



# Conflicts of Interest Policy

## 1 Why does Resolute have this Policy and who does it apply to?

Resolute recognises that proper disclosure and management of conflicts of interests is integral to its reputation and business objectives.

This Policy imposes a duty on all Personnel to wherever possible avoid any conflict of interest, to disclose any potential for a conflict of interest, and, where a conflict cannot be avoided, to disclose that conflict of interest and manage it in accordance with this Policy. The duty to avoid, disclose and manage conflicts of interests does not prohibit all conflicts of interests – rather it requires that conflicts are adequately disclosed and managed when they arise.

This Policy also imposes a duty on all Personnel with respect to the recognition, management and reporting of Related Party transactions. Related Party transactions disclosure and management may include the requirement for prior shareholder approval or may prohibit Personnel associated with a Related Party transaction from participating in the approval or deliberations relating to that transaction. Accordingly, the requirement for early identification and disclosure of Related Party transactions is critical.

## 2 Policy objectives

The objectives of this Policy are to:

- protect the integrity of the decision-making processes within Resolute by avoiding ethical, legal, financial or other conflicts of interest;
- establish internal procedures so that all Personnel understand their obligation to avoid actual, potential or perceived conflicts of interest;
- provide guidance to Personnel for disclosing and dealing with any conflicts of interest in an open and transparent way;
- provide guidance to Personnel for recognising and reporting on Related Party transactions;
- establish internal procedures to ensure that Related Party transactions are referred to Resolute's shareholders, where required;
- give all shareholders confidence in Resolute's decision-making processes; and
- protect the reputation of Resolute and its Personnel.

## 3 Who administers this Policy?

The Company Secretary is responsible for the administration of this Policy, including recording actual, potential or perceived conflicts of interest and Related Party transactions notified by Personnel and how those matters are addressed. This information is necessary to enable the monitoring of all conflicts of interest and Related Party transactions on a timely basis by the Board, the preparation of annual accounts disclosures and review by the external auditors.

The Company Secretary is responsible for maintaining the Conflicts of Interest Register and the Register of Related Party Transactions (each discussed in more detail below). The Company Secretary is also responsible for notifying the CEO, the Audit and Risk Committee and the Board of Related Party transactions and any disclosed conflicts of interest in accordance with this Policy.

## 4 What is a conflict of interest?

For the purposes of this Policy, the term **interest** includes:

- material (or pecuniary) interests, where financial advantage, disadvantage or other benefits accrue;
- non-material (or non-pecuniary) interests such as personal, family, social, sporting or cultural affiliations that may be advantaged or otherwise by a decision or action; and
- interests as a material shareholder, a director or an employee with another company where the interests of that company conflict with Resolute.

A **conflict of interest** can be an apparent (or perceived) conflict between the interests of Resolute on the one hand, and a person's own interests on the other hand. Such competing interests may make it difficult for Personnel to fulfil their duties impartially and could improperly influence the performance of their official duties and responsibilities.

## 5 Avoiding conflicts of interest

In an effort to avoid conflicts of interest, all Personnel must:

- exercise their powers and discharge their duties to Resolute:
  - with care and diligence;
  - in good faith;
  - in the best interests of Resolute;
  - for a proper purpose; and
  - by disclosing, and not voting on, deciding or otherwise influencing matters involving material personal interests;
- not improperly use their position or information obtained from their position to gain an advantage (or avoid disadvantage) for themselves or another person or an associated entity;
- ensure that appropriate disclosure of conflicts of interest occurs so that, where required, Resolute's shareholders may consider the impact of any conflicts of interest before making investment decisions;
- ensure that when discharging their duties, they do not cause Resolute to breach any laws prohibiting misleading and deceptive conduct, or the benefiting from secret commissions;
- ensure that when discharging their duties, they do not cause Resolute to breach its contractual responsibilities to avoid conflicts of interest; and
- ensure that when discharging their duties, they do not cause Resolute to breach its constitution.

## 6 Disclosure of conflicts of interest

All Personnel who have an interest in a matter that relates to the affairs of Resolute, must disclose to the Company Secretary the nature of the interest as soon as possible after the relevant facts are known by completing the Conflict of Interest Disclosure Form set out in Appendix A. The Company Secretary will document the conflict in the Conflicts of Interest Register. The form of the Conflicts of Interest Register is set out in Appendix B.

## 7 Specific disclosure of interests by Directors

A Director must give the other Directors and the Company Secretary immediate notice (which, if applicable, may be a standing notice) if they have an interest in a matter that relates to the affairs of Resolute.

The Director must disclose details of the nature and the extent of the interest and the relationship of the interest to the affairs of Resolute. The details of any such disclosure will be recorded in the minutes of Board meetings.

A Director must not accept an appointment to a board outside of Resolute, unless that Director has first received the Chair's approval to do so.

## 8 Managing conflicts of interests

If a conflict of interest involving a member of Personnel that is not a Director or the CEO cannot be avoided, the relevant member of Personnel must manage the conflict of interest in accordance with the directions provided by the CEO which will follow the guidelines set out below:

- A person who has a conflict of interest will restrict their involvement, or have it restricted, in a particular activity, including:
  - abstaining from voting on, making or influencing decisions or proposals;
  - withdrawing from discussion of affected proposals;
  - having their access denied to information relating to the conflict of interest; and
  - having their access denied to sensitive documents or confidential information relating to the conflict of interest.
- Where the affected person abstains from voting or leaves the room to avoid being placed in a conflict of interest situation, the abstention or absence of that person from the proceedings of a meeting shall be recorded in the minutes of the meeting.
- In cases of ongoing serious conflicts of interest, it may be in the interests of all parties for the affected person to be removed from involvement in the area of activity as long as the conflict persists.
- In certain circumstances, resignation from a position held with Resolute may be necessary.

All conflicts of interest involving a Director or the CEO must be managed in accordance with the directions provided by the Board.

## 9 Escalation of a suspected conflict of interest

If any person has reason to believe that the conduct of any Personnel is, may be or may be perceived to be in conflict with the interests of Resolute, that person must notify the Company Secretary, who will document the potential conflict in the Conflicts of Interest Register and:

- where the potential conflict involves a member of Personnel that is not a Director or the CEO, notify the CEO;  
or
- where the potential conflict involves a member of Personnel that is a Director or the CEO, the chair of the Audit and Risk Committee and the Chair,

of the potential conflict.

Any potential conflict of interest involving a member of Personnel that is a Director or the CEO will be considered by the Audit and Risk Committee which will then make a recommendation to the Board as to the nature of the conflict and how it should be managed. The Audit and Risk Committee may take external legal advice in determining its

recommendation to the Board. The Company Secretary will document the decision of the Board, and the procedure to control the conflict, if applicable.

Where it is decided that the conflict has such a serious impact on Resolute that it cannot be adequately managed by acting at arm's length or seeking shareholder approval, the Audit and Risk Committee may recommend to the Board that the relevant matter or transaction to which the conflict relates not proceed in the manner proposed, or be varied in such a way as to better manage any conflict. Where the Board endorses and approves such a recommendation from the Audit and Risk Committee, the CEO may then be instructed to implement the recommendation in accordance with normal operational procedures.

## 10 What is a Related Party transaction?

The definition of Related Party transaction under the various regulatory provisions is very broad and encompasses virtually all transactions or arrangements under which Resolute and its subsidiaries provide a financial benefit to a Related Party. In determining whether a transaction is a Related Party transaction, a broad interpretation should be given to who is a Related Party and to the types of transactions which may be caught.

In assessing whether a transaction is a Related Party transaction, you should consider the following:

- Is the transaction or arrangement with a Related Party? The definition of Related Party is shown in the definition section below and includes an extensive range of people and entities which are connected with Directors and key management personnel.
- Is there a financial benefit being received by the Related Party? The financial benefit concept is also very wide and extends to benefits given indirectly through other entities, informal and non-binding arrangements and benefits other than for cash. It is not a question as to whether a benefit of payment is fair or that the consideration provided is adequate, any financial benefit is sufficient. But note that the fairness of the deal may mean an exemption applies.

It is the economic and commercial substance of the transaction rather than its legal form which is relevant.

## 11 Do shareholders need to approve a Related Party transaction?

Not all Related Party transactions will need shareholder approval. There are various exemptions which may apply. These are described in more detail below.

Related Party transactions requiring shareholder approval would include (for example) transactions which are not on arm's length terms (or on terms less favourable than arm's length).

All Related Party transactions require some level of approval (whether or not an exemption from shareholder approval applies). The Board has adopted an approved delegation of authority (see below) so that low value / low risk Related Party transactions can be more efficiently managed. However, all Related Party transactions will be reported regularly to the Board and recorded in the minutes of the relevant Board meeting.

## 12 What to do if a potential Related Party transaction is identified

All Personnel should be vigilant in identifying any transaction or potential transaction that may constitute a Related Party transaction.

Once a potential Related Party transaction is identified, the initial step is to provide the following information to the Company Secretary:

- the nature and the status of the transaction (including the parties involved, the dollar amount of the transaction and the nature of the consideration, including whether the transaction involves the issue of shares or other securities in Resolute to the Related Party transaction);
- the names of the Related Parties and why it is, or could be considered, a Related Party transaction;
- all material information known to the relevant Related Party which may be relevant to Resolute's assessment of the Related Party transaction;
- if you consider that an exemption applies from the requirement to obtain shareholder approval, details of the exemption and why you consider it applies; and
- irrespective of the value of the Related Party transaction, details as to whether the transaction, if made public, is likely to attract adverse public comment or affect the reputation of Resolute and/or the Directors.

The Company Secretary will advise what steps are required after this information is reviewed (which will depend on the circumstances).

The Company Secretary will refer the potential Related Party transaction to the chair of the Audit and Risk Committee, and the Audit and Risk Committee will make a recommendation to the Board as to whether that transaction is determined to be a Related Party transaction.

## 13 What is the register of Related Party transactions?

The register of Related Party transactions is a key control in ensuring that actual or potential Related Party transactions are appropriately documented and approved. The register should include appropriate details on the following areas:

- nature and the status of the transaction (including the parties, the dollar amount of the transaction and the nature of the consideration, including whether the transaction involves the issue of shares or other securities in Resolute to the Related Party transaction);
- names of the Related Parties and why it is, or could be considered, a Related Party transaction;
- details of the determination as to whether the transaction is a Related Party transaction;
- whether any exemptions apply to the requirement to obtain shareholder approval for the Related Party transaction;
- details of whether an independent advice and/or independent experts report is required or was obtained in relation to the Related Party transaction;
- details of approval given under the delegation of authority (described below) to permit the Related Party transaction to proceed; and
- details of approval by the shareholders (if relevant).

The form of the Register of Related Party transactions is set out in Appendix C.

## 14 What is the approval process for Related Party transactions?

### 14.1 Board approval

Board approval is required for any Related Party transaction. Any Directors associated with a Related Party transaction should not participate in that Board approval or deliberations.

## 14.2 Shareholder approval

Shareholder approval is required for any Related Party transaction approved by the Board which does not fall within the relevant exemption provisions within the Corporations Act or Listing Rules. Management, through the Company Secretary, will provide advice on the application of exemptions. In some cases, an independent review may be undertaken to review the terms of the transaction and provide advice on whether an exemption is applicable.

Where shareholder approval is required, management should consider the need to include an independent expert's report with meeting materials to enable shareholders to vote on the matter. Regulatory Guide 76 (Related Party Transactions) published by the Australian Securities & Investments Commission provides extensive guidance on the process for obtaining shareholder approval.

## 15 What is the process for Directors with an interest in a Related Party transaction?

### 15.1 Regular confirmation of Related Parties

To facilitate the identification of Related Party transactions, each Director is required to advise the Company Secretary in writing by 30 June each year of his or her Related Parties (to the extent known by the Director). Changes in status of any Related Party relationships are to be advised at the time the change occurs. The information provided will be maintained in the Register of Related Parties.

### 15.2 Involvement in a Related Party transaction

Directors with material personal interests in the subject matter of the Related Party transaction must:

- provide written notice to the Company Secretary and the CEO of the material personal interest setting out the nature and extent of the interest and the relation of the interest to the affairs of Resolute;
- disclose to the Company Secretary and the CEO all material information known to the Director or its Related Parties which may be relevant to Resolute's assessment of the Related Party transaction;
- not be present while the matter is being considered at the meeting or participate in Board deliberations on the Related Party transaction (and will not be counted in any quorum); and
- not vote on the resolution to approve the Related Party transaction.

### 15.3 Other Director obligations

If the Related Party transaction involves interests in Resolute securities, the Director's obligations under ASX Listing Rule 3.19A (disclosure of directors' interests) and Part 6C of the Corporations Act (substantial holding notices) should also be complied with by the Director.

## 16 Monitoring compliance

### 16.1 When will this Policy be reviewed?

The Company Secretary will be responsible for keeping this Policy up-to-date. A formal review of this Policy will occur every year or earlier if there is a change in law or regulations.

The Policy will be submitted for review by the Audit and Risk Committee, who will make recommendations to the Board. The Board is responsible for approving this Policy.

### 16.2 When training and communication is required?

Resolute regularly communicates this Policy to Personnel through established communication channels. Employees will also receive regular training on supporting this Policy in the scope of their employment with Resolute.

## 17 Other decisions in respect of Related Party transactions or conflicts of interest

The potential for conflict arises not just at the time of inception of an actual (or perceived) conflict of interest or Related Party transaction but throughout the life of the contract and disputes can continue after the contract is terminated or otherwise comes to an end. The Board should ensure that the principles with regard to the process for managing a conflict of interest and consideration of entering into Related Party transactions are also reflected in the Board's conduct with regard to any material decisions throughout the life of the contract and particularly if any disputes arise with regard to a conflict of interest or Related Party transaction.

## 18 Consequences for breach of this Policy

An instance when a member of Personnel fails to disclose potential or actual conflicts of interest may lead to an allegation of misconduct. Some breaches may result in additional legal proceedings being taken by Resolute.

A failure to obtain shareholder approval for a Related Party transaction when such transaction does not fall within the exceptions is an offence. Directors and officers of Resolute involved in the failure to obtain shareholder approval may have committed an offence under the Corporations Act if their involvement was dishonest.

## 19 Definitions

**ASX** means ASX Limited ACN 008 624 691 or the stock market operated by it, as the context requires.

**Board** means the board of directors of RSG.

**CEO** means the chief executive officer of RSG.

**Chair** means the chair of the Board.

**Company Secretary** means the company secretary of RSG.

**Consultant** means a contractor or consultant of Resolute.

**Corporations Act** means *Corporations Act 2001* (Cth).

**Director** means a director of RSG.

**Employee** means an employee of Resolute.

**Listing Rules** means the listing rules of ASX, as amended from time to time.

**Personnel** means Directors, Employees and Consultants.

**Policy** means this Conflicts of Interest Policy, as amended from time-to-time.

**Related Party** means an entity or person that meets the definition of a related party under section 228 of the Corporations Act. Related parties include:

- a person or their parents, children and dependents, spouses and de facto partners and their parents, children and dependents (**Close Family Member**) or an entity that has control, joint control or significant influence over Resolute;
- Directors and key management personnel and their Close Family Members;

- an entity controlled by a related party;
- an entity acting in concert with a related party on the understanding it will receive a benefit if the related party receives a benefit; or
- a person who has been a related party in the last 6 months or who is expected to become a related party in the future.

Refer to the full definition in section 228 of the Corporations Act.

**Resolute** means RSG and its subsidiaries and related entities.


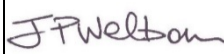

**RSG** means Resolute Mining Limited ACN 097 088 689.

## 20 Related documents

- Code of Conduct.

## 21 Approval and review

This document is to be reviewed annually by the Audit and Risk Committee and the Board.

Version	RIGS Document Category	Date	Status	RIGS Document Owner	Reviewer	Approver	Approval Date
1.0	Board	23 August 2018	Reviewed				23 August 2018
				<b>Amber Stanton</b> <i>General Counsel &amp; Company Secretary</i>	<b>John Welborn</b> <i>Managing Director &amp; CEO</i>	<b>Martin Botha</b> <i>Chair</i>	



## Conflict of Interest Disclosure Form

Please complete your answers in block letters.

I,

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*(insert full name)*

of

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*(insert business unit/ department/ company name)*

Hereby declare the following interests *(please tick ALL applicable boxes)*:

Actual

Potential

Perceived

Nature of relationship resulting in the conflict of interest *(please tick ALL applicable boxes)*:

Personal

Business

Family

Please provide a brief outline of the nature of the conflict of interest (including whether or not the matter is an arm's length transaction):

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Please detail the arrangements proposed to avoid / resolve / manage the conflict of interest:

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I hereby agree to:

Update this disclosure throughout the period of my employment with Resolute on an annual basis or until such time as the conflict of interest ceases to exist.

Co-operate in the formulation to a "plan to manage the conflict of interest" as required.

Comply with any conditions or restrictions imposed by Resolute to manage, mitigate or eliminate any actual, potential or perceived conflict of interest.

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

## Conflicts of Interest Register

Date	Name	Business Unit/Department/ Company Name	Description of the conflict of interest, conflict of duty or conflict situation	How did/would the conflict arise? How was the conflict detected?	What is the impact of the conflict?	Should the conflict be avoided?	Method used to manage or control the conflict	Additional comments

## Register of Related Party Transactions

Name of Director/Officer	Related Party name and reasons why related	Details of proposed transaction including financial value and associated commitments	Determination as to whether transaction is a Related Party Transaction	Determination if shareholder voting exemptions apply	Details of any independent advice/reports received	Details of approval given under delegation of authority matrix to permit transaction	Details of approval given by shareholders (including date of meeting)