



## **SUPPLIER CODE OF CONDUCT**

**BST024-02-00 – REV 1 – 07/09/2020**

REV NO.	DATE	APPROVED BY
1	07/09/2020	EXCO

## Contents

1. PURPOSE .....	3
2. REQUIREMENTS.....	3
3. HEALTH AND SAFETY .....	3
4. ENVIRONMENT .....	4
5. EMPLOYMENT PRACTICES .....	4
6. WAGES, BENEFITS AND WORKING CONDITIONS.....	5
7. CORRUPT CONDUCT .....	6
8. SECURITY OF INFORMATION & INTELLECTUAL PROPERTY .....	6
9. INSIDER TRADING .....	6
10. LEGISLATION.....	7
11. BREACHES OF THIS CODE .....	7
12. MONITORING AND COMPLIANCE.....	7

## 1. PURPOSE

Base's commitment to conducting its business in a legal, honest and ethical manner is absolute. This commitment flows from the unifying set of beliefs and behavioural expectations of the "Base Way" and is considered critical to achieving Base's long-term goals.

The purpose of this Supplier Code of Conduct (**Code**) is to set out Base's key requirements for its suppliers which are directed to ensuring suppliers also act in a legal, honest and ethical manner, and act with integrity and fairness in their business affairs.

The requirements set out in this Code do not represent all of Base's requirements in respect of suppliers. Further requirements are contained in Base's standards, policies and procedures (as applicable) and also Base's underlying contracts with its suppliers. The requirements set out in this Code are not intended to limit any applicable standards, policies, procedures or underlying contracts.

This Code may be changed from time to time to ensure it reflects Base's current requirements and applicable law. Material changes to the Code will be notified to suppliers, with the current version of the Code available from the Corporate Governance page on Base's website (<https://baseresources.com.au/who-we-are/corporate-governance/>).

References to **Base** in this Code are to Base Resources Limited and each of its subsidiaries, including Base Titanium Limited (Kenya) and Base Toliara SARL (Madagascar).

## 2. REQUIREMENTS

Base expects its suppliers to:

- comply with the minimum requirements set out in this Code;
- develop, maintain and implement policies consistent with this Code; and
- maintain adequate records of compliance with this Code.

Base also encourages its suppliers to exceed the minimum standards set out in this Code and expects its suppliers to communicate this Code to their related entities, employees, suppliers and subcontractors so that they are aware of, understand and comply with this Code.

## 3. HEALTH AND SAFETY

Base is committed to the health and safety of all people involved in or potentially impacted by its business operations, whether they are employees, contractors, labour hire, volunteers or visitors to Base's premises or members of our host communities.

Base expects its suppliers to operate with the same level of care and commitment towards the health and safety of the people operating in their workplaces or potentially impacted by their operations.

Among other things, all suppliers must:

- Comply with applicable workplace and product health and safety laws and respect workers' rights to refuse to perform work that is unsafe.
- Provide a safe and hygienic environment for workers and third parties, by identifying and managing risks, providing appropriate equipment and resources, and ensuring access to appropriate and clean facilities and amenities.
- Provide workers with appropriate training to perform their duties safely and to comply with this Code.
- To the extent their personnel enter any of Base's sites, procure that any such personnel undertake all required inductions and comply with all required standards, policies and procedures.

## 4. ENVIRONMENT

Base is committed to minimising or offsetting the environmental impacts of our operations. This is critical to maintaining our licence to operate and our long-term business success. Base expects its suppliers to do the same.

Among other things, all suppliers must:

- Comply with all applicable environmental laws, regulations and standards, and obtain, maintain and comply with all necessary permits or approvals.
- Develop, maintain and implement environmentally responsible practices, including by maximising the efficient use of energy, water and resources, minimising waste, and reducing, the risk of pollution, contamination, deforestation and other environmental damage, and greenhouse gas emissions.

## 5. EMPLOYMENT PRACTICES

Base values and encourages a diverse workforce and is committed to providing an inclusive work environment in which everyone is treated fairly, with respect and can realise their full potential and is free from modern slavery and any other human rights abuses. Base expects its suppliers to do the same.

Among other things, all suppliers must:

### 5.1 Human Rights

Conduct their activities in a manner that respects human rights and complies with all applicable human rights obligations.

### 5.2 No child labour

- Comply with international and local obligations relating to the employment of children, including adhering to the minimum legal working age in their jurisdiction or with the standards set by the International Labour Organisation.

- Ensure children under the age of 18 are not employed in hazardous work or in work incompatible with their development.

### **5.3 No forced labour**

- Not engage in the use of forced, bonded or compulsory labour, slavery or human trafficking, the use or threat of physical or other punishment, or the physical, sexual or psychological abuse or inhumane treatment of workers.
- Respect the freedom of movement of workers and not require the surrender of any identity papers or work permits as a condition of their employment.
- Not require workers to pay money as a condition of their employment and not require that any recruitment related fees or expenses are paid by the worker.
- Not tolerate or allow any of the above practices by any suppliers in its supply chains.

### **5.4 No illegal labour**

Not use illegal labour and be able to verify the legal entitlement of their workers to work in their country of employment.

## **6. WAGES, BENEFITS AND WORKING CONDITIONS**

- Comply with applicable laws and regulations relating to remuneration and benefits, including minimum wages, overtime, superannuation, leave entitlements and other benefits, and ensure the timely payment of workers.
- Provide workers with clear and understandable information about all relevant employment conditions before they enter employment. Suppliers must not deceive workers in wage commitments, payment, advances and/or loans.
- Ensure working hours do not exceed the maximum hours per week permitted by applicable laws and regulations, including overtime.
- Ensure that overtime performed by workers is voluntary, not excessive, and is compensated as prescribed by local laws and regulations.
- Not use wage deductions as a disciplinary measure.

### **6.1 No discrimination**

- Not engage in direct and indirect discrimination based on race, colour, gender, religion, political opinion, nationality, ethnic or social origin, cultural or socio-economic background, pregnancy, HIV status, trade union membership, non-membership or lawful union activity, age, sexual preference, gender identity, marital or family status, physical or mental disability or carer responsibility.
- Provide and support a workplace free from bullying, harassment, victimisation and abuse, whether physical, sexual, verbal or psychological.

### **6.2 Freedom of association**

Respect the rights of workers under applicable law to freedom of association, to establish and join or not join workers' associations, and to engage in lawful industrial activity, without interference, intimidation or harassment.

### 6.3 Complaint mechanisms

Provide accessible grievance mechanisms for reporting concerns in relation to labour and human rights, and clear processes for their resolution.

## 7. CORRUPT CONDUCT

All forms of bribery and corruption are prohibited. This behavioural expectation is enshrined in the "Base Way", as well as Base's Integrity Policy, Integrity Standard and Whistleblower Standard. Base similarly expects its suppliers to act with absolute integrity when dealing with Base and in their other business dealings.

All suppliers must:

- Act and conduct their business in an ethical and transparent manner.
- Not engage in fraud, bribery or corrupt conduct, and comply with applicable anti-bribery, anti-corruption and anti-money laundering laws and regulations.
- Not offer or receive improper gifts or other benefits that may affect the outcome of business dealings.
- Not engage in or tolerate association with any criminal organisations or illegal activity.
- Comply with international and applicable local laws and regulations relating to sanctions, export or import and trade controls.
- Have appropriate mechanisms in place to enable instances of inappropriate conduct to be reported confidentially and without fear of reprisal.
- Promptly report any request or demand for financial or other advantage of any kind offered or promised or received in connection their dealings with Base, and any breach of any applicable anti-bribery, anti-corruption or anti-money laundering laws or regulations.

## 8. SECURITY OF INFORMATION & INTELLECTUAL PROPERTY

Suppliers must respect and take appropriate steps to protect Base's commercially sensitive or confidential information, and intellectual property. Suppliers must only use Base's commercially sensitive or confidential information and intellectual property in accordance with their contractual arrangements with Base.

## 9. INSIDER TRADING

All suppliers must, to the extent that they obtain information that is not generally available and which a reasonable person would expect it to have a material effect on the price or value of Base Resources'

securities, comply with (and procure that their officers, employees, contractors and agents comply with) applicable insider trading and other securities laws.

## **10. LEGISLATION**

Suppliers must fully comply with the laws and regulations in the countries in which they operate and any other applicable laws and regulations. Among other things, all suppliers must comply with all applicable tax laws and regulations, including by ensuring that:

- any amounts paid by Base in respect of a value added or equivalent tax on any taxable supply are duly remitted to the applicable tax authority within the prescribed timeframes; and
- all required deductions in respect of applicable taxes, statutory contributions and withholdings are made from payments to its employees.

## **11. BREACHES OF THIS CODE**

If a supplier, or an entity in the supply chain of a supplier, is unable to, or fails to, comply with this Code, Base may, without prejudice to any rights it may have under any underlying contract and depending on the nature and extent of the non-compliance, require the supplier to take such steps as Base considers reasonably necessary to address the impact of, and remediate, the non-compliance. In cases of material non-compliance, Base may exercise available termination rights.

## **12. MONITORING AND COMPLIANCE**

Suppliers must monitor their compliance with this Code and promptly notify Base of any breaches or allegations of non-compliance. Suppliers must take all reasonable steps to address and remedy any breaches of this Code.

No person who reports a suspected breach of this Code in good faith will be disadvantaged by doing so (provided that person is not responsible for or involved in the suspected breach).

Base reserves the right to review compliance with this Code and require its suppliers to cooperate and provide any information as Base may reasonably require to perform such a review.