






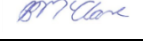
GIFTS AND GRATUITIES POLICY

HGO-HRMS-POL7.0-TC059

|||| HILLGROVE RESOURCES LIMITED ||||

ACN 004 297 116

www.hillgroveresources.com.au

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CONTENTS

| | |
|---|---|
| 1. OVERVIEW | 3 |
| 2. INTENT OF THIS POLICY | 3 |
| 3. APPLICATION | 3 |
| 4. ACCEPTANCE OF GIFTS AND GRATUITIES | 4 |
| 5. GIFT AND GRATUITIES REGISTER | 4 |
| 6. REFERENCED DOCUMENTS..... | 5 |
| 7. RECORDS MANAGEMENT | 5 |
| 8. REVISION INFORMATION..... | 5 |
| 9. MANAGEMENT SYSTEM REVIEW | 5 |

1. OVERVIEW

The purpose of this Policy is to provide a clear guideline for employees, contractors or consultants in relation to the acceptance, acknowledgement and recognition of gifts and gratuities from external individuals or organisations.

Gifts and gratuities refer to personal gifts or extraordinary hospitality, accommodation or travel, which may influence or appear to influence a business decision.

To ensure compliance with this Policy, any item which is considered to be by definition a gift or gratuity that attracts a value in excess of \$20.00 will need General Manager (GM) or Chief Executive Officer (CEO) approval prior to acceptance.

All gifts or gratuities are to be entered into a Register maintained and coordinated by the Kanmantoo Site Administrator.

The GM and CEO has the discretion to pool all gifts and gratuities received, for distribution across the workforce at a later date.

2. INTENT OF THIS POLICY

The guidelines contained in this Policy have been established to:

- Ensure appropriate decisions are made in relation to the acceptance of gifts and gratuities;
- Ensure a consistent, equitable and commercially transparent process is applied to manage the receipt of gifts and gratuities;
- Enable the accurate reporting of gifts and gratuities;
- Ensure appropriate administrative, contractual and ethical considerations are applied to any decision making process in accordance with this Policy;
- Ensure employees, contractors or consultants are not inadvertently placed in such a position where they may be subject to allegations of commercial impropriety; and
- Ensure compliance with the Code of Conduct (HGO-OPMS-POL7.0-143), Conflict of Interest Policy and Contracts of Employment.

3. APPLICATION

As a general rule and to ensure an ethical approach to dealing with sub-contractors or other tenderers, employees, contractors or consultants should:

- Avoid circumstances where the acceptance of a gift or gratuity could be perceived as a conflict of interest or interpreted as having the objective of an advantage;
- Refrain from soliciting gifts or gratuities from current or potential suppliers, contractors, companies or organisations that appear to influence decisions;
- Utilise their position to obtain gifts or gratuities, which would not be available to a member of the general public; and
- Ensure that persons, companies or organisations that are engaged in business with Hillgrove Resources Limited do not feel obligated to offer gifts or gratuities to secure or retain business.

Hillgrove Resources Limited recognises it is accepted business practice that entertainment or small tokens (such as cards and small gifts), may be extended to customers and other third

parties with whom a Company has a relationship at certain times. However, any such gifts must be for a proper purpose.

Senior employees and officers of Hillgrove Resources Limited may provide meals, refreshments or entertainment appropriate to the circumstances of a business relationship, provided such actions are in accordance with relevant Hillgrove policies, including but not limited to, the Business Travel Policy, Code of Conduct (HGO-OPMS-POL7.0-143) and Delegations of Authority Approvals.

Providing meals, refreshments, or entertainment should not violate the standards of conduct of the recipient's organisation or of any contractual agreement.

Contractors are not permitted to entertain, provide gifts or otherwise incur costs associated with entities involved in Hillgrove Resources business, without the prior approval of the CEO.

In appropriate circumstances and provided the relevant manager has given prior approval of both the type and cost, gifts may be provided. Beyond this, employees or officers may not offer or give gifts, commissions, gratuities, or other payments, whether openly or secretly, to prospective or existing trading members, customers or government officials.

Employees or officers who incur, and employees who approve expenditure for gifts, meals, refreshments and entertainment, must use discretion and care to ensure that the expenditure is in the ordinary and proper course of business and could not reasonably be construed as a bribe or improper inducement.

4. ACCEPTANCE OF GIFTS AND GRATUITIES

All gifts and gratuities received must be reported to the Site Administrator.

Where approval is not provided or cannot be determined at the time, the item should be politely refused. Should such a refusal have the potential to damage the professional relationship with the person or organisation making the offer, the item should be accepted and provided to the Site Administrator who will then seek advice on the appropriate course of action.

Under no circumstances are employees or officers to accept or receive cash, supplier's goods or services at nil cost or rates which would be considered non-commercial discounts.

Gifts and gratuities are not to be accepted where the offering party is known to be involved in an active tender process for the supply of goods or services to Hillgrove Resources Limited.

Hospitality, such as client Christmas invitations or formal after work gatherings associated with networking may be accepted where it can be demonstrated no real or perceived conflict of interest will result. Entertainment should not include travel or accommodation of any kind.

5. GIFT AND GRATUITIES REGISTER

To ensure transparency of any gift or gratuity presented, any item with a value in excess of \$20.00 must immediately be recorded in the Register maintained by the Kanmantoo Site Administrator, and pooled in a central location on site.

The Register will be reviewed by the General Manager at regular intervals to determine the appropriateness of any gifts and gratuities received by employees and officers of the Company.

The GM or CEO will have absolute discretion as to how any gifts or gratuities will be distributed including applying such items to employee reward and recognition initiatives and/or in support of activities associated with significant social or community functions.

6. REFERENCED DOCUMENTS

Internal

- HGO-OPMS-POL7.0-143 Code of Conduct
- HGO Conflicts of Interest Policy
- HGO Delegation of Authority Policy and Approvals Matrix

7. RECORDS MANAGEMENT

Current copies of this policy will be maintained in the Skytrust System.

8. REVISION INFORMATION

| Issue No. | Revision Comments | Date |
|-----------|--|------------|
| 3. | Policy revised in accordance with required review process. | 11/05/2017 |
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9. MANAGEMENT SYSTEM REVIEW

This procedure shall be reviewed on a bi-annual basis, or when any change in the process occurs. The Policy is subject to internal audit.