



Anti-Bribery and Corruption Policy

1 Background and purpose

Stanmore Coal Limited and its controlled entities are committed to the highest standards of conduct and ethical behaviour and full compliance with the law in all aspects of its business.

Stanmore Coal has zero tolerance for bribery or corruption in connection with its operations and activities.

Stanmore Coal has adopted this Anti-Bribery and Corruption Policy to promote full compliance with the anti-bribery laws that apply to its business in or outside of Australia.

2 Scope

This Policy applies to all directors, officers and employees of Stanmore Coal and its subsidiaries, and to all contractors, agents, representatives or other individuals or entities that are effectively controlled by Stanmore Coal or act on its behalf (**Personnel**). It applies to all of Stanmore Coal's operations and activities.

3 Responsibilities

It is the responsibility of all Personnel to ensure that they understand and comply with this Policy.

If you are uncertain about any aspect of this Policy, or the appropriate course of action to take in a certain situation relevant to this Policy, you should contact the Chief Financial Officer.

The Audit and Risk Committee of Stanmore Coal's Board is responsible for the oversight of this Policy and the Chief Financial Officer is accountable for the development and implementation of this Policy by:

- reviewing the suitability and effectiveness of this Policy every 2 years; and
- reviewing and reporting to the Audit and Risk Committee on actual and reported breaches of this Policy every 6 months.

4 Statement of Values

Stanmore Coal's values are available via Stanmore Coal's website (www.stanmorecoal.com.au).

5 The Key Dos and Don'ts

Do		Don't	
1	Know your obligations under this Policy.	1	Offer, give, solicit or accept bribes.
2	Complete due diligence on third parties and ensure anti-bribery provisions are in contracts where required.	2	Make facilitation payments.
3	Keep accurate and transparent records.	3	Offer, pay, solicit or accept secret commissions.
4	Do your anti-bribery training.	4	Give or accept improper gifts, hospitality or entertainment.
5	Report suspected breaches of this Policy.	5	Disguise or misrepresent any payments or financial records.

6 Consequences of Breaching this Policy

Bribery and the other corrupt conduct addressed by this Policy are very serious breaches of this Policy and potentially are criminal offences. All reported incidents will be taken seriously, reviewed and thoroughly investigated. Depending on the circumstances, the incident may be referred to regulatory and/or law enforcement agencies.

A breach of this Policy may be regarded as serious misconduct, leading to disciplinary action that may result in termination of employment. A breach of this Policy may also expose Personnel and Stanmore Coal to criminal and/or civil penalties, substantial fines, loss of business and reputational damage.

7 Prohibitions against Bribery and Corruption

Stanmore Coal has zero tolerance for bribery or corrupt conduct in connection with its business.

Personnel **must not**:

- (a) Engage in **fraud**: A dishonest activity causing actual or potential financial loss to any person or entity including theft of moneys or other property by Personnel and where deception is used at the time, immediately before or immediately following the activity.
- (b) Engage in **corruption**: A dishonest activity in which Personnel act contrary to the interest of Stanmore Coal and abuse their position of trust in order to achieve some personal gain or advantage for themselves, for another person or for the entity.
- (c) Engage in **bribery**: The act of offering, promising, authorising, providing, soliciting or receiving a benefit (including a non-monetary benefit) with the intention of influencing a public official or person in the private sector in the performance of their duties, to obtain business or a business advantage that is not legitimately due. This includes the provision of a benefit for an improper purpose through an agent or third party.
- (d) Make **facilitation payments**: The payment of a nominal amount or other inducement to a public official, either directly or indirectly, to secure or expedite the performance of a routine action or function that the public official is already obliged to perform. For example, payments made in order to expedite government approval for an activity, or fees or payments to obtain the connection of utility services.
- (e) Offer, pay, solicit or receive **secret commissions**: Where a person or entity offers or gives a commission to an agent or representative of another person (the 'principal') that is not disclosed by that agent or representative to the principal. The commission is made as an inducement to influence the conduct of the principal's business. For example, if a Stanmore Coal employee made a payment to an agent of a prospective contractual partner in return for that agent facilitating that Stanmore Coal receives favourable commercial terms in the contractual agreement, and that agent did not disclose the payment to the contractual partner, that payment would constitute a secret commission.
- (f) Engage in **money laundering**: The process by which a person or entity conceals the existence of an illegal source of income and then disguises that income to make it appear legitimate. For example, a supplier insisting that Stanmore Coal start making payments in return for services rendered in Australia into an offshore bank account to conceal the fact that they are rendering the services without the requisite licence to do so.
- (g) Offer or accept **gifts, entertainment or hospitality** otherwise than in accordance with the requirements set out in this Policy.
- (h) Engage with **third parties** without following the due diligence and contractual controls requirements set out in this Policy.

8 Gifts, Entertainment and Hospitality

Personnel must not offer or accept gifts, entertainment and hospitality unless the following conditions are all met:

- (a) they are given for the purpose of general relationship building only (never during commercial negotiations etc);
- (b) they are not intended, and cannot reasonably be construed, as an attempt to improperly influence the recipient's performance of a role or function;
- (c) it complies with the local laws and regulations of the jurisdiction in which it is made;
- (d) it is given in an open and transparent manner; and
- (e) it does not include cash, loans or cash equivalents (such as gift certificates or vouchers).

All Personnel must record gifts, entertainment or hospitality given or received that are to the value of over AUD\$250 in the Gifts, Entertainment and Hospitality Register. The Office Manager must maintain and audit the Gifts, Entertainment and Hospitality Register.

9 Political Donations

Personnel are prohibited from making donations to political parties, elected members, candidates in an election, organisations, incumbents, candidates or any public official on behalf of Stanmore Coal. This includes soliciting another person to make a political donation on behalf of Stanmore Coal.

Such prohibited donations include:

- gifts to any of the abovementioned persons; and
- loans that, if they were a gift, would be considered a donation.

10 Engagement with Third Parties

10.1 Due diligence

Stanmore Coal has adopted the due diligence and contractual control requirements set out in this clause 10 to ensure that it engages with third parties that have appropriate policies and procedures in place to prevent fraud, corruption and bribery and that those policies and procedures align with Stanmore Coal's expectations. Stanmore Coal prohibits the provision of a benefit to a third party where it is expected or likely that some or all of that benefit will be provided or offered to another person, in order to provide any business advantage that is not legitimately due.

Particular care must be taken with, for example, arrangements with consultants, agents or distributors who are engaged by Stanmore Coal to represent it or act on its behalf or who arrange introductions to potential sponsors or key government decision-makers.

Where an agent, supplier, contractor, service provider or intermediary who poses a particular risk to Stanmore Coal is to be retained (which may include those that operate in developing or emerging economies or those involved in negotiating any business arrangements or transactions with the public or private sector), the following steps must be taken:

- (a) The Chief Financial Officer must be informed so they can determine whether due diligence on the person or entity is required.
- (b) If due diligence is required, a due diligence report must be completed and full records kept of the investigation. The appropriate level of due diligence may vary depending on the level of risk. For example, those that operate in high risk countries or concern major contracts for goods or services would be considered high risk.

- (c) If any issues of concern or 'red flags' are identified by this due diligence, the Legal Counsel, in conjunction with management where appropriate, will determine whether the third party should be retained, and which standard contractual terms are to be used.

10.2 Contractual controls

If due diligence on a particular third party was necessary, any engagement with that third party must include clauses addressing anti-bribery and corruption.

10.3 During the engagement

During the engagement, Personnel must maintain oversight of the work of the third party (including, where appropriate, requesting and reviewing progress reports, invoices and other documentation) in order to confirm that legitimate work has been undertaken and improper payments have not been made.

Any red flags must be reported to the Legal Counsel. The Legal Counsel must fully document and investigate all red flags identified during the engagement.

10.4 Joint ventures

Stanmore Coal will ensure that any joint venture that is effectively controlled by it through ownership, management or other involvement complies with this Policy, or has in place equivalent policies and procedures.

Stanmore Coal is committed to working with its joint venture partners to achieve the standards outlined in this Policy where Stanmore Coal does not exercise effective control within the joint venture. Stanmore Coal will take such steps as are open to it to require that any such joint venture complies with the standards set out in this Policy.

Stanmore Coal Personnel who are involved in the operations of joint venture partners should pay particular attention to signs of improper payments and should voice objections where appropriate. If such a Stanmore Coal representative becomes aware of evidence that a joint venture partner has engaged or may engage in improper payments, that evidence must be reported to the Chief Financial Officer.

11 Training

Stanmore Coal's employees must complete online and/or face to face training as directed by the Chief Financial Officer. The Chief Financial Officer will keep records of Personnel that have received training on this Policy.

12 Documentation and Record-keeping

The Financial Controller must record all financial transactions accurately, completely and fairly in accordance with Stanmore Coal's internal accounting controls. Books and records must record, in reasonable detail, the parties, payment arrangements and purpose of all transactions and disposition of assets. No accounts are to be kept 'off the books' for any reason.

13 Reporting

Personnel must immediately report any actual or suspected breaches of this Policy to their line manager, executive manager, Human Resources, Stanmore Coal's Whistleblowing Officer or anonymously in accordance with the **Whistleblower Policy**.

The Chief Financial Officer (or their delegate) must investigate all reported actual or suspected breaches of this Policy.

14 Responsibility of Policy and updates

It is the responsibility of the Chief Financial Officer to periodically review this Policy and make any necessary changes to this Policy to ensure that it meets all requirements provided by legislation, regulatory guidance and the ASX Corporate Governance Principles.

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