requests that a transaction is structured to evade normal book-keeping, record-keeping or reporting requirements
- the third party uses bank accounts in countries other than where the services are to be provided without any evident legitimate reason, or in countries with restrictive bank secrecy laws (e.g., Switzerland, British Virgin Islands, Guernsey, Cayman Islands, Panama)
- the third party refuses to sign a fee agreement or insists on the use of a side-letter relating to payment of funds
- the third party requests an unusually large or disproportionate commission, retainer, bonus or other fee or an unexpected additional fee or commission to 'facilitate' a service, or that any commission be physically paid in cash (and not bank transfer)
- the third party requests physical payment in cash (or cash equivalent, such as a money order), as opposed to bank transfer
- the third party refuses to provide an invoice or receipt for a payment or provides invoices or receipts that appear to be non-standard or customised.

4.4 SOURCES OF LEGAL OBLIGATIONS:

The primary sources of legal obligations supporting the Integrity Policy and this Standard are the United Nations Convention against Corruption, the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, and the anti-corruption laws of the countries in which Base operates, including:

- **Kenya:** Anti-Corruption and Economic Crimes Act (No 3 of 2003) and Bribery Act (No 47 of 2016).
- **Australia:** Commonwealth Criminal Code and *Corporations Act 2001*.
- **Madagascar:** Law No. 2016-020 dated 1 July 2016.

Depending on the circumstances, Base and Base Personnel may also be subject to anti-corruption laws of other jurisdictions, including the US Foreign Corrupt Practices Act of 1977 and the UK Bribery Act 2010.

Base may, in certain circumstances, be legally obliged to report any knowledge or suspicion it has of instances of bribery or corruption, or attempts at bribery or corrupt acts, to applicable regulatory authorities. Such circumstances may include where Base has a reasonable belief that a person has requested a bribe from a member of Base Personnel.

5 BASE PERSONNEL REQUIREMENTS

This section sets out requirements that apply to all Base Personnel, regardless of their role or level in the business.

5.1 ALL BASE PERSONNEL ARE REQUIRED TO:

- **Bribery, corruption, secret commissions and facilitation payments:** **Never** commit, either directly or indirectly (e.g., through a third party), any act that constitutes bribery or corruption, or any act that may be perceived to constitute bribery or corruption, including paying any **facilitation payment** or giving or receiving a **secret commission**. Base Personnel will not suffer any adverse consequences for refusing to commit an act of bribery or corruption (e.g., refusing to make an improper payment, such as a facilitation

payment) even if this may result in Base losing business or suffering a business detriment (e.g. because of delays to a required government action).

- **Gifts and Hospitality:** Ensure that any Gift or Hospitality is not given or received as a reward or encouragement for preferential treatment, and that any Gift or Hospitality given or received satisfies the criteria for allowable Gifts and Hospitality (see section 5.2 **below**).
- **Conflicts of interest:**
 - Avoid conflicts of interest that have the potential to lead to (or create the perception of) biased decision making (see section 5.3 **below**).
 - Report any actual, potential, or perceived conflicts of interest using the prescribed conflicts of interest declaration form promptly after becoming aware of an actual, potential, or perceived conflict of interest.
- **Third parties:** Take the steps required by section 6 **below** to minimise the bribery and corruption risk for third parties with which Base works.
- **Training:** Complete all training relating to this Standard, where requested by the Integrity Officer (or their delegate) or their manager or manager-once-removed.
- **Annual integrity undertaking:** Complete the prescribed annual integrity undertaking in a timely manner, if required to do so because of their role or position.
- **Record-keeping:** Ensure that all accounts, invoices, and other documents and records relating to dealings with any external party or third party are prepared and maintained with strict accuracy and completeness. No accounts may be kept “off-book” to facilitate or conceal potential breaches of this Standard.
- **Reporting breaches:** Report any behaviour they observe by other Base Personnel in contravention of this Standard and otherwise aid in the prevention, detection and reporting of contraventions of this Standard.
- **Reporting suspected breaches, attempted bribery and Red Flags:** Should Base Personnel:
 - reasonably believe or suspect that a breach of this Standard has occurred, or is reasonably likely to occur, or if any member of Base Personnel has been or reasonably believes they are likely to be on the receiving end of conduct involving bribery from a third party, or
 - encounter or suspect any Red Flags for a third party with which Base has dealings during the course of their work with Base,

they must immediately notify (i) their manager or the Integrity Officer (details below) or (ii) make a report in accordance with the Whistleblower Standard. No person will suffer any detriment or otherwise be disadvantaged for giving such a notification in connection with the Integrity System. Details of reports received by the Integrity Officer in accordance with this Standard will be recorded in the Integrity Register.

- **Contact Integrity Officer:** If Base Personnel are uncertain as to whether any behaviour is, or may be, a breach of this Standard, whether a Red Flag exists in relation to a third party Base has dealings with or if they have any queries in relation to the Integrity System in general, they should contact the Integrity Officer for clarification.

5.2 CRITERIA FOR ALLOWABLE GIFTS AND HOSPITALITY:

The giving and receiving of Gifts and Hospitality is customary in business, and is not illegal per se. However, gifts and hospitality can, when given or received for an improper purpose, constitute bribes and, where gifts and hospitality are of a certain value, provided in a particular context or of a certain nature, could be perceived to be a bribe. Certain people (such as some Public Officials) may be prohibited from giving or receiving Gifts or Hospitality.

For these reasons, this Standard imposes restrictions on the giving and receiving of Gifts and Hospitality by Base Personnel.

Obligations

- Base Personnel **must**:
 - exercise utmost care when giving or accepting Gifts or Hospitality to protect their reputation, and Base's reputation, against allegations or the perception of improper behaviour and to ensure anti-bribery and anti-corruption laws are not contravened
 - ensure that Gifts and Hospitality are **MODEST** in value, nature and frequency and comply with local laws and regulations, and local custom. Base Personnel must use good judgment in determining what is "**MODEST**", bearing in mind that the local concept of what is **MODEST** is relative and a function of the average local income and general standard of living
 - ensure that Gifts and Hospitality serve only a legitimate business purpose
 - promptly examine any Gift and consider any Hospitality upon receipt to make an informed assessment of that Gift or Hospitality for compliance with this Standard
 - ensure that the giving or receiving of a Gift or Hospitality is not prohibited by this Standard (as described below), and
 - if Gifts or Hospitality are to be given to a Public Official, comply with the additional requirements set out below.

Prohibitions

- Base Personnel are **prohibited** from giving Gifts or Hospitality to an external party, or receiving Gifts or Hospitality from an external party, when engaging in Base business in the following circumstances:
 - if the giving or receiving of that Gift or Hospitality does not comply with local laws and regulations
 - if the Gift or Hospitality is **not MODEST**, including having regard to local custom
 - where the Gift or Hospitality includes cash, loans, or cash equivalents (such as gift certificates or vouchers), except where any such payment is permitted as a *per diem* (refer below) or is otherwise permitted in accordance with a written procedure approved by Base's Managing Director
 - if the Gift or Hospitality is offered, promised, or given to influence or reward action taken by a person (in particular by a Public Official) to perform work duties disloyally or otherwise improperly, or reward that person for doing so
 - if the Gift or Hospitality is in return for, or in exchange for, business services or information or a business advantage
 - if any approvals are currently before the external party such that the Gift or Hospitality could, or could be seen to, influence or reward action taken by the external party
 - if the external party is participating in a tender process (or similar) in connection with Base business
 - if the external party cannot, whether as a matter of law or internal policy, give or accept any such Gift or Hospitality (e.g., many Public Officials and other private sector representatives cannot accept Gifts or Hospitality)
 - if giving or accepting the Gift or Hospitality would cause an unrelated party to form an impression that there is an improper connection between that Gift or Hospitality and a particular business opportunity, and

- if the Gift or Hospitality is of an inappropriate value or nature or at inappropriate venues, or where the Gift or Hospitality is not designed to further a valid business purpose or relationship.

Public Officials – Additional requirements/obligations

- Base Personnel below a General Manager level require **prior clearance** from their manager-once-removed before giving any Gifts or Hospitality to a **Public Official**.
- Base Personnel at a General Manager level or above require **prior clearance** from their manager before giving any Gifts or Hospitality to a **Public Official**.
- The **limited exceptions** to the requirements for prior clearance set out above are:
 - Providing **MODEST** meals and refreshments to a Public Official during a site visit is permitted and does not require prior clearance
 - Providing **MODEST** meals and refreshments to a Public Official while attending other locations at the request of Base requires **prior clearance** from the General Manager accountable for events occurring at the relevant location.
- If prior clearance is requested to give a Gift or Hospitality to a Public Official, the request itself, whether or not clearance is given, the requesting party and the party whose clearance is required must be recorded in the Integrity Register maintained by the Integrity Officer.

Per diems and allowances

- Base Personnel should, where reasonably practicable, avoid paying per diems or allowances to third parties, especially to Public Officials.
- Where a third party incurs incidental expenses in connection with attendance at a particular location or meeting at the request of Base (e.g., taxis, public transport, meals), then it is preferable for Base to pay the supplier directly or to reimburse the third party upon provision of proof of payment. If this is not possible or practicable, payment of (or otherwise funding) a per diem or committee allowance, including to a Public Official, is permissible provided the following strict conditions are satisfied (or the payment is otherwise permitted in accordance with a procedure approved by Base's Managing Director):
 - the payment is a reasonable estimate of the MODEST incidentals likely to be reasonably and necessarily incurred by the individual to attend the relevant location or meeting
 - for Public Officials, the payment amount does not exceed any limit prescribed by local law or regulation, and **provided** the Public Official's incidental expenses are not already being paid/covered by someone else (e.g. the Public Official's employer, a government or government agency/body)
 - for persons other than Public Officials, the payment complies with local laws and regulations and local custom
 - the individual's attendance at the relevant location or meeting is for a legitimate business purpose
 - the payment satisfies one of the following:
 - it is pre-approved by the General Manager accountable for events occurring at the relevant location, or
 - in the case of an allowance, it is in accordance with an agreement or charter applying to the committee and such agreement or charter (as the case may be) specifies the allowance amount and was approved by a General Manager

- the payment is only made following receipt of a signed allowance sheet and any other necessary documentation evidencing attendance at the relevant location from the individual in question and accurately recorded in all relevant accounting records as being a payment of a per diem or allowance (as the case may be), and
- for payments of a per diem to a Public Official, this must be recorded in a sub-register of the Integrity Register maintained in each jurisdiction of operation.
- Any member of Base Personnel who is **offered** a Gift or Hospitality from a third party that is, or may reasonably be perceived to be, **not MODEST** or that does not otherwise satisfy the criteria for receiving a Gift or Hospitality set out above, should politely decline the Gift or Hospitality. In declining the Gift or Hospitality, reference may be made to Base's internal policies and standards.
- Any member of Base Personnel who **receives** a Gift or Hospitality from a third party that is, or may reasonably be perceived to be, **not MODEST** or that does not otherwise satisfy the criteria for receiving a Gift or Hospitality set out above, must report it to their manager or the Integrity Officer, who will then take the appropriate action having regard to the criteria set out in this Standard. Any Gift or Hospitality that is received and reported in accordance with this Standard must be recorded in the Integrity Register.

5.3 AVOIDING CONFLICTS OF INTEREST:

- A conflict of interest arises when an individual is influenced by a personal interest (or a personal interest of someone who they have a close relationship with) when carrying out their duties. A conflict of interest may be actual, perceived, or potential.
- A **potential** conflict of interest will exist when an individual's personal interests (or the personal interests of someone who they have a close relationship with) could reasonably be expected to create a conflict of interest in the future.
- A **perceived** conflict of interest will exist if a reasonable person would consider that an individual's personal interests (or the personal interests of someone who they have a close relationship with) could create a conflict of interest, whether this is the case or not.
- Conflicts of interest that lead to biased decision making may constitute corrupt conduct.
- Base Personnel **must**:
 - avoid any conflict from arising that could compromise their ability to perform their duties impartially
 - not be involved in making any business decision where they have an undisclosed conflict of interest in respect of the subject matter of the decision, and
 - promptly report any actual, potential, or perceived conflict of interest to their manager using the prescribed conflict of interest declaration form.
- Situations that may give rise to a conflict of interest include situations where an individual has:
 - financial interests in a matter that Base also has an interest, or the individual is aware that their friends or relatives have a financial interest in the matter. For example, it would be a potential conflict of interest where the individual owns or otherwise has an interest in land where Base is conducting, or plans to conduct, exploration activities
 - directorships/management or ownership of outside organisations
 - personal relationships with people Base is dealing with that goes beyond the level of a professional working relationship
 - secondary employment, business, commercial, political, or other activities outside of Base which impacts on the individual's duties and obligations to Base, or

- access to information that could be used for personal gain.
- If a member of Base Personnel is uncertain whether a conflict exists, they should discuss that matter with their manager and attempt to resolve any conflicts that may exist.

6 WORKING WITH THIRD PARTIES

Working with third parties (such as contractors, consultants, suppliers, service providers and agents) can expose Base to additional risk. Third parties may not necessarily share Base's commitment to integrity, including as encapsulated in *The Base Way*. In some cases, Base can be criminally liable for bribery committed by a third party for Base's profit or gain, even where Base did not know about, or implicitly authorise or condone, the third party's conduct.

For this reason, it is important that Base Personnel take adequate measures to ensure that the third parties that Base works with share Base's commitment to integrity and conduct themselves in accordance with the integrity-related requirements in Base's Supplier Code of Conduct, which are derived from and based on the Integrity Policy and this Standard.

The following procedures are intended to help Base to identify and mitigate bribery risks when working with third parties. These procedures should be read in conjunction with the **Higher Risk Relationship Process**.

6.1 MINIMUM STANDARDS FOR WORKING WITH THIRD PARTIES

- Base will not engage any third party where the engagement of that third party carries unacceptable bribery risk that cannot be adequately mitigated.
- Where working with any third party, without limiting Base's usual onboarding processes as set out in the New Supplier Onboarding Process, Base Personnel must adhere to the following **minimum standards**:
 - Adequate measures must be taken to ensure the third party does not pose an unacceptable bribery risk
 - A written contract must be in place between Base and the third party clearly recording the terms of the third party's engagement, including the services to be provided and the consideration to be paid
 - Unless approved otherwise by the Integrity Officer in writing, the written contract must contain Base's standard anti-bribery and corruption clause and impose an obligation to comply with Base's Supplier Code of Conduct
 - The third party must be provided with a copy of Base's Supplier Code of Conduct
 - Base Personnel must assess whether the third party is a Higher Risk Relationship (see below)
 - Adequate measures must be taken to ensure the third party conducts itself in accordance with Base's Supplier Code of Conduct, and
 - Records must be kept that accurately and fairly reflect the transactions with the third party.

6.2 HIGHER RISK RELATIONSHIPS

Certain engagements with third parties, referred to in this Standard as **Higher Risk Relationships**, carry an inherently higher bribery risk. While it is important that Base considers the bribery risk in respect of any third party it proposes to engage, this Standard requires additional measures where Base is proposing to enter into a Higher Risk Relationship. The following are **deemed** to be Higher Risk Relationships for the purposes of this Standard:

1. **Government contracts:** any contract with a government agency or state-owned entity.

2. **Contracts with Public Officials:** any contract with a Public Official or an entity controlled by a Public Official or in which a Public Official has a significant (more than 5%) interest.
3. **Third parties who act for or on behalf of Base:** any contract by which Base engages a third party to act for or on behalf of Base in dealings with others. This includes agents, distributors, brokers and consultants.
4. **Third parties interacting with Public Officials:** any contract by which Base engages a third party, where the third party will interact with Public Officials for or on behalf of Base.
5. **JVs:** any joint venture relationship in which Base has a non-controlling interest or in which a third party is operator.
6. **High value / long term contracts:** any supply / services / consultant contract requiring Board or Senior Leadership Group authorisation/approval under the Delegation of Authority Standard.
7. **Red Flags:** any transaction where any Red Flags are reasonably present or suspected (see section 4.3).

For the avoidance of doubt, Base employees are not treated as third parties under this Standard. Where Base proposes to engage an employee, necessary probity checks will be carried out to the extent required by Base's usual recruitment processes.

6.3 REQUIREMENTS FOR HIGHER RISK RELATIONSHIPS

- All Base Personnel must:
 - before causing Base to enter into any Higher Risk Relationship, undertake the Higher Risk Relationship Process and only enter an engagement if any bribery risks can be adequately mitigated
 - once the Higher Risk Relationship Process is completed, notify the Integrity Officer of the outcomes (including from the due diligence undertaken and in relation to any risk mitigations) using the Higher Risk Relationship Notification attached to the Higher Risk Relationship Process
 - ensure any risk mitigations proposed (or required by the Integrity Officer) are implemented, and
 - monitor and maintain oversight of any Higher Risk Relationship and immediately notify the Integrity Officer in writing if they become aware of or suspect any Red Flags not identified or mitigated prior to engaging the third party.

7 POLITICAL INVOLVEMENT, CHARITABLE DONATIONS AND SPONSORSHIP

7.1 POLITICAL INVOLVEMENT:

- Base does not engage in politics and will not, directly, or indirectly, participate in party politics or make payments to political parties, individual politicians or political candidates, except in limited circumstances, where approved in advance by the Board, in which case it must be recorded in the Integrity Register.
- Base Personnel are **prohibited** from:
 - using Base funds, assets, resources, time, or personnel (including in-kind contributions of supplies, equipment and services) to make any political contribution, or assist any political party, individual politician or political candidate
 - during Base time, undertaking any political activity (including standing for or pursuing electoral office). If an individual's political activity impacts on the individual's performance of their duties and obligations to Base, or in any other way unacceptably impacts Base's legitimate business

interests (including its external reputation), the individual must cease the activity or otherwise resign their position within Base

- using Base funds to make payments, loans, donations, or gifts to political parties, individual politicians, or political candidates, unless approved in advance by the Board
 - using Base funds to pay admission fees to conferences, dinners or similar events organised by political parties, individual politicians or political candidates or their supporters, or to buy their publications, where there is a fund-raising element involved
 - providing politicians or political candidates or their staff with travel and accommodation other than in accordance with this Standard (see the section titled “Requirements” above), and
 - during Base time, or by using Base funds, assets, resources, or personnel, suggest to any other member of Base Personnel (directly or indirectly) that they support or continue to support political parties, individual politicians, or political candidates.
- For the avoidance of doubt, Base Personnel are free to hold their own political beliefs, to engage in political activity in their personal capacity and during their personal time, and to make political donations on their own behalf and using their own funds, provided doing so is otherwise consistent with this Standard (e.g. it is not a disguised bribe).

7.2 CHARITABLE DONATIONS AND SPONSORSHIPS:

- Base will not make any charitable donation or sponsorship that could be perceived to be a bribe or payment to gain an improper business advantage.
- Base will generally only make charitable donations or sponsorships (and associated payments) to incorporated community groups, clubs, associations, not-for-profit organisations, non-government organisations, other community related commercial organisations or academic bodies. Base will not make charitable donations to, or sponsor, organisations that are linked to political parties, individual politicians, or political candidates.
- In limited circumstances that are consistent with the spirit and intent of this Standard, with the prior approval of the Managing Director, Base may make a charitable donation to government, or work in collaboration with government in respect of a charitable donation. Any such charitable donation must be recorded in the Integrity Register.
- Charitable donations and sponsorships **must** be:
 - permitted by local law
 - accurately recorded in all relevant accounting records
 - for charitable or community purposes
 - transparently documented in writing with the relevant organisation, and
 - unless otherwise specified, pre-approved by a General Manager or above.
- For the avoidance of doubt, Base Personnel are free to participate in charitable activity in their personal capacity and during their personal time, and to make charitable donations on their own behalf and using their own funds, provided doing so is otherwise consistent with this Standard (e.g. it is not a disguised bribe).

8 EXTORTION – LIMITED EXCEPTION

- Base acknowledges that improper demands for payment may be made of a member of Base Personnel in circumstances amounting to "extortion" (e.g., where the member of Base Personnel or another person is threatened, expressly or impliedly, with injury or arrest if they do not comply with the demand). A payment can be made by a member of Base Personnel, and the prohibitions in this Standard will not apply, where that member of Base Personnel reasonably believes that their life, health or personal liberty, or the life, health or personal liberty of another person is at risk, unless the demand for payment is met. The member of Base Personnel must immediately report the incident to their local Security Manager and notify (or ensure the Security Manager notifies) the Integrity Officer.
- Where there is no immediate threat to life, health or personal liberty, but a demand for payment has been made accompanied by a threat, the member of Base Personnel should immediately contact their local Security Manager for guidance.

9 RESPONSIBILITY FOR THE INTEGRITY SYSTEM

9.1 THE GROUP LEGAL MANAGER IS REQUIRED TO:

- Assist the Integrity Officer with administering and monitoring compliance with this Standard and the Higher Risk Relationship Process.
- Be available to answer queries in connection with this Standard and the Higher Risk Relationship Process.
- Develop and implement appropriate training for Base Personnel relating to this Standard and the Higher Risk Relationship Process.

9.2 THE INTEGRITY OFFICER IS REQUIRED TO:

- Maintain the Integrity Register.
- Administer and monitor compliance with this Standard and the Higher Risk Relationship Process.
- Authorise changes to the Integrity System.
- Initiate and oversee audits of the Integrity System and integrity risk assessments from time to time.
- Other than for behaviour concerning the Integrity Officer, assign investigation of any inappropriate behaviour to an appropriate investigator who is independent of the behaviour in question.
- Facilitate reporting of any material breaches of this Standard, or reports of bribery attempts, to the Environment, Social and Ethics (**ESE**) Committee.

The Integrity Officer for the purposes of this Standard is the Chief Legal Officer (or their delegate). The Integrity Officer may be contacted by email (integrity@baseresources.com.au) or by phone (+61 8 9413 7400).

9.3 MANAGING DIRECTOR IS REQUIRED TO:

- Assign investigation of any inappropriate behaviour concerning the Integrity Officer to an appropriate investigator who is independent of the behaviour in question.

10 REVIEW

This Standard will be reviewed annually by the ESE Committee.

11 SUPPORTING DOCUMENTATION

- Integrity System Description
- Integrity Policy
- Higher Risk Relationship Process
- Annual Integrity Undertaking
- Conflicts of Interest Declaration Form
- Higher Risk Relationship Notification
- Integrity Register
- Whistleblower System Description
- Whistleblower Process
- Whistleblower Standard