



WHISTLE-BLOWING POLICY STATEMENT

1.0 Introduction

This policy statement summarizes the underlying framework for Whistle-blowing Policy and Procedure Manual as approved and published internally for **Moonstone Resources Limited (MRL)**, with effect from **01 January and 2020**. It forms part of MRL's conduct of businesses in an honest and ethical manner.

The Whistle-blowing Policy aims to create a work environment where employees, vendors, consultants, suppliers, and other stakeholders are able to raise concerns on misconduct, fraud, irregularities, malpractices, etc. without fear of harassment and/or victimization and with an assurance that their concerns will be taken seriously and dealt with through sincere investigation, and the outcome duly communicated to all concerned parties.

1.2.0 Purpose and scope of Policy

Moonstone is committed to providing a workplace which is conducive to open discussion of its business practices. It is the Organisation's policy to comply with all applicable laws that protect employees against unlawful discrimination or retaliation by their employer or superior officers as a result of their lawfully reporting information regarding, or their participating in, investigations involving alleged corporate fraud or other alleged violations by any of the Member Companies in the Organisation or its agents or engaged statutory agencies. The Board of Directors has formulated and adopted a Whistle-blower Protection Policy to reflect this policy.

The Organisation is committed to operating its business with honesty and integrity. To promote compliance with all applicable laws, rules and regulations, the Board of Directors has adopted various Codes that reiterate the standards of conduct and ethical behaviour that it expected its directors, officers, and other employees to imbibe. Code of Ethics and other policies and procedures are issued by the Company from time to time, and all the MRL members and employees must also be familiar with and comply with such policies and procedures.

The Organisation is committed to maintaining an open working environment in which employees are able to report instance of unethical, unlawful or undesirable conduct without fear of intimidation or retaliation, complemented by procedures for ensuring a timely and appropriate manner of managing any of such occurrence.

1.2.1 This Whistle-blowing Policy Statement is to provide:

- A structured channel for raising concerns related to any illegal or unethical behaviour such as malpractice, wrongdoing, irregularity, fraud, corruption, and other misconduct.
- Assurance that Employees who disclose such information or suspected cases are adequately protected and that action would be taken on the disclosure.

1.2.2 Objectives

The Specific objectives of the Policy are to:

- Protect the rights of the Organisation and all its entirety.
- To encourage the director, each manager, employee or person linked to the company to report (Individual Reports) what he or she believes in good faith is a material violation of the law or policy or any audit or accounting questionable matter from MRL member company or from any interested party.
- Promote and development of a culture of openness, accountability, and integrity.
- Serve as a means of preventing and deterring misconduct that may be contemplated but has not yet taken place.
- Encourage timely reporting of alleged malpractices/misconduct.
- Provide a means for structured and confidential channel for escalation of concerns without fear of reprisal.
- Ensure consistent and timely institutional response to reported improprieties and awareness by Whistle-blowers of their obligations, options, and rights.
- Ensure appropriate oversight by the Board of Directors.
- To prevent or to detect and correct inappropriate activities.
- To protect from retaliatory actions any individuals who submit reports of suspected violation.
- To guarantee the reception, documentation, record and resolution of the received reports under this policy.

1.2.3 Specifics in the Scope of Reportable Misconduct/Irregularities

The following include Reportable misconducts; however, it is not exhaustive:

- a) Improper conduct or unethical behaviour that undermines universal and core ethical values such as integrity, respect, honesty, accountability, fairness etc. in the Organisation.
- b) Any form of criminal activity including all forms of financial malpractices or impropriety such as fraud, corruption, bribery, or theft.
- c) Actions detrimental to Health and Safety or the Environment.
- d) Failure to comply with regulatory directives, administrative or internal policy requirements.
- e) Failure to comply with legal obligations or statutes and forms of corporate governance frameworks.
- f) Connected transactions including Insider abuse and Non-disclosure of interest.
- g) Sexual or physical abuse of any employee, directors, customers, service provider, vendor, and other relevant stakeholders.
- h) Conduct translating to gross waste of resources.
- i) Wilful destruction of corporate assets, diversion of business of the; and
- j) Attempt to conceal any of the above listed acts.

1.3 The Policy Statement on The Whistle-Blower

In furtherance of the Moonstone's legitimate and legal obligations, neither the Company nor any of our officers, employees, contractors, subcontractors or agents, may discharge, demote, suspend, threaten, harass, or in any other manner discriminate against an employee because of any lawful act done by the employee to:

- a) Provide information to or otherwise assist in an investigation by a statutory regulatory or law enforcement agency, or any person with supervisory authority over the employee (or such other person working for the Company who has the authority to investigate, discover or terminate an employee), where such information or investigation relates to any conduct that the employee reasonably believes constitutes a violation of rule or regulation, or any other policies and codes relating to fraud against shareholders;
- b) File, testify, participate in, or otherwise assist in a proceeding relating to alleged violations of any of the cases described in (a) above.
- c) It is however pertinent to note that this policy does not replace but complements the Staff Handbook and other approved policies and guidelines of the Organization.
- d) The Policy is to protect whistle-blowers who have reported the alleged breach, provided the complaint is made:

- in good faith, without malice.
 - under the reasonable belief that there are misconduct intentions; and
 - to an appropriate person or authority.
- e) All the resulting disclosures from the whistle-blower process should be treated with a high confidentiality level, so the staff and other relevant stakeholders are encouraged to disclose their name to make the report more credible.
- f) On no account will any retaliatory actions be taken against whistle-blowers who have reported an irregularity in good faith. This guarantee must be clearly communicated to all employees to build confidence in the procedure.
- g) The whistle-blower procedure must be accessible to all the people who do business or relate with the Organization, including other important stakeholders like service-providers, customers, suppliers, etc.

2.0 The General Principles & Specific Provisions

2.1 This Policy describes a procedure for the managing director, other directors, employees, and other stakeholders to report actions that they believe or suspect to violate a law or a regulation; or that constitute accounting or other fraudulent practices. Moonstone is committed to act with a legal and ethical behaviour in all its activities and requires that the directors, all its employees and other stakeholders involved in its business activity act in accordance with all laws, regulations, policies and standards of personal and business ethics in the performance of their duties and responsibilities.

2.2 Definitions

- **Complaint:**
An allegation or irregularity that is subjected to investigation by the appropriate authority.
- **Detriment:**
Victimization or reprisal of a whistle-blower that is carried out through one of the following actions or a combination of them: dismissal, coercion, undue influence, withholding of benefits and/ or rights or any other act that has a negative impact on the informer.

- **Fraud:**
An intentionally deceptive action designed to provide the perpetrator with an unlawful gain or to deny a right to a victim i.e. a wilful, wrongful, or criminal deception intended to result in financial or personal gain.
- **Good Faith:**
This means that the employee has a reasonably held belief that the disclosure made is true and has not been made either for personal gain or for any ulterior motive. This is evidenced when a report is made without malice or without consideration of personal benefit and the employee has a reasonable basis to believe that the report is true; however, there is lack of good faith when it is known that the disclosure is malicious or false.
- **Misconduct:**
A member breach, who belongs to the company's staff or another relevant stakeholder, regarding the behaviours standards or conduct rules prescribed by the organization.
- **Investigation:**
It is a process designed to collect and analyse information in order to determine if a misconduct has occurred and, if so, to find the responsible parties.
- **Suspect:**
A person who allegedly committed a fault and is subjected of an investigation.
- **Whistle-blow:**
The reporting act of an unethical conduct observed/ perceived of employees, managers, directors and other stakeholders by an employee or another person to the appropriate authority. It is an early warning system that allows the organization to find out in time when something is wrong to take the necessary corrective actions.
- **Whistle-blower:**
Any person(s) including employees, managers, directors, service providers and other interested parties of an institution, which reports any form of unethical or dishonest behaviour to the appropriate authority.

2.3 Roles and Responsibilities

The roles and responsibilities of the key parties in the whistle-blowing process and procedures are highlighted below:

- a) **Whistle-blower:** Any person making the complaint shall act in good faith and refrain from making false accusations when the allegation is submitted, and also is required to provide all forms of evidence at his/her disposal, to help with the reported problems investigation.
- b) **Suspect:** The suspect has the duty to cooperate with the investigators during the period of carrying out investigation, that includes provision of relevant information, documents or other materials that the investigator may need.
- c) **Investigator:** The investigator(s) as set up by the Organization shall handle all matters with high professionalism, confidentiality, and punctuality. He / she will be independent and impartial in conducting the investigation. The investigator(s) shall be responsible for acknowledging all reported irregularities and reporting the investigation process to the whistle-blower.

2.4 Whistle-blower Policy and Procedure

This procedure guides the whistle-blower process through the following steps description that the whistle-blower must follow when reporting a misconduct, and also describes the steps for the investigation.

The procedure is valid for reporting any key irregularities that may be coming, both internally and externally to MRL.

Step 1: Whistle-blower irregularity(s) scope – channel and format

The whistle-blower may raise irregularities through any of the following channels (it is allowed to do it anonymously):

- Formal complaint letter to the MD/CEO
- Contact e-mail: francis@moonstoneresources.com

The irregularity for whistle-blow must be presented in the following format:

- Irregularities antecedents (with the relevant dates)
- Reason(s) for which the whistle-blower is especially worried.

The employee anonymity and the confidentiality of the treated issues must be absolutely guaranteed.

Disciplinary measures will be taken against any person who receives an irregularity report and

does not report it to the investigator. Disciplinary measures will be also taken against whistle-blower(s) acting with malice.

Step 2: Irregularities investigation and process investigation updating

The designated investigator must confirm receipt of the irregularity report within a period of 5 working days from the day it was received, and immediately after initiating the investigation. The investigation purposes are:

- To determine if a crime has been committed, and if so, the extent of the infraction; and
- To minimize the risk of further misdeeds, prevent any other assets loss, company reputation damage and, as far as possible, protect all evidence sources. When appropriate, the investigator should report the investigation progress to the whistle-blower.

Step 3: No satisfaction with the result of the investigation/action

In case the Whistle-blower is not satisfied with the investigation result and/ or action(s) taken, the complainant is free to escalate the report of alleged infraction to the Board through the Chairman, who shall remit it to the Evaluation Committee.

Evaluation Committee for Investigation resolution

The Managing Director and the Company Secretary/Legal Adviser who may be independent (external company) form the Evaluation Committee, whose role is to evaluate all cases and to present the investigation results for all necessary disciplinary action.

Detailed records of all reports and investigations must be preserved to ensure traceability. It is also required of the Board of Directors of the MRL to ensure periodic review and update the of Whistle-Blower Policy and Procedure.

Any whistle-blower who feels victimized may report their complaint(s) to the Evaluation Committee. This is understood without prejudice to the fundamental right of the Whistle-blower to go to the justice court.

The policy is to manage the investigations immediately and as fairly as possible. However, a specific time frame for the investigation conclusion cannot be established, due to the diverse nature of potential irregularities that may occur. The investigator will endeavour to resolve all irregularities within a period of three (3) weeks. If for some reason, the resolution cannot be

achieved within this frame time, the investigator will request assistance of the Board for extension.

3.0 Responsibilities and raising of concerns

- 1) **Internal Stakeholders as Whistle-Blowers:** The Directors and employees of MRL are key internal stakeholders and therefore expected to play vital and active roles in deterring and detecting malpractices, wrongdoing, or irregularity. Reluctance for fear of reprisal by way of harassment or victimization by the organization or group of people accused, must be genuinely allayed hence it is the essence of this Policy.
Any Internal stakeholder who detects any wrongdoing can report directly to the following:
 - a) The Managing Director/CEO
 - b) Head of the MRL Internal Audit

- 2) **External Stakeholders as Whistle-Blowers:** Clients/Customers, Suppliers, service providers and other members of the public who detect any wrongdoing can report directly to the following:
 - c) The Managing Director/CEO
 - d) Chairman of the Board

4.0 Communication and Awareness of this Policy

- a) A training to all Moonstone Employees is done to explain how to use and to indicate how they can access it. Likewise, in this training, employees must be informed that under no circumstances retaliatory actions will be taken against whistle-blowers who have denounced an irregularity in good faith.
- b) MRL shall 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.

- c) MRL 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 Organization's employees in the first instance, and to all contractors, sub-contractors, and suppliers.

5.0 Breaches of this Policy

- Any employee whose breaches is detected and reported under this policy will face disciplinary action, which could result in dismissal for misconduct or gross misconduct.
- MRL may terminate its relationship with other individuals and organisations working on its behalf if they are in breach of codes covered under this Policy.

6.0 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, 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 Organization subscribes, to ensure the adequacy, suitability, and continuing effectiveness of this policy.



Effective Date: 01 January 2020
Issued by MRL Board of Directors