

**ICHOR COAL N.V.**

**CODE OF CONDUCT**

**October 2014**

In today's world, operating to the highest ethical standards is a key measure of business success. It underpins our licence to operate and helps attract business partners of the same mindset with whom to grow a sustainable business.

We expect all of our employees to take responsibility for ensuring that the values and principles in this code are adhered to and implemented in all IchorCoal operations. Moreover, we will work with our partners and contractors to ensure that they act consistently with our standards of behaviour.

## **Introduction from the Chief Executive Officer of Ichor Coal N.V.**

Ichor Coal N.V. and all our subsidiary companies (“IchorCoal”) are committed to the highest ethical standards in the conduct of our business. We value integrity and honesty in all our dealings.

We expect our employees, contractors and suppliers to abide by these standards of behaviour in the performance of their duties to IchorCoal.

Furthermore, we expect our business partners to demonstrate the same level of commitment, which forms the basis of our cooperation.

The international regulatory environment for mining activities is fast changing and many different laws and regulations apply to our business. Those laws and regulations may not only be those of the country in which you work. Given that we are an international organisation, we are expected to follow the laws of different countries, and to always act with integrity.

The consequences of breaching laws and regulations can be severe including termination of employment, damage to health, and even loss of licence to operate. Enforcement agencies are ever more willing to investigate and such investigations can cause significant disruption to a business, even if they do not result in enforcement action.

It is important that we not only comply with applicable laws and regulations but are able to demonstrate our compliance through day to day practice. We aim to cover many of those requirements in this code of conduct but if you have any questions, you are encouraged to raise them with your line manager. If you see any incident of non-compliance with this code, report this to your line manager or make use of the anonymous whistle blowing line at 011 xxx. This facility is made available to all employees and third parties who come into contact with IchorCoal.

Retaliation against anyone who raises a good faith concern is strictly prohibited and may result in severe disciplinary consequences.

It is your responsibility to be familiar with the provisions of this code. Contravention could lead to disciplinary action.

Ensuring day-to-day compliance with the code of conduct is the responsibility of the IchorCoal Management Board and subject to regular oversight by the Supervisory Board. In many areas covered by this code, more detailed guidance will be available to you under our policies and procedures developed as part of IchorCoal’s corporate governance programme. And always remember - good corporate conduct is about exercising your judgement with honesty and integrity, not just sticking to the rules.

On behalf of the Management Board, we welcome you to IchorCoal and trust that our relationship will be mutually beneficial.

## **1. Scope and application**

Every employee, director or officer of Ichor Coal N.V., every wholly owned IchorCoal company and every joint venture company under IchorCoal control must abide by this code. Contractors are required to act consistently with this code when working for an IchorCoal company.

We apply this code in all joint operations where IchorCoal is the operator. When participating in joint ventures not under IchorCoal control, we encourage the adoption of similar standards.

Breach of the code may result in disciplinary action up to and including dismissal. Contractors who fail to comply with this code may have their contract terminated, not renewed, or be subject to other appropriate sanction. IchorCoal reserves the right to amend or update this code as required from time to time.

## **2 Ichor Coal's commitment**

To maintain high standards of business conduct, IchorCoal will:

- 2.1 set the tone 'from the top' by promulgating, fostering and ensuring a corporate culture which encourages ethical behaviour and a commitment to compliance with the law;
- 2.2 implement policies and procedures which clearly spell out how to ensure compliance with the code and monitor effectiveness and detect and deter non-compliance;
- 2.3 set the tone 'from the top' by promulgating, fostering and ensuring a corporate culture which encourages ethical behaviour and a commitment to compliance with the law;
- 2.4 implement policies and procedures which clearly spell out how to ensure compliance with the code and monitor effectiveness and detect and deter non-compliance;
- 2.5 dedicate appropriate resources to provide support and train employees on the code and policies;
- 2.6 ensure assessment and management of risks to IchorCoal's business;
- 2.7 maintain adequate books and records which properly and fairly document all financial transactions;
- 2.8 audit our internal controls at regular intervals to provide assurance that they are effective;
- 2.9 carry out appropriate due diligence assessments of potential and existing business relationships, using a risk-based approach;
- 2.10 use our influence with contractors and joint venture partners to promote high standards of ethical conduct throughout the supply chain, and in particular to implement adequate policies and procedures to prevent bribery;
- 2.11 not engage in party politics, nor incur any political expenditure nor make any form of donation to politicians, political parties or other political organisations directly or indirectly;
- 2.12 not engage in anti-competitive or abusive market practices; and
- 2.13 provide an independent, confidential reporting line for actual or suspected breaches of the code.

## **3. Your Commitment**

As an Ichor Coal employee, you must:

- 3.1 familiarise yourself with this code of conduct and the policies referred to in this document;
- 3.2 avoid any real or perceived conflict of interest between the performance of your

- duties for IchorCoal and your private interests, operating always in accordance with the Conflict of Interest Policy;
- 3.3 not give or receive bribes of any kind, including facilitation payments, operating always in accordance with the Anti-Corruption Policy;
  - 3.4 give and receive gifts and hospitality prudently, acting always in accordance with the Gifts and Hospitality Policy, taking extreme care in the high risk area of hosting public officials;
  - 3.5 carry out appropriate risk-based due diligence prior to entering into a business relationship with a third party;
  - 3.6 use your influence with contractors and joint venture partners to promote high standards of ethical conduct throughout the supply chain, and in particular to implement adequate policies and procedures to prevent bribery;
  - 3.7 exercise caution and care in the appointment and management of agents and intermediaries who interact with public officials on behalf of IchorCoal;
  - 3.8 not use confidential non-public information obtained from your employment with IchorCoal for financial gain;
  - 3.9 not engage in anti-competitive or abusive market practices;
  - 3.10 promptly report any suspected non-compliance with this code or the policies.

Personnel in leadership and management positions are expected to exhibit high standards of ethical conduct. They must lead by example and demonstrate behaviours that promote awareness of, and compliance with, this code and all company policies. Regarding directors, where the provisions of this code and its related policies require a matter to be referred to an individual's line manager, but that director does not have a line manager, they should consult instead with the Ichor Coal N.V. Chief Executive Officer.

#### **4. Health, safety and environment**

The mining business challenges us with potential risks to our personnel, assets and the environment. We meet this challenge without compromise. The safety of our people, assets and consideration of the environment are core values.

Ichor Coal's Health, Safety and Environment Policy describes our commitment at the highest level to these values and our approach to meeting their challenges.

Within the management systems that underpin that Policy are the specific methods through which we operate our business, measure and review our performance, report the results and find value from lessons learned to constantly improve. These management systems allow us to address relevant industry standards and conventions while also providing for the incorporation of regional requirements.

We entrust our personnel with the objective of fulfilling the requirements of our management systems and give them the tools and training to competently carry out their duties.

#### **5. Our employees and diversity**

Ichor Coal is a multi-national business that is committed to ensuring and protecting the diversity of its employees and business partners. Behaviour that is offensive to a person's age, gender, sexual orientation, race or religion will not be tolerated.

Similarly, any form of workplace harassment or bullying will be met with severe consequences, as will any behaviour that is sexually inappropriate, including downloading inappropriate content on work computers or during your working day.

In order to maintain our ethical standards, all prospective and current employees should declare if they have previously engaged in inappropriate conduct that may damage IchorCoal's

reputation, or any illegal behaviour. A failure to do so may result in disciplinary action, including termination of employment. You may also be screened so as to check that you hold the same ethical standards to which we aspire.

You must also declare any connections you have with public officials so as to avoid being placed in a position where your professional duties conflict with your personal relationships, or may give rise to the perception of such a conflict.

## **6. Substance abuse**

Reporting for duty whilst under the influence of alcohol, drugs or any intoxicating substance is strictly prohibited.

Possessing, receiving and consuming, dealing or selling alcohol and drugs on IchorCoal premises is strictly prohibited.

The consumption of alcohol on IchorCoal premises is only allowed during official company functions.

## **7. Human Rights**

While governments are primarily responsible for the protection of human rights, IchorCoal is committed to respecting human rights wherever we operate.

We uphold internationally recognised standards of human rights, including those set out in the UN International Bill of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work.

You are required to refrain from any act or omission which infringes the human rights of others. We expect our joint venture partners to do the same; and we will strive to promote and implement human rights compatible practices with our third party suppliers and throughout our supply chain

## **8. Zero tolerance of bribery and corruptions**

We maintain high standards of ethical conduct and do not tolerate bribery or corruption in any form either directly or by those who work on our behalf.

The prohibition extends to corrupt acts in both the public and private sectors, and to facilitation (or "grease") payments.

You should familiarise yourself with the more detailed guidance in the IchorCoal Anti-Corruption Policy.

## **9. Use of agents and intermediaries**

The use of agents and intermediaries exposes IchorCoal to increased bribery, corruption and reputational risks. Many of the recent large, high profile bribery scandals have involved the use of agents and intermediaries as a vehicle for the payment of bribes. Under the UK Bribery Act, US Foreign Corrupt Practices Act and the South African Prevention of Corrupt Practices Act, IchorCoal can be liable for the corrupt activities of an agent/intermediary acting on its behalf.

Particular care must be taken when the agent or intermediary is likely to interact with a public official on IchorCoal's behalf. It does not matter if you describe them as something else, the key is whether they are likely to interact with public officials in the delivery of their work for IchorCoal.

Political consultants are a type of agent/intermediary. Other typical lower level examples are freight forwarders, customs agents/brokers and work permit/visa processing service providers.

Wherever possible, IchorCoal seeks to manage relationships itself, particularly with host governments. However, we do recognise that the use of agents/intermediaries is sometimes necessary and quite legitimate. In such cases, the appointment must be handled with extreme care, using properly documented contracts preceded by thorough due diligence. The appointment and management of agents/intermediaries must be conducted through the company's procurement policy and procedures.

## **10. Gifts and hospitality**

Giving or accepting gifts and hospitality requires careful management in order to avoid bribery risks and/or serious damage to IchorCoal's reputation.

It is a criminal offence to offer, give, request or receive a financial or other benefit which is intended to improperly influence the recipient (a bribe). Gifts and hospitality may be regarded as bribes. Even more caution should be exercised when offering a gift or hospitality of any type to a public official. If the wrong judgement is exercised, an employee may inadvertently commit an offence. In addition, local laws and regulations which apply to third parties may also prohibit gifts and hospitality.

You should familiarise yourself with the more detailed guidance in the IchorCoal Gift and Hospitality Policy.

## **11. Conflict of Interest**

IchorCoal respects its employees' right to privacy in their personal affairs and activities. However, a conflict of interest can arise where your personal, social, financial or political interests may influence or appear to influence, your loyalty to, or objective exercise of your duties for IchorCoal.

In addition, under the Prevention of Combating of Corrupt Activities Act (12/2004) (PCCA), an offence can be committed by giving or agreeing or offering to give any "gratification" to an individual. Inappropriate and conflicted personal/business relationships could, under certain circumstances, amount to an "advantage" which could lead to an individual being accused of bribery.

Where you believe that you have or may have a potential or actual conflict of interest, then you should seek advice from your line manager to determine if you have a conflict of interest that you need to declare and register. If advised to register a conflict of interest you must immediately register the conflict with your line manager. The line manager is responsible for agreeing and documenting a plan to manage the conflict of interest.

You should familiarise yourself with the more detailed guidance on this issue contained in the Ichor Coal Conflict of Interest Policy.

## **12. Insider Trading**

During the course of your employment, you may receive confidential non-public information. You are prohibited from using such information for personal financial gain or for any purpose other than for conducting IchorCoal's business. You should familiarise yourself with the more detailed guidance on this issue contained in the IchorCoal Insider Trading Policy.

### **13. Scope and application**

During the course of your role, you may be asked by our internal or external advisers (such as accountants and lawyers) for information relating to your work. As a representative of IchorCoal, it is your duty to co-operate with any such request and to provide the requested information promptly.

It is also our aim to co-operate with any external information request from regulators or government departments. If you are approached by a regulator or government department for information, please contact your manager for guidance. Similarly, if you are approached by a business partner for information and have any concerns about the request, please contact your manager before proceeding.

Communications with the public in respect of IchorCoal matters, such as making public statements or giving comments to the media, whether orally or in writing, should only be made with the express written authority of the management board of IchorCoal.

### **14. Political donations**

Giving a financial or other benefit to a politician, either directly or indirectly, could result in a criminal offence being committed resulting in severe penalties.

IchorCoal does not engage in party politics nor incur any political expenditure. In particular, we do not make any form of donation to politicians, political parties or other political organisations directly or indirectly.

Most international companies will come into contact with governments, political parties and politicians as a consequence of doing business. IchorCoal must ensure that any actions that it takes in its interface within the political arena are not construed to be a political donation.

### **15. Anti-competitive practices**

IchorCoal is committed to acting with integrity. You must not engage in anti-competitive practices such as improperly obtaining confidential information from other companies or passing such information to them. Similarly, IchorCoal should not collude with other companies or engage in behaviour that could be viewed as anti-competitive or abusive.

### **16. Respecting our assets**

You must respect and protect company assets, whether physical goods or intellectual property. That obligation includes:

- Avoiding all forms of fraudulent conduct;
- Not stealing, or otherwise improperly disposing of or damaging our assets;
- Not knowingly buying assets at prices above their market value, or selling them below their market value;
- Protecting confidential information and not divulging sensitive information to competitors or others;
- Ensuring that we keep accurate and complete financial records and accounting information; and
- Ensuring that we complete and approve expense forms accurately and in accordance with IchorCoal's applicable expenses rules.



## **17. Duty to Report**

We require our personnel – and encourage others – to report any situation where they have a reasonable belief that there has been a breach, or potential breach, of this Code of Conduct, our policies and procedures or law and regulations.

Incidents of non-compliance may be reported to your line manager or any member of the management team. Alternatively, you may wish to do so anonymously by calling a confidential line at 011-xxxxxx. This facility is open not only to employees but also to third parties.

We will investigate reports and take appropriate action where necessary. We will not tolerate harassment or any retaliation against anyone who seeks advice, raises a genuine concern or reports a breach or suspected breach in good faith.