



CODE OF CONDUCT AND BUSINESS ETHICS

(CODE OF CONDUCT/ANTI-BRIBERY & CORRUPTION/ BUSINESS ETHICS)

1.0 Introduction

This policy statement summarizes the underlying framework for Code of Conduct, Anti-Bribery and Corruption, and Business Ethics Policy as approved and published internally for **Moonstone Resources Limited**, with effect from **01 January 2020**. It forms part of **MRL's** conduct of businesses in an honest and ethical manner.

For the purposes of this Code; **Moonstone**, and its direct & indirect subsidiaries and all the companies in which any of the Organization member company directly or indirectly has a minority interest but are under its exclusive or joint management control.

1.2 Purpose and scope of the Policy

- a) MRL has an overarching purpose, which is to advance the Organization's legitimate business interests when the opportunity to do so arises, with a demand for strictest adherence to This Policy on Code of Conduct/Anti-Bribery & Corruption/ Business Ethics.
- b) This Policy applies to all Employees (defined herein to mean directors, officers, representatives and all workers) performing duties for or on behalf of MRL or any member company of the MRL, whether or not directly employed by the Organisation and wherever located. Thus, it is applicable to all the directors, officers, employees, seconded workers, volunteers, interns, agents, distributors, contractors, external consultants, third-party representatives and business partners working with Moonstone.
- c) Moonstone is committed:
 - To be an organisation that pursues and engages in businesses that are conducted on the basis of high business ethics;

- To ensure, on continuous basis, the provision of a high-quality service for its customers;
- To protect the reputation of the Organisation and its entity.
- To comply with legal and regulatory requirements

1.3 The Policy Statement on The Fundamental Ethical Standards:

This Policy Statement covers the following core areas:

- a) Anti-Bribery and Corruption,
- b) Compliance with the Rules of Free Competition, and
- c) Compliance with Financial and Accounting Regulations.

2.0 The General Principles & Specific Provisions

- a) Moonstone must work in a responsible, ethical and sustainable manner in all the businesses and operations in any markets where it is present. This Policy comprises the principles set forth as Code of Conducts in the most practical form possible. It is supplemented by a control procedure in relation to other parties including the agents and intermediaries which the Organisation may use in all its business operations, irrespective of locations.
- b) Moonstone will implement mandatory training on the Policy, as a strong support to ensuring that the principles of quality, fairness, and integrity; which are at the core of our Organisation's values, are sustained. The Board of Directors confirms that these values are, and shall continue to be the guiding principles for Moonstone to maintain its positive brand equity into the future.
- c) It is the undertaking of the Moonstone that in all legally, operationally, commercially, and socially complex operating environment, both at the domestic and international levels, every employee is required to respect and adhere to the ethical code of conducts, the principles of which are set forth in this Policy Statement.
- d) The principles described in these Codes are not limited to highlighting the need to comply with the law, but to also promote personal reflection and a sense of commitment and responsibility in all our employees. The principles and demands on employees are for promotion of integrity and fairness across board.

- e) The Board of Directors has expressed strong commitment to ethical behaviour, under all circumstances, in the relations between parties involved in the activities of Moonstone, including:
- 1) every company of the Organisation and their employees; and
 - 2) the companies and persons with whom we have professional relationships, especially:
 - public officials and private sector officials;
 - customers/clients; and
 - suppliers and external service-providers.
- f) The Policy Statement is both a tool for sending the ethical message of the Board of Directors of the MRL and a decision-making tool in certain situations. Therefore, good knowledge and compliance with the Code is essential managing the Organisation's businesses and operations underpinned by ethical principles.
- g) Accordingly, it is mandatory to ensure that the principles of the Code, especially with respect to the fight against corruption, are properly understood and can be implemented within the entire Organisation.

3.0 ANTI-BRIBERY & CORRUPTION POLICY

3.1 All forms of Bribery & Corruption are strictly prohibited

Any of our companies which is engaged in bribery and other forms of corrupt practices, or which fails to prevent their occurrence on its behalf by certain third parties have opened the avenue:

- a) To destroy its own reputation;
- b) To risk severe financial sanctions that may include bans from participating in tender offers or contracts issued by local and international business parties; and
- c) To incur severe criminal sanctions against its employees (on an individual basis), including prison sentences.

3.2.1 Definitions

Corruption: This is generally defined as, directly or indirectly, providing a public official or an officer or employee of a private company, with or without solicitation, any type of undue advantage for him/her or for anyone else, including promising to give or simply offering such advantage, so that the public official or employee accomplishes, delays accomplishing or refrains from accomplishing an act in the exercise of his/her functions. It includes advantages given

directly or indirectly through a third party, for example to a relative or associate of the official or employee, or to some other person designated by him/her.

Bribery: This is defined by Black's Law Dictionary as the offering, giving, receiving, or soliciting of any item of value to influence the actions of an official, or other person, in charge of a public or legal duty.

A public Official: This concept is defined to be any civil servant, official or employee of a country, a state, local government, a public or international agency or enterprise, a territorial community, a city, any elected representative, person exercising a judicial position, or person benefiting from the delegation of services from any of such organizations.

3.3 Our commitments

The Moonstone explicitly prohibits all forms of bribery and corruption. Compliance with this undertaking is a fundamental commitment of the Organisation, as a means to:

- Protect our interests, both in the short and long terms across the countries of the world in which we are or may be present.
- Help raise moral standards in business relations; and

3.4.0 Invitations and Gifts

Invitations and gifts are only authorised strictly in accordance with the general laws applicable to public officials in any of countries in which we operate, and with the code of conduct applicable within the Organisation. In any case, invitations and gifts are strictly forbidden:

- In periods of tender invitations.
- As facilitation payments.

a) Invitations must never be issued confidentially

At the company level, invitations must be authorised by the CEO of the Company concerned in the Organisation, the nature and motivations for the invitation must be duly preserved, with the identities of the invitees clearly indicated.

No limits are defined by the law. The notions of **“reasonability, proportionality and motivations”** must be strictly interpreted. Thus, reasonable invitations for an appropriate purpose are generally allowed, but they may become unreasonable and punishable as an act of corruption if

they are multiplied for certain public officials. Therefore, before any invitation, it is necessary to check the national law applicable to invited officials.

b) Gifts must be distinguished from promotional items:

- Promotional items are defined as objects of little value (**up to NGN500,000.00** or any lower amount that may be determined locally), which is required to have indelibly marked with the brand name of any of the companies in the Organisation.
- Gifts are only authorised within the same amount limits and must correspond to individual and punctual events (e.g., weddings, births, etc.); they must be given only on an exceptional basis.
- Gifts in the form of cash, or cash equivalent, are strictly forbidden, no matter the amount or motivation.

3.4.1 Boundaries between tolerated standard business practices and corruption

Some uncertainties do exist regarding permissibility and limits to reference to “representation and promotion fees”. However, each person must make inquiry into the: reasonability, proportionality; and the grounds for the expenditure since such expenses for representation and promotion may clearly be considered acts of corruption if they are made with an intent to influence a person with decision-making powers.

- In some circumstances, representation and promotion expenses made in order to create and maintain cordial relations, improve the company’s image and promote its products may be proper; however, the permissible extent to which such expenses may be incurred is uncertain and should therefore be made cautiously.
- Therefore, anyone in our Moonstone must always consider carefully whether the act in question may influence the public official, or may induce them to perform improperly, or refrain from performing, an activity or function relevant to his/her capacity, or to reward them for doing so.
- If any employee is confronted with a request to obtain an undue advantage from an official representing a public entity, immediately inform your supervising manager who will be responsible for refusing such a request.
- As professionals, Moonstone would rather forgo participating in an invitation to tender or a contract than to be forced to satisfy the demands of any public official requiring it to procure an advantage of any kind whatsoever.

3.5 Use of agents, consultants and intermediaries

The use of agents, consultants and intermediaries must be strictly controlled and correspond to real and justified services. The remuneration of such persons gives rise to a risk of indirect corruption, which may occur without the knowledge of the company. All employees of the Organisation must exercise professionalism and due diligence in this respect.

It need be noted that intentional ignorance of what an agent, consultant or intermediary is doing or can do is not recognised as defence in the case of an act of corruption by the agent. It is Moonstone's duty to take adequate preventive measures to avoid such situations, including any indirect corruption of public officials.

3.6 Financing of political parties

Moonstone's general policy is to be apolitical, and to refrain from financing any political parties or politicians. Any exception to this general policy must be authorised by the Company's Board of Directors. The authorised contributions must be made pursuant to the applicable national law. In particular, if any such contributions are permitted by law and authorized by Moonstone Board, all declarations and registrations required by law must be made.

- The financing of political parties or associations / foundations linked to political parties is subject to laws which vary significantly from one country to another. Even where legally permissible, these contributions may be misused or interpreted as a dubious practice.
- If an Employee has the slightest doubt regarding any behaviour, he/she should quickly contact the line manager, which will advise on and examine the legal limits of the intended action.
- However, the Company respects its employees' right to be personally involved in politics but this participation must remain personal and non-detrimental to the corporate brand of the Organisation.

3.7 Complying with the principle to fight against corruption

Apply the strictest principles of integrity and honesty in your relations with all public and private parties that Moonstone have dealings with in the course of undertaking its businesses. What may be acceptable conduct in the business world may be unacceptable, or may even give rise to

criminal sanctions, in relations with public officials. The boundaries between tolerated standard practices are sometimes uncertain and may vary according to country and time, therefore, due diligence must be exercised by all employees in the Organisation.

4.0 COMPLIANCE WITH THE RULES OF FREE COMPETITION

Moonstone attaches particular importance to compliance with the rules of competition.

4.1.1 Compliance with regulations

All Employees of the Moonstone must be familiar with the applicable competition rules and regulations, particularly as they concern our relations with competitors, regardless of the geographic location of the business operations in which the activities are being executed, and compliance with such regulations is mandatory.

Almost all the business segments and geographical locations in which Moonstone is present operate competition rules and regulations with the following common contents:

- Anti-competitions, prohibition of all written or unwritten agreements between companies aimed at, or resulting in, restricting competition;
- Prohibition of abuse of a dominant position.

4.1.2 Prohibited practices

There are two basic types of anti-competitive behaviours:

- Illegal agreements and
- Abuse of a dominant position.

The prohibited behaviour in question are not only those affecting competitors, but also suppliers and customers if these agreements impede free competition or free trade practices.

a) Illegal agreements and information exchanges

- Any written or verbal, direct or indirect agreement between market operators, the purpose or effect of which is to create competition conditions that do not correspond to normal market conditions, is prohibited.
- It is also prohibited to exchange confidential information among competitors which impedes free competition, even though it does not constitute an illegal agreement in itself.

b) Abuse of a Dominant Position /Anti-Competition Practices

A company may occupy a dominant position in a business sector and even increase its dominant position by acquiring more market shares, especially by winning calls for tender. This is not illegal. However, what is forbidden is to misuse this dominant market position to impede free competition in its market of dominance.

4.2 Consequences of Unethical Behaviours

4.2.1 Sanctions for Breach of applicable competition law may incur penalties:

a) Financial penalties:

Depending on the laws of the domain in our business is carried out.

b) Criminal sanctions:

In some cases, and in some countries, individuals involved in serious breaches of competition law are subject to personal fines or imprisonment.

4.2.2 Impact of Breach of Policy

Breaching the competition law:

- Negatively impacts the company's image, reputation of the Board and Management;
- May give rise to administrative and judicial investigations which may generate substantial legal costs and require significant company resources to defend; and
- May lead to damage claims by third parties claiming losses as a result of these practices.

Therefore, our Employees should not hesitate to ask for help from superiors, and to inform the Organisation of the relevant and applicable laws.

4.2.3 Compliance with the rules of free competition

a) Relations with competitors

1) Illegal agreements and information exchanges

Contacts with competitors are a particularly sensitive area as they may impede free competition on the Organisations' market.

Employees of Moonstone Resources Limited should never discuss verbally, or in writing, the following topics with competing companies:

- **fixing of prices:** any form of a price-related agreement (such as tariffs, discounts, price-fixing modalities, etc.) is prohibited, regardless of whether these prices concern advertisers, merchants, the price proposed for a bid, or the like; bid-rigging: any form of market-sharing is forbidden, be it within the framework of a bid or other transactions (in particular, an arrangement between competitors on whether or not to submit a bid is strictly forbidden);
- **Exchange of financial information:** no financial information other than the information accessible to the general public should be disclosed among competitors. This includes information regarding margins, the costs of goods and services purchased or produced (other than those incorporated into the Company's distributed accounts), or exchanges of commercial or marketing information which meet the following conditions:
 - a) Sensitive and precise information (e.g., marketing projects and marketing strategies),
 - b) Not already publicly disclosed by the company (e.g., information about the costs of goods and services purchased, about turnover, or about actually granted discounts).

2) Misuse of a dominant position

If Moonstone is considered occupying a dominant position in a given business sector or country, the following behaviours may be considered an abuse of that position, while such behaviours may be considered as legal where we are not considered a dominant player on our market:

- a) Adopting predatory pricing, that is to say, a price that is highly inconsistent with market conditions, with the desire to oust a competitor (e.g., undertaking a contractual relationship that are designed to eliminate a competitor);
- b) Providing clients with special discounts, such as loyalty discounts, with the practical aim and/or effect of ousting competition, or
- c) Inserting clauses in contractual agreements that have been prohibited by national and/or international competition authorities. Therefore, Employees must familiarise themselves with applicable laws with respect to dominant positions in the country in which we operate.

4.2.4 Competitive relationships with suppliers

- a) In their relations with suppliers, employees of the Company must ensure that a supplier does not become economically dependent on the Organisation, and employees must refrain from any action that would deprive a competitor of a source of supply, if this source is essential to developing further access to the market.
- b) When a supplier manufactures products that are available to competitors from other sources, it is permissible to ask this supplier for exclusive rights, provided they are:
- limited in terms of duration and in a reasonably justified geographic area; and
 - duly justified by some compensation/commitment granted to the supplier.
- c) Help create a competitive environment for suppliers. This competitive environment shall include:
- conducting periodic reviews of suppliers and external service-providers using invitations to tender at regular intervals, typically of not more than three years;
 - issuing tender invitations to, whenever possible, a minimum of three suppliers on the basis of tender specifications; and
 - keeping clear, comparative documents stating the reasons for the choice of supplier made.
 - Evaluate proposals based on specific objective criteria, such as price, quality of products or services, responsiveness, service, acceptance of the Moonstone Resources Limited Codes of Conducts & Ethical Policy Statement and any other pertinent criteria.
 - All Employees are required to disclose or notify their CEO of any personal, financial or other direct or indirect interest in any supplier that, given his/her position in the company, may interfere with Organisation's relations with this supplier.
 - All Employees of Moonstone are required to adopt only acceptable attitudes towards our suppliers with regard to the relevant competition practices and regulations; in particular, they should ensure that they do not create a situation of dependency of the supplier on the Organisation and vice-versa. MRL must be particularly vigilant when its business represents more than 30% of the supplier's turnover, an indicator of overwhelming dependence relationship.
 - If any slightest doubt regarding any behaviour is noticed, the employee should quickly contact the relevant superior authority, using any of the established reporting channels, for pursuit of appropriate mitigating action.

5.0 COMPLIANCE WITH REGULATIONS APPLICABLE TO FINANCIAL AND ACCOUNTING

5.1 Introduction Financial and Accounting Regulations

As a responsible corporate, Moonstone is committed to:

- a) Provide a reliable and honest financial and accounting information and, for this purpose, setting up strict and effective internal control and monitoring processes.
- b) Respect all the laws, standards, and regulations applicable in the field of communication and protection of confidential information, including an equal treatment for its shareholders.

5.2 The Policy Statement Specifics

Within the above framework of the Compliance demand:

- a) Each of the employees of the Moonstone involved in the preparation of financial and accounting reports must ensure that the information contained in such documents are always correct and fully in compliance with the accounting principles and other applicable accounting standards and rules. It is fundamental that the Company's financial and accounting documents be devoid of substantial errors.
- b) The Management of each of the Organisation's entities is responsible for compliance with the applicable accounting and financial regulations in any country of our operations. Such management must also oversee internal controls and compliance supported with the Internal Control System. This includes ensuring that all accounting and financial operations are correctly recorded in the business entity's books and accounts.
- c) Beyond necessary compliance with the standards and regulations defined by the financial monitoring authorities, each employee of Moonstone must be aware of the fact that due to his/her position or relations with other persons in the Organisation, he/she may be in possession of confidential information, the use or disclosure of which may, apart from the applicable criminal sanctions, influence the enterprise valuation of the Organisation, or give certain individuals an advantage over the shareholders as a whole. Therefore, all information known to employees due to their activity within the Company, and not known by the general public, must be kept strictly confidential and not disclosed.
- d) Insider Dealing - a person in possession of information not yet available to the general public and which may influence exercise of some illegitimate dealings, or communicating

this information to third parties so they can perform these operations - is forbidden. Use of inside information may expose a person to criminal sanctions.

5.3 Accounting standards and records

- a) All accounting documentation must clearly identify the true nature of business transactions, assets and liabilities in conformity with relevant regulatory, accounting and legal requirements. No record or entry may be false, incomplete or suppressed.
- b) All Organisation reporting must be accurate and complete and in compliance in all material respects with accounting standards, policies and procedures, as outlined in the Company's financial system. Employees must not materially misstate or knowingly misrepresent management information for personal gain or for any other reason. Concerns that this may have occurred or will occur should be reported to the Company's CEO, or as may be appropriate under Whistle-blowing Policy.

5.4 External Reporting and Compliance with Confidentiality of Information

- a) Sometimes our Organisation may be required to make statements or provide reports to regulatory bodies, government agencies or other government departments. All necessary due diligence and professionalism should be taken to ensure that such statements or reports are correct, and accurate. Senior management must be made aware of any sensitive disclosure before it is made.
- b) In the same manner, due diligence and professionalism must also be exercised when issuing or making any corporate statements to the media and the public. Information which, if made public would be likely to have material effect on the Organisation, including matters relating to plans for mergers, acquisitions or disposals or transactions with related parties, shall be subject to prior Board clearance and consent.
- c) When enquiries are received from the media or public about any information which is of significant impact about the Organisation, such enquiries should be referred to the MD/CEO of the Company who may further direct it to a designated corporate communication officer and statements should only be made by spokespersons that have been authorised by Organisation CEO. Only authorised spokespersons are permitted to represent the company in press releases, media and investor relations.

6.0 General Business relationship with Different Parties

a) Complying with Regulations and Guidelines

It is mandatory that there is due compliance with all laws, regulations, and practices of the relevant country, state and local governments or territories which are applicable to the transaction that Moonstone will undertake with. Dealings with agency or business corporates are strictly regulated, whether during the tender process, contract negotiations, contract execution, or invoicing for services provided.

b) Complying with the principle of fairness

Winning new contracts and agreements with local Authorities is an essential objective for the development of the Organisation. This objective must not be achieved by using means that are deemed to be unfair in the countries/ states /territories in which you operate. In particular, any conflict of interest between the company, its employees, or its suppliers with respect to a specific contract and the local Authorities is strictly prohibited. Fair competition is a fundamental requirement for the successful execution of all contracts, including government contracts.

7.0 Responsibilities and raising of concerns

- a) The implementation and monitoring of this policy is the responsibility of the Organisation's Board of Directors.
- b) Managers at all levels within Moonstone are responsible for ensuring those reporting to them understand and comply with this policy.
- c) Employees and associated persons are required to notify the Moonstone as soon as possible if it is believed or suspected that a conflict with this policy has occurred, or may occur in the future, or that they are a victim of another form of unlawful activity.
- d) This policy is relevant to the company itself, our contractors, sub-contractors, suppliers, freelancers, members of the public and other parties engaged with the Moonstone. We reserve our right to terminate our contractual relationship with any third party suppliers if they breach this policy.
- e) All persons engaged with the Moonstone shall ensure that they read, understand and comply with this policy. They are required to avoid any activity that might lead to, or suggest, a breach of this policy.
- f) Employees shall notify their respective Manager or the Directors as soon as possible if they believe or suspect that a conflict with this policy has occurred, or may occur in the future.

- g) If a breach of this policy is believed or suspected to have occurred or that it may occur, the employee shall notify his/her Manager or the Director or report it in accordance with our Whistleblowing Policy as soon as possible.
- h) Moonstone is committed to ensuring no one suffers any detrimental treatment as a result of reporting in good faith their suspicion of a breach of this Policy or may be taking place in any part of its own business operations or in any of its supply chains.

8.0 Communication and Awareness of this Policy

- a) All our Company Employees must familiarise themselves with the applicable laws of the country in which we operate. Forums, seminars, and union meetings are often meeting points among competitors. Be vigilant. If a competitor raises a topic that breaches the competition law during any meeting, our Company representative(s) must interrupt or leave the meeting and make sure their departure has been noted.
- b) Training on this policy, and on the risk our business faces from a breach of the Minimum Standards or from modern slavery in its supply chains, will form part of the induction process for all individuals who work for us, and training will be provided as necessary.
- c) Moonstone endeavour to communicate the policy as appropriate to its suppliers, contractors and business partners at the outset of our business relationship and reinforce as appropriate thereafter.
- d) Moonstone shall make this policy publicly available (specifically via its website – **www.moonstoneresources.com**) and the policy will also be communicated to all members of the Organisation's employees in the first instance, and also to all contractors, sub-contractors and suppliers.

9.0 Breaches of this Policy

- a) Any employee who breaches this policy will face disciplinary action, which could result in dismissal for misconduct or gross misconduct.
- b) We may terminate our relationship with other individuals and organisations working on our behalf if they breach this policy

10.0 Periodical Review of the Policy

- a) The effectiveness and implementation of this policy will be reviewed as it is deemed appropriate, but no less frequently than every 12 months. Policy review will be undertaken by the directors of the Moonstone Resources Limited.

- b) The Company commits to periodically reviewing this policy in order to continually improve labour standards within the workplace. The Company shall take into consideration: changes in legislation, legal advice as and when necessary and any other requirements to which the Moonstone Resources Limited (MRL), subscribes to ensure the adequacy, suitability and continuing effectiveness of this policy.



Effective Date: 01 January 2020
Issued by Moonstone Resources Board of Directors