



## ANTI-CORRUPTION POLICY

### I. PURPOSE

The Company is committed to maintaining high ethical standards in conducting its business. The purpose of this Policy is to establish standards of performance to ensure Company Personnel and Business Partners comply with applicable laws, regulations, and international conventions regarding corrupt, fraudulent, coercive, collusive and obstructive practices.

### II. APPLICABILITY

The Policy applies to Company Personnel and Business Partners involved in business transactions for and on behalf of the Company, wherever located.

### III. DEFINITIONS

**“Business Partners”** mean agents, sub-agents, consultants, representatives, contractors and suppliers.

**“Company”** means Royal Road Minerals Limited and its subsidiaries.

**“Company Personnel”** means all Directors, officers and employees of the Company.

**“Compliance Officer”** means one or more members of management approved by the Company’s audit committee or the audit committee’s designee to receive and respond to matters under this Policy.

**“Director”** means a member of the board of directors of Royal Road Minerals or any of its subsidiaries.

**“Foreign Official”** means

- 1) A person who holds a legislative, administrative or judicial position of a foreign state;
- 2) A person who performs public duties or functions for a foreign state, including a person employed by a board, commission, corporation or other body or authority that is established to perform a duty or function on behalf of the foreign state, or is performing such a duty or function; and
- 3) An official or agent of a public international organisation that is formed by two or more states or governments, or by two or more such public international organisations.

The definition includes an elected representative, government official, or judge in a foreign state as well as a representative of a public international organisation, such as the United Nations. This definition is consistent with the definition of a “foreign public official” in Article 1.4 of the OECD Convention.

**“OECD”** means the Organisation for Economic Co-operation and Development



## IV. POLICY

### A. Prohibited Activity

Except as specifically provided by this Policy, Company Personnel and Business Partners shall not directly or indirectly:

1. Engage in corrupt practices by offering, giving, receiving or soliciting anything of value to influence improperly the actions of another party, including but not limited to Foreign Officials. Interpretations of the above include:

(a) Bribery and kick-backs are considered corrupt practices. An example of a kick-back is a payment made by a supplier to a purchasing manager in exchange for receiving a contract;

(b) The Company does not condone facilitation payments. Any potential facilitation payment shall be communicated to the Compliance Officer for evaluation prior to completing such transaction.

(c) Funding of bona fide social development, local charities, or infrastructure unrelated to the project are not viewed as corrupt practices as long as they are permitted under local law and fully disclosed in the Company's books and records;

(d) Offering, giving, receiving or soliciting of hospitality and gifts that are customary by internationally accepted standards and could not be reasonably considered to be extravagant based on the person's respective role does not constitute a corrupt practice unless it violates an applicable law;

(e) Payment of reasonable travel and entertainment of public foreign officials that are consistent with existing practice under relevant law and international conventions are not viewed as a corrupt practice.

2. Engage in fraudulent practices by withholding information, or making misrepresentations that recklessly mislead or attempt to mislead a party as a means to obtain a financial or other benefit or to avoid an obligation. Interpretations include:

(a) In order for an omission or misrepresentation to be considered a fraudulent practice, it must be made with reckless indifference as to whether true or false. Mere inaccuracy committed through simple negligence is not enough to constitute a fraudulent practice.

3. Engage in coercive practice by impairing, harming or threatening to impair or harm any party or the property of the party to influence improperly the actions of a party. Interpretations include:

(a) Bid rigging in connection with public procurement or government contracting is an example of a coercive practice;

(b) Threatening or engaging in illegal actions such as personal injury, abduction, damage to property or to legally recognised interest in order to attain undue advantage or to avoid an obligation are considered coercive practices;

(c) Hard bargaining, the exercise of legal or contractual remedies or litigation are not considered coercive practices.



4. Engage in collusive practices by entering into an arrangement designed to achieve an improper purpose, including influencing improperly the actions of another party. Interpretations include:

(a) Bid-rigging in connection with public procurement or government contracting.

5. Engage in obstructive practices by deliberately destroying, falsifying, altering or concealing of evidence material to an investigation or making false statements to investigators, in order to materially impede an investigation into allegations of a corrupt, fraudulent coercive or collusive practice.

### **B. Due Care in Dealing with Business Partners**

To ensure compliance with the applicable laws regarding Corrupt Practices, the Company must exercise due care in dealing with Business Partners. The Company may be liable for the actions of its Business Partners, and this risk can be substantial in countries where illicit payments are prevalent. The Company should apply a risk-based approach to its due diligence process, implementing a higher degree of due diligence on Business Partners that present higher risks.

Prior to entering into any contractual relationship with a Business Partner, the Company should conduct the appropriate level due diligence regarding the prospective Business Partner. Generally, the Company should obtain contractual representations and warranties from the Business Partner regarding compliance with this Policy. If a prospective Business Partner refuses to agree to such terms, the matter should be raised to the Compliance Officer. Exceptions are allowable in instances when a prospective Business Partner maintains an acceptable anti-corruption policy.

### **C. Books and Records**

While the Company's standard accounting rules and procedures must be followed in all circumstances, special care should be exercised when transactions involve payments to Foreign Officials. All payments to Foreign Officials should be reported on a timely periodic basis to the Compliance Officer. Employees must ensure that such payments are fully and accurately recorded. Misleading, incomplete or false entries in the Company's books and records are prohibited.

### **D. Violations and Enforcement**

Clarifications on this Policy, should be raised to your manager and/or the Compliance Officer. Company Personnel and Business Partners shall report promptly any potential violations under the Policy. If you choose to remain anonymous, you may communicate confidentially with the Compliance Officer or, if appropriate, through the Company's Whistleblower Policy. The Company will not discharge, demote, suspend, threaten, harass or in any manner discriminate against any party based upon any lawful action of such party with respect to good faith reporting of concerns regarding compliance with this Policy.

Company Personnel who violate this Policy may face disciplinary action by the Company up to and including termination of employment for cause and other ramifications under legal and regulatory standards which could result in civil and/or criminal charges under law.