



ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

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1. PURPOSE

- 1.1 Pan African Resources PLC and its subsidiaries (collectively referred to as Pan African) are committed to conducting business transparently, honestly, with integrity, and to the highest ethical standards. This commitment is reflected in Pan African's value statement, code of ethical conduct and this Anti-Bribery and Anti-Corruption policy.
- 1.2 The purpose of this policy is to reaffirm Pan African's zero-tolerance stance towards bribery and corruption. Pan African is dedicated to complying with applicable anti-bribery and anti-corruption laws and expects its affiliates, directors, employees, contractors and third party service providers to uphold this commitment.
- 1.3 In furtherance of this commitment, Pan African undertakes to abide with the following:
 - UK - Bribery Act 2010
 - SA - Prevention and Combatting of Corrupt Activities Act, 12 of 2004 (PCCA)
 - US - Foreign Corrupt Practices Act (FCPA).
- 1.4 This policy supplements Pan African's code of ethical conduct, its other policies and all applicable laws, and is not intended to replace or diminish any applicable laws.
- 1.5 This policy serves to outline Pan African's responsibilities and the responsibilities of individuals associated with Pan African in preventing and addressing bribery and corruption.

2. SCOPE

- 2.1 This policy applies to all directors and employees of Pan African regardless of their location. It also sets the standards that Pan African expects from its business associates, contractors, consultants, third-party service providers or any other individual acting on behalf of Pan African (collectively referred to as "Representatives" in this policy).

3. PRINCIPLES

- 3.1 Line managers must ensure that all employees and contractors are familiar with this policy and any subsequent updates.
- 3.2 All staff and contractors are responsible for familiarising themselves with and adhering to the requirements outlined in this policy alongside other relevant policies at Pan African.
- 3.3 Any employee or contractor who becomes aware of non-compliance with this policy is encouraged to report it without fear of retaliation. Pan African reserves the right to take appropriate action against any misconduct or breach of this policy.
- 3.4 Breach of this policy may lead to disciplinary action, and violation of the laws related to this policy can result in civil or criminal proceedings. Non-employees, such as independent contractors or temporary workers, failing to comply with this policy will be notified to the service provider and/or relevant authorities for necessary remedial action, which may include reimbursement for expenses incurred. Contractors, consultants and labour brokers may have their contracts terminated and will be reported to their respective organisations.
- 3.5 If any employee or third party is uncertain whether a particular act constitutes bribery or corruption or has any other queries, they should raise them with their supervisor, line manager or relevant head of department or the Company's financial manager, if they are a third party.

4. IMPROPER PERFORMANCE TO WHICH A BRIBE RELATES - UK BRIBERY ACT 2010

- 4.1 A function or activity is considered to be performed improperly if it breaches relevant expectations. Additionally, if there is a failure to perform the function or activity and that failure itself breaches a relevant expectation, it will be treated as being performed improperly.
- 4.2 Relevant expectations include the following conditions
- **Condition A:** The person performing the function or activity is expected to do so in good faith.
 - **Condition B:** The person performing the function or activity is expected to do so impartially.
 - **Condition C:** The person performing the function or activity holds a position of trust due to their performance
- 4.3 In the context of bribing another person a “relevant expectation” means the expectation mentioned in the applicable condition (A, B or C above). For a function or activity that meets condition C, a relevant expectation refers to any expectation regarding the manner or reasons for performing the function or activity, arising from the position of trust mentioned in that condition.
- 4.4 Any action or omission by a person arising from or in connection with their past performance of a relevant function or activity will be treated as if it were done or omitted in the performance of that function or activity under the UK Bribery Act.

5. EXPECTATION TEST OF IMPROPER PERFORMANCE TO WHICH A BRIBE RELATES - UK BRIBERY ACT 2010

- 5.1 When determining expectations for a function or activity and assessing what qualifies as improper performance the standard is based on what a reasonable person would expect in relation to the specific function or activity being performed.
- 5.2 In cases where the performance of a function or activity is not subject to the law of any part of the United Kingdom, any local custom or practice should be disregarded unless it is permitted or required by the written law applicable to the relevant country or territory.
- 5.3 The term “written law” refers to laws contained in a written constitution, provisions made by or under legislation, applicable to the country or territory concerned, or judicial decisions that are applicable and evidenced in published written sources.

6. BRIBERY OF FOREIGN PUBLIC OFFICIALS - UK BRIBERY ACT 2010

- 6.1 Under the UK Bribery Act 2010, a person (P) commits an offence if they bribe a foreign public official (F) with the intention to influence F in their capacity as a foreign public official.
- 6.2 To be guilty of an offence, P must also intend to obtain or retain either a business opportunity or an advantage in the conduct of business.
- 6.3 Bribing F occurs when P directly or through a third party, offers, promises or gives any financial or other advantage to F or another person at F’s request or with F’s assent or acquiescence. Additionally, F must not be permitted or required by the written law applicable to F to be influenced in their capacity as a foreign public official by the offer, promise or gift.
- 6.4 In this context “influencing F in F’s capacity as a foreign public official” refers to influencing F in the performance of their functions as such a foreign public official. This includes omissions to exercise those functions, and the use of F’s position as a foreign public official, even if it is beyond F’s authority.

- 6.5 The term “Foreign public official” refers to an individual who holds a legislative, administrative or judicial position appointed or elected, in a country or territory outside the United Kingdom (or any subdivision of such a country or territory). It also includes individuals who exercise a public function for or on behalf of a country or territory or any public agency or public enterprise of that country or territory (or subdivision).
- 6.6 Additionally, an official or agent of a public international organisation is considered a foreign public official.
- 6.7 A “Public international organisation” is an organisation whose members consist of countries or territories, governments of countries or territories, other public international organisations, or a combination of any of the aforementioned.
- 6.8 The following functions and activities fall within this subsection:
- Any function of a public nature.
 - Any activity connected with a business.
 - Any activity performed in the course of a person’s employment.
 - Any activity performed on behalf of a body of persons.
- 6.9 A function or activity is considered relevant if it meets the following criteria:
- It falls within offences relating to being bribed.
 - It satisfied one or more of conditions A to C above.
- 6.10 A function or activity is considered relevant even if:
- It has no connection with the United Kingdom.
 - It is performed in a country or territory outside the United Kingdom.
- 6.11 In this section “business” includes trade or profession.

7. CORRUPTION AS PER THE PCCA

- 7.1 The PCCA provides a broad definition of corruption as a general offence. It states that any person who directly or indirectly accepts, agrees to accept, offers or gives any form of gratification from any other person, whether for their own benefit or the benefit of another person with the intention to act personally or influence another person’s actions, is guilty of the offence of corruption. This includes acts that involve the illegal, dishonest, unauthorised, incomplete, or biased use or sale of acquired information or material, abuse of a position of authority, a breach of trust, violation of a legal duty or set of rules or any other unauthorised or improper inducement.
- 7.2 The PCCA also establishes specific offences related to corruption, including corruption in relation to tenders, contracts and public officials.
- 7.3 The PCCA applies to all natural and juristic persons in South Africa as well as South Africans operating outside the country. The act highlights specific activities and functions where corrupt activities can occur. These include:
- Public officers
 - Foreign public officials
 - Agents (authorised representatives acting on behalf of principals)
 - Members of legislative authorities
 - Judicial officers

- Parties to an employment relationship
- Witnesses and evidential material in certain proceedings
- Contracts
- Procurement and withdrawal of tenders
- Auctions
- Sporting events
- Gambling games or games of chance
- Offences related to possible conflict of interest.

7.4 A person convicted of any of the statutory corruption offences may be subject to a fine and imprisonment for a period up to life imprisonment.

8 FOREIGN CORRUPT PRACTICES ACT – FCPA

8.1 The FCPA specifically addresses payments intended to induce or influence foreign officials to use their positions to assist in obtaining or retaining business for or with any person.

8.2 To violate the FCPA, an offer, promise, authorisation, or a payment to a government official must be made “corruptly”. The term “corruptly” clarifies that the intent of the offer, payment, promise, or gift is *to induce the recipient to misuse their official position*, such as directing business improperly, obtaining preferential treatment, or influencing the official to neglect their official duties.

8.3 For an individual to be criminally liable under the FCPA, their actions must be “wilful.” Proof of wilfulness is not required to establish corporate criminal or civil liability, but proof of corrupt intent is necessary. The term “wilful” generally refers to acts committed voluntarily and purposefully with a corrupt purpose.

8.4 The FCPA prohibits the corrupt offer, payments, promises to pay, authorisation of the payment, offers, gifts, or of anything of value to foreign officials.

9 CONTRAVENTION OF THE POLICY

9.1 Pan African considers any contravention of this policy as a serious matter that will be thoroughly investigated and may result in disciplinary action or criminal action. Any suspected or alleged contraventions under investigation must be treated with the utmost confidentiality.

9.2 If Representatives believe that their own actions have contravened or may have contravened the policy, they should immediately report it to their immediate supervisor, the Pan African security executive or an executive director.

9.3 If Representatives suspect that another Representative of Pan African has contravened the policy, they should promptly and confidentially report it, preferably in writing, to the Pan African security executive or an executive director.

9.4 Any contravention of this policy by a non-executive director and non-compliance with relevant statutory and regulatory requirements by a non-executive director will be investigated and addressed by the chairman of the board.

10 POLICY APPROVAL

10.1 This policy was approved by the audit and risk committee on 28 June 2023.

APPENDIX

EXAMPLES OF OFFENCE - PER THE UK BRIBERY ACT 2010

Case 1: Offence by offering or giving an advantage

A person (P) commits an offence if:

- P offers, promises or gives a financial or other advantage to another person, and
- P intends the advantage to:
 - Induce a person to improperly perform a relevant function or activity, or
 - Reward a person for improper performance of such a function or activity.

Example: A manager at the company responsible for procuring services is approached by the current supplier, who offers a free trip to London as a way to maintain their longstanding business relationship.

Case 2: Offence by offering or giving an advantage with knowledge or belief

A person (P) commits an offence if:

- P offers, promises or gives a financial or another advantage to another person, and
- P knows or believes that accepting the advantage would itself constitute the improper performance of a relevant function or activity.

Note: in case 1, it doesn't matter if the person receiving the advantage is the same person performing the function or activity. Also in both cases 1 and 2, it doesn't matter if the advantage is offered directly by P or through a third party.

OFFENCES RELATING TO BEING BRIBED - UK BRIBERY ACT 2010

A person (R) commits an offence if any of the following cases apply:

Case 3: Offence by requesting or accepting an advantage with improper intent

R requests agrees to receive, or accepts a financial or other advantage with the intention that a relevant function or activity should be performed improperly (by R or another person).

Example: A contractor or supplier hires a family member of an employee and expects the employee to use their position to gain business advantages for the contractor or supplier.

Case 4: Offence by requesting or accepting an advantage that constitutes improper performance

- R requests, agrees to receive or accepts a financial or another advantage, and
- The request, agreement, or acceptance itself constitutes the improper performance of a relevant function or activity by R.

Example: An employee responsible for advertising in a company, awards graphic design contracts to a company owned by themselves, their partner or a close acquaintance without disclosing the conflict of interest.

Case 5: Offence by requesting or accepting an advantage as a reward for improper performance

- R requests, agrees to receive or accepts a financial or another advantage as a reward for improper performance of a relevant function or activity (by R or another person).

Example: An employee accepts cash in exchange for awarding a tender to a supplier who does not meet the necessary requirements.

Case 6: Offence by anticipation or consequence of requesting or accepting an advantage

In anticipation of or as a consequence of R requesting, agreeing to receive, or accepting a financial or other advantage, a relevant function or activity is performed improperly by R, or by another person at R's request or with R's assent or acquiescence.

Example: An employee agrees to receive cash and instructs their subordinate to make an unauthorised payment in return.

Note: In cases 3 to 6, it doesn't matter whether R requests, agrees to receive, or accepts the advantage directly or through a third party nor does it matter whether the advantage is for R's benefit or another person's.

In cases 4 to 6 it is also irrelevant whether R knows or believes that the function or activity is being performed improperly.

Additionally, in case 6, if someone other than R is performing the function or activity, it doesn't matter whether that person knows or believes it is improper.