

## WHISTLEBLOWER POLICY

April 2019

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### 1. Introduction and Purpose

Sovereign Metals Limited and its subsidiaries (the **Company**) are committed to conducting its global business activities with integrity and supporting an internal culture of honest, ethical and socially responsible behaviour. To ensure these objectives are achieved, the Company encourages the reporting of any actual or suspected instances of illegal, unethical, fraudulent or undesirable conduct (**Reportable Conduct**) involving the Company, Personnel and / or Contracted Third Parties (see below definition).

This Policy applies to all directors, officers, employees (collectively, **Personnel**), joint venture partners, secondees, agents, consultants, contractors (where under a relevant contractual obligation) and representatives of the Company (the latter six collectively referred to in this Policy as **Contracted Third Parties**).

The Company's internal controls are intended to prevent, deter and remedy any violation of applicable laws and regulations. Even the best systems of control and procedures, however, cannot provide absolute safeguards against such violations.

The Company recognises that an effective whistleblower policy:

- (a) is a critical component to reinforce a strong commitment to, and compliance with, relevant legal and ethical obligations;
- (b) enables individuals to feel that the Company is properly addressing their concerns; and
- (c) does not penalise individuals for fulfilling their obligation to ensure the Company's conduct meets its policies on compliance and ethics.

However, it is important to note that this policy has been implemented to assist with protecting bona fide whistleblowers, and should not be used for any other objective (e.g. a personal difference of opinion, a report which has not been made in good faith, a personality clash or to simply undermine another staff member's position in the Company).

#### 1.1 Reportable Conduct

If an individual, in good faith, reasonably believes that any Personnel or Contracted Third Parties acting on behalf of the Company has engaged in any Reportable Conduct or breaches of any other internal policy, they should immediately report his or her concern to the relevant Compliance Officer, as outlined in the applicable Compliance Guide.

Examples of Reportable Conduct include:

- (a) dishonest, fraudulent or corrupt activity, including bribery or other activity in breach of the Company's Anti-bribery and Corruption Policy;
- (b) illegal activity (such as theft, drug sale or use, violence, harassment or intimidation, criminal damage to property or other breaches of state or federal law), whether or not they are acting in the capacity as Personnel or Contracted Third Parties at the time the Reportable Conduct occurred;
- (c) unethical or breach of the Company's policies (such as dishonestly altering company records or data, adopting questionable accounting practices or wilfully breaching the Company's Code of Conduct or other policies or procedures);
- (d) activity potentially damaging to the Company, Personnel or an Contracted Third Party, such as unsafe work practices, environmental damage, health risks or abuse of Company property or resources;
- (e) activities which may result in financial loss to the Company or damage its reputation or be otherwise detrimental to the Company's interests;
- (f) harassment, discrimination, victimisation and bullying.

If an individual is not comfortable reporting a concern to the relevant Compliance Officer, they should report the concern to any supervisor or member of management whom he or she is comfortable approaching. Any supervisor or manager who receives a report of an alleged violation, concern or complaint must immediately forward the report to the relevant Compliance Officer.

If the report, concern or complaint involves the relevant Compliance Officer, it should be made to a supervisor or manager, who must immediately forward the report, concern or complaint to a director of the Company. The Company's Board of Directors will then assess and investigate the report, concern or complaint in accordance with this policy, in place of the relevant Compliance Officer.

Reports of alleged violations, concerns or complaints may be anonymously submitted to the relevant Compliance Officer. All reports of alleged violations, concerns or complaints, whether or not they were submitted anonymously, will be kept in strict confidence to the extent possible at law and consistent with the Company's need to conduct an adequate investigation.

## **1.2 Communicating Reportable Conduct**

The Company has several channels for making a report if a person becomes aware of any issue or behaviour, which he or she considers to be Reportable Conduct. Personnel or Contracted Third Parties:

- (a) working within a Company team in a different location to the head corporate office should raise the matter with their relevant Compliance Officer and/or Country Manager.
- (b) should report the matter to the Company Secretary if it is not possible or inappropriate to report the matter to the Compliance Officer (for example, if the Compliance Officer is the subject of the report; or
- (c) working in the Company's head corporate office, should report the matter directly to the relevant Company Secretary (being the relevant Compliance Officer for all head entities).

### **1.3 Investigation of Reportable Conduct**

Upon receipt of a report, concern or complaint, the relevant Compliance Officer may, in their discretion, conduct an investigation and may take whatever investigative, disciplinary or other action he or she deems appropriate.

The relevant Compliance Officer may however, in its reasonable discretion, decide not to commence an investigation if, for example, a report, concern or complaint:

- (a) contains only unspecified or broad allegations of wrongdoing without appropriate factual support;
- (b) is a disagreement between two parties which does not fall within the meaning of Reportable Conduct; and or
- (c) has not been made in good faith.

The relevant Compliance Officer shall have the authority to obtain assistance from the Company's management or retain separate outside legal or accounting expertise as deemed necessary, or desirable, in order to conduct the investigation or assess whether an investigation is warranted.

The relevant Compliance Officer must ensure that:

- (d) the Company's Board of Directors is informed of any Reportable Conduct / investigations, including that call into question the culture of the Company; and
- (e) they record the rationale for all decisions regarding whether or not to undertake an investigation.

### **1.4 Corrective Action**

The relevant Compliance Officer is ultimately responsible for determining the validity of each report, concern or complaint and fashioning, with the input of its advisors and the Company's management, and if requested, the appropriate corrective action.

The relevant Compliance Officer shall report any legal, regulatory non-compliance or any Reportable Conduct they consider a material concern to the Company's Board of Directors and ensure that management takes corrective action including, where appropriate, obtaining external legal advice and, if so advised, reporting any violation to relevant governmental authorities.

Any Personnel or Contracted Third Party deemed to have violated any law, rule or regulation, or any internal policy regarding accounting standards and disclosures, internal accounting controls, or matters related to the internal or external audit of the Company's financial statements, may be subject to disciplinary action, up to and including termination of employment with or without notice.

### **1.5 No Retaliation**

Individuals should feel free to report any suspected wrongdoing as described above, and know that if they do so, they will be protected against any retributive actions.

The Company will not tolerate retaliation or discrimination of any kind by or on behalf of the Company and its Personnel or Contracted Third Parties against any individual making a good faith complaint of, or assisting in the investigation of, any violation of government laws, rules, or regulations or the Company's policies.

## 1.6 Retention of Complaints and Documents

The relevant Compliance Officer will retain all documents and records regarding any reports of alleged violations, concerns or complaints.

It is illegal and against the Company's policy to destroy any records that may be subject to or related to an investigation by the Company or any federal, state or regulatory body.

## 1.7 Compliance with this Policy

All individuals must follow the procedures outlined in this Policy and co-operate with any investigation initiated pursuant to this Policy. Adherence to this Policy is a condition of employment. The Company must have the opportunity to investigate and remedy any alleged violation or an individual's concerns, and each individual must ensure that the Company has an opportunity to undertake such an investigation.

This Policy does not constitute a contractual commitment by the Company. This Policy does not prevent, limit, or delay the Company from taking disciplinary action against any individual, up to and including termination of employment with or without notice, in circumstances (such as, but not limited to, those involving problems of performance, conduct, attitude, or demeanour) where the Company deems disciplinary action appropriate.

## 1.8 Training

All relevant Personnel and Contracted Third Parties are to receive appropriate training, including refresher training, relating to this Policy and related policies and procedures. Any newly hired officers and employees will receive such training as part of their induction.

The extent and nature of such training shall be defined by reference to their function and will reflect the risks facing an employee in their role in that role.

Records of all completed training sessions undertaken by Personnel are maintained by the relevant Compliance Officer.

## 1.9 Statutory Protection of Whistleblowers

Most jurisdictions also have statutory protections for whistleblowers. For example, in Australia, subject to certain conditions being met, the *Corporations Act 2001* (Cth) (**Corporations Act**) gives protection to disclosures about breaches of the Act – refer to Annexure A for further details.

## 1.10 Board Review of Policy

The Audit and Risk Committee (or the full Board in place of the committee) must review the effectiveness of this Policy at least yearly and make recommendations to the full Board for improvements to the Policy to fulfil its objectives and/or required to comply with changes in relative legal requirements.

Version No	Date/Change	Description
01	March 2019	Whistleblower Policy

Next Review Date: February 2020

### **Annexure A – Statutory Protection of Whistleblowers**

The Corporations Act gives special protection to disclosures about potential breaches of the Corporations Act where the following conditions are satisfied:

- (a) The Whistleblower is an officer or employee of the Company, or a person or company who has a contract for the supply of goods and services with the Company (a 'contractor') or an employee of such a contractor.
- (b) The report is made to:
  - (i) CEO;
  - (ii) Company Secretary;
  - (iii) another director, officer or senior manager of the Company;
  - (iv) the Company's auditor (or a member of that audit team); or
  - (v) ASIC.
- (c) The Whistleblower gives their name before making the report (i.e. the report is not anonymous).
- (d) The report is made in good faith, and the Whistleblower has reasonable grounds to suspect that there has, or may have, been a breach of the Corporations Act by a Company or any of its officers or employees.

The protections given by the Corporations Act when these conditions are met are:

- (a) the Whistleblower cannot be subject to criminal, civil, or contractual liability, including termination of the Whistleblower's contract of employment, for making the report;
- (b) anyone who victimises or threatens the Whistleblower is guilty of an offence and may be liable for damages; and
- (c) the person receiving the report commits an offence if they disclose the substance of the report or the Whistleblower's identity, without the Whistleblower's consent, to anyone except ASIC, the Australian Federal Police or APRA.