



EURASIAN RESOURCES GROUP SARL AGENTS COMPLIANCE POLICY

Compliance Policies - Policy 1.3 - Agents compliance policy

Approved by	The Board of Managers
Origin Date:	August 24, 2014
Last Revised Date:	May 2, 2019
Executive Sponsor(s):	Group Head of Compliance
Contact(s):	Group Head of Compliance

1 Policy Objective

- 1.1 The Company may employ Agents (as defined below) to act on its behalf to meet its business objectives in the business areas in which it is more effective or efficient to employ an agent rather than to perform a task by oneself. Use of Agents, while providing benefits to the business, exposes the Company to varying levels of compliance and reputation risk.
- 1.2 The purpose of this Policy is:
 - 1.2.1 to reduce the compliance and reputation risks related to the appointment of Agents by providing a consistent process for hiring Agents across the ERG Group with the objective to make sure that these Agents do not compromise the reputation of the Company through their behaviour or through inappropriate actions
 - 1.2.2 to ensure that appropriate compliance mechanisms are put in place to ensure Agents' compliance with applicable laws and the standards of business conduct required by the Company;
 - 1.2.3 to provide Company employees and Agents with clear requirements and universal guidelines on appointment, management and monitoring of Agents.
- 1.3 The Policy sets out:
 - 1.3.1 the requirements for appointment, management and monitoring of Agents
 - 1.3.2 the expected standards of conduct by Agents and the requirement for compliance with applicable laws and established Company policies and standards; and
 - 1.3.3 roles and responsibilities in ensuring compliance with this Policy.

2 Scope

- 2.1 This Policy applies to:
 - 2.1.1 the Company, including all its business units;
 - 2.1.2 Agents;
 - 2.1.3 all employees (including temporary or contract staff), specifically those dealing with due diligence, appointment, monitoring, use and management of Agents;
 - 2.1.4 all contracts with Agents; and
 - 2.1.5 In companies where the Company holds a minority stake, but has board representation, the directors designated by the Company shall insist on the need for such company to have a policy of its own for appointing Agents.

3 Definitions

- 3.1 **“Agent”** – means a Third party (person or a company) authorised to negotiate, represent or act on behalf of the Company on strategic matters including, but not limited to, negotiating with government agencies, customs and clearing agents and

- lobbyists. It does not include bona fide professional advice or services rendered to the Company in the ordinary course of business where such Third party has no ability to bind the Company or negotiate or speak for the Company.
- 3.2 **“The Board of Managers”** – the Board of Managers of ERG
- 3.3 **“Employees”** means all employees (employees) and directors (Company officials) of the Group.
- 3.4 **“ERG” or “Company”** means Eurasian Resources Group Sarl (societe a responsabilite limitee), established and operating in accordance with the legislation of the Grand Duchy of Luxembourg, registered in the Commercial Register of Luxembourg under number B 177.275, with registered seat at 9, rue Sainte Zithe, L-2763 Luxembourg, Grand Duchy of Luxembourg.
- 3.5 **“Group”** means all Group Companies.
- 3.6 **“Group Company”** means ERG or any of its direct and indirect subsidiaries controlled by ERG.
- 3.7 **“Policy”** means this Agent compliance policy
- 3.8 **“Third Parties”** means any bodies that are not Group Companies

4 Policy Principles

- 4.1 *Due diligence and Appointment*
All proposed Agent agreements must be initiated by the respective Business Unit Head, endorsed in writing by the Regional Business Head and the Regional General Counsel and notified to the Group Head of Compliance and approved by the Group CEO.
- 4.1.1 Agents should be selected and appointed by Business Unit Head with extra care following a thorough due diligence in order to identify any reputation or compliance risks or issues. Such due diligence should be thoroughly documented. As an example, it could include the following assessments:
- Public profile and reputation of the Agent, its directors and beneficial owners;
 - Assessment if the Agent’s business is legitimate and if the agent can be trusted to act with integrity;
 - Capacity - financial, human and technical resources, knowledge and skills required to perform as an Agent of the Group Company;
 - Prior performance and business activities; and
 - Potential or actual conflicts of interest, which may negatively influence Agent’s performance.
- 4.1.2 All Employees working with Agents or being involved in the process of appointing an Agent should be alert to certain actual or perceived red flags, which may indicate the Agent may not meet standards of business conduct required by the Group. For illustration a non-exhaustive list of red flags is included in Appendix 1.
- 4.1.3 Any risks or issues identified during the due diligence must be evaluated if they pose a threat to the Company reputation. If the decision is made in accordance with the approvals in this Policy to enter the contract with the Agent despite risks or issues identified, such risks and issues must be monitored by the contract owner (as nominated at the time of entering into the contract) on a regular basis as part of the Agent monitoring plan.
- 4.1.4 Copies of all due diligence information gathered and all documents relating to the Agent’s activities, including emails, progress reports, notes of meetings and records of all payments made to the Agent (including receiving bank account details) must be appropriately filed by the contract owner and retained in accordance with Document Retention Policy.
- 4.1.5 Agents should be recorded as Agents in the Group Company’s third party diligence systems so as to be monitored in accordance with this Policy.

4.2 *Compliance with laws and Company policies*

It is the sole responsibility of each Agent to ensure its compliance with applicable laws and regulations.

4.2.1 The Company sets its requirements for performance and business conduct in Company policies. The Company requires all Agents to comply with such policies. An obligation of an Agent to comply with these policies must form part of the contract with the Agent. Agents must be provided with copies of the following policies:

- Code of Conduct;
- Agents Compliance Policy;
- Anti-Bribery and Corruption Policy;
- Competition Compliance Policy;
- Conflict of Interest Policy;
- Gifts and Entertainment Policy;
- Sanctions Compliance Policy;
- Anti-Money Laundering Policy;
- Anti-Fraud Policy;
- Data Protection Policy;
- Human Rights Policy;
- CSR Projects and Sponsorship Policy; and
- Any other relevant policy, procedure or guideline which may be introduced by the Company from time to time.

4.2.2 A written acknowledgement by the Agent of receipt and understanding of such policies must be obtained.

4.2.3 Agents are required either to adopt Company policies mentioned above or adapt their own set of policies, which would ensure compliance with Company policies requirements.

4.2.4 All Agents must be informed by the contract owner without delay of any revisions to such policies and provide updated written acknowledgements.

4.2.5 All Agents, after the end of each calendar year, should confirm in writing that they have not engaged in any illegal, corrupt or unethical conduct in the performance of the Agent's duties under the agency agreement and that the Agent remains in compliance with all applicable laws, regulations, rules and Company policies.

4.2.6 In the event that the Agent fails to submit a statement of compliance as required under the subclause 4.2.5. of the Policy, all payments of commission to that Agent must be suspended. All Agents should confirm acknowledgment of this provision.

4.3 *Contract*

Appointment of an Agent can be made only in a written contract.

4.3.1 Agency agreements must be based on a template endorsed by the Chief Legal Officer or, if a template is not used, reviewed by Chief Legal Officer or designated person and Compliance before their execution. In either case, a contract with an Agent should include:

- a) a recognition that the Agent has received a copy of the latest version of the Company Code of Conduct and other Company Policies and a commitment that he/she, as well as any sub-contractors which will need to be properly vetted and approved by the Group Company, will at all times comply with the Company Code of Conduct and other Company Policies when fulfilling his obligations under the agreement;

- b) a requirement that appointment of sub-contractors by an Agent must be agreed with the Group Company, following review by regional Compliance and Legal leads;
- c) specific provisions providing that the Agent will comply with all applicable laws, all anti-bribery laws, any international economic sanctions as well as any export control provisions;
- d) confirmation that the Agent has never been sentenced for bribery, corruption, money-laundering, violation of anti-trust or competition laws or violation of international economic sanctions;
- e) confirmation that neither the Agent nor his immediate family has neither any familial nor any business connections to relevant foreign officials;
- f) confirm that neither the Agent nor his immediate family do not have any familial or any business connections with the relevant Employees;
- g) an obligation that the Agent will maintain separate books and records with regard to the work undertaken on the Group Company behalf, any payments and supporting documentation related to execution of the contract and any documents pertaining to the Agent's dealings with any Third parties on the Group Company's behalf; and
- h) an agreement to audits, at the request of the Group Company, of all information and documents pertaining to the Agency agreement, all related work, communication and payments.

4.4 *Payments to Agents*

Commission paid to the Agent should be appropriate to provide an agent with an incentive to act in the best interest of the Group Company, and not to create an opportunity for unethical behaviour by an Agent.

- 4.4.1 No payments to Agents can be made in cash;
- 4.4.2 No payments owed to Agents can be paid to third party accounts;
- 4.4.3 Any reimbursement for costs needs to be substantiated by presenting proper and detailed documentation (proof of work done, time sheets, invoices etc.).
- 4.4.4. Payments to Agents may be suspended in the event that the Agent fails to submit a statement of compliance as required under this Policy.

4.5 *Contract Monitoring*

Once appointed, any Agent needs to be assessed on a regular basis by the contract owner Assessment should take place at least every two years. Agents acting in at least one high risk country will be assessed annually. If the appointment is for a specific project, the assessment will take place after the end of the project.

- 4.5.1 Copies of the assessments must be kept with the relevant contract, by Regional General Counsel or local lawyer.
- 4.5.2 Regional Management on an annual basis should certify to the Group Head of Compliance and Chief Legal Officer that all agency agreements within their Regions comply with this Policy.

5 Existing Agents

- 5.1 With regard to existing Agents, respective Business Units of the Group Company should send them a copy of the Company Code of Conduct and Company policies mentioned in clause 4.2. of this Policy, together with a letter explaining that the Company expects them to comply with them. The existing Agents should return a signed copy of such letter acknowledging their obligation to comply.
- 5.2 Also, if not made already during last 12 months, the existing Agents need to be assessed with regard to their reputation and their background. This should be done as soon as possible but not later than 6 months after the present Policy comes into force.

6 Questions

- 6.1 If in doubt please always consult with your Compliance Officer.

7 Responsibilities

- 7.1 The Board of Managers is responsible for establishing this Policy;
- 7.2 The Compliance Committee of the Board of Managers is responsible for oversight of compliance with this Policy;
- 7.3 The Group Chief Executive Officer, supported by the Chief Legal Officer and Group Head of Compliance, has responsibility for implementing this Policy in accordance with the requirements of the Board of Managers ;
- 7.4 The Business Unit Heads are responsible for establishing appropriate responsibilities, procedures, training and internal controls within their respective operations to ensure the consistent implementation of this Policy across all jurisdictions and compliance with its requirements;
- 7.5 The Business Unit Heads using Agents are responsible for negotiating the agency contracts and making sure that all provisions required by the Policy are adhered to;
- 7.6 The Business Unit Heads using Agents are responsible for ensuring periodic monitoring of Agent activities takes place as per the periodicity and to the required counter party due diligence standard;
- 7.7 The Business Unit Heads proposing to use Agents are responsible for ensuring that the submission contains complete and accurate information and assessment;
- 7.8 It is the responsibility of each Business Unit Head to ensure that their respective employees and all Agents are made aware of this Policy;
- 7.9 It is the responsibility of each Group Company Employee and Agent to comply with the terms of this Policy.

8 Monitoring

- 8.1 The Group Head of Compliance should periodically, but not less than annually, report on the status of Agency Compliance to the Compliance Committee of the Board of Managers.
- 8.2 Regional Management is responsible for effective implementation of this Policy in their respective areas of responsibility and make sure that adequate controls are implemented to ensure on-going compliance.
- 8.3 Contracts with Agents should be monitored by the Business Unit as per the Policy.
- 8.4 Internal Audit should periodically review compliance with this Policy and report any deficiencies and respective recommendations to the Group Management and the Compliance Committee of the Board of Managers.

9 Non-Compliance

- 9.1 Any Employee found to have violated the Policy may be subject to disciplinary action, which could include summary dismissal.
- 9.2 In the event that an agreement with an Agent violates this Policy, the relevant Group Company will make all possible efforts to terminate it.
- 9.3 If the Company Employee has concerns around Agent's activities, which could be in contravention of applicable laws and regulations or be otherwise in breach of Company Policies, they such Employee is encouraged to report such concerns to Management, Human Resources, Legal , Compliance Officer or the hotline.



10 Document Version Control

Version	Version date	Description of Changes	Approved
1	2014.08.24		
2	2015.05.05		
3	2019.05.02		

APPENDIX 1

Potential red flags which may indicate reputation or legal risks to the Group Company and Group

- Agent's previous behaviour is rumoured to be unethical or unlawful;
- Agent lacks experience in the market or country in question;
- Agent advises that cash is needed to secure any business;
- Agent seeks unusually high commissions or requests payments for vague, urgent or unspecified purposes;
- Agent requests payment of the commission, or a significant proportion thereof, before or immediately upon award of the contract by a customer;
- Agent requests payments be made in cash, or to an unusual bank account (e.g. in off-shore jurisdiction) or to any third party;
- Agent's ability to secure a contract appears based on improper or unethical relationships with key individuals;
- Agent requests an arrangement (or some other special terms) on other than usual arm's length commercial terms.
- The country where the transaction is taking place has a history of corruption (CPI1 < 35).
- The Agent was specifically recommended by a foreign official or by somebody with ties to the Government of that country.
- The only qualification of the Agent is his influence over foreign officials.
- There is a discrepancy between the commission to be paid and the service to be provided.
- The Agent does not properly document the expenses for which he claims reimbursement.
- The Agent requests that any payments under the contract be made to a third party or in another country.
- The Agent requests anonymity.
- The Agent does not allow ERG to audit its records pertaining to his dealings with any third parties on ERG' behalf.
- The Agent provides incomplete or inaccurate information during the "due diligence" process.
- The Agent has family or business connections to relevant foreign officials.

¹ The Company uses the latest Corruption Perceptions Index (CPI) by Transparency International for all the markets in which the Agents will represent the Company, including for the country in which the Agent will be based. A copy of the latest index can be obtained from the Transparency International website <http://cpi.transparency.org/>



- The Agent does not have enough resources and depends heavily on using sub-contractors to fulfil his obligations under the agreement.
- The Agent has previously been suspected of bribing foreign officials.

The above list is not exhaustive and any Business Unit Head suggesting the appointment of an Agent needs to use his judgment before making a recommendation to appoint a particular Agent.