



PALADIN ENERGY LTD

ABC Compliance Regime

A Practical Perspective

Gillian Swaby



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✦ The ABC compliance regime

- What do you already have?
 - Code of Business Conduct & Ethics.
 - Code of Conduct for Directors.
 - Whistleblower Policy.
 - Clauses in Contracts.
- Then comes the ABC Compliance Guide....
 - Be careful of total focus on “foreign bribery”.

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ABC Compliance Guide

1. **Letter from the Chairman**
2. **Introduction**
 - 2.1 Bribery is a Global Issue
 - 2.2 Types of Bribery
 - 2.3 Purpose of this Guide
 - 2.4 Compliance with this Guide
3. **Paladin's Compliance Committee**
4. **What is Foreign Bribery?**
 - 4.1 Foreign Bribery Offence
 - 4.2 Permissible and Prohibited Payments
5. **Key Provisions of Foreign Bribery**
 - 5.1 Who is a "foreign public official"?
 - 5.2 What is a "benefit"?
 - 5.3 What does it mean to give or offer a benefit?
 - 5.4 When can Paladin be guilty of the foreign bribery offence?
 - 5.5 Constructive Knowledge
 - 5.6 What does "intention" mean?
 - 5.7 How can Paladin, as a company, be said to have "intended" to bribe someone?
 - 5.8 Turning a "Blind Eye"
 - 5.9 What is a "business advantage"?
 - 5.10 When is a benefit or business Advantage "not legitimately due"?
6. **Legitimate Conferral of Benefits**
 - 6.1 Gifts
 - 6.2 Meals and Entertainment
7. **What is a Facilitation Payment?**
 - 7.1 Routine Government Action
 - 7.2 Record Keeping for Facilitation Payments
 - 7.3 Paladin Company Policy
8. **General Fraud and Corruption**
 - 8.1 What is Domestic Bribery?
 - 8.2 What is Fraud and Corruption?
9. **Reporting and Record Keeping**
 - 9.1 Integrity of Record Keeping and Accounts
10. **Whistleblower Policy: Reporting Violations**
11. **Obligation to Comply with Law**
12. **Facilitation Payment Record**

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✦ How to roll out:

- 2 African minesites.
- Country offices.
- Exploration.
- Head Office.

✦ Trickle down approach

AND DON'T FORGET TO
LOOK OUTSIDE THE FENCE



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- ✦ Many iterations of presentation and speaking notes:
 - Presentation to senior management group in Perth/senior visitors.
 - Video presentation to senior managers on sites.
 - Less complicated and less legalistic speaking notes/ powerpoint to sites.
- ✦ Appointed champion at each site to undertake training to supervisor level.
- ✦ Records – back to head office.
- ✦ Site based Anti-Fraud & Corruption Procedure initiated, mailed to everyone.

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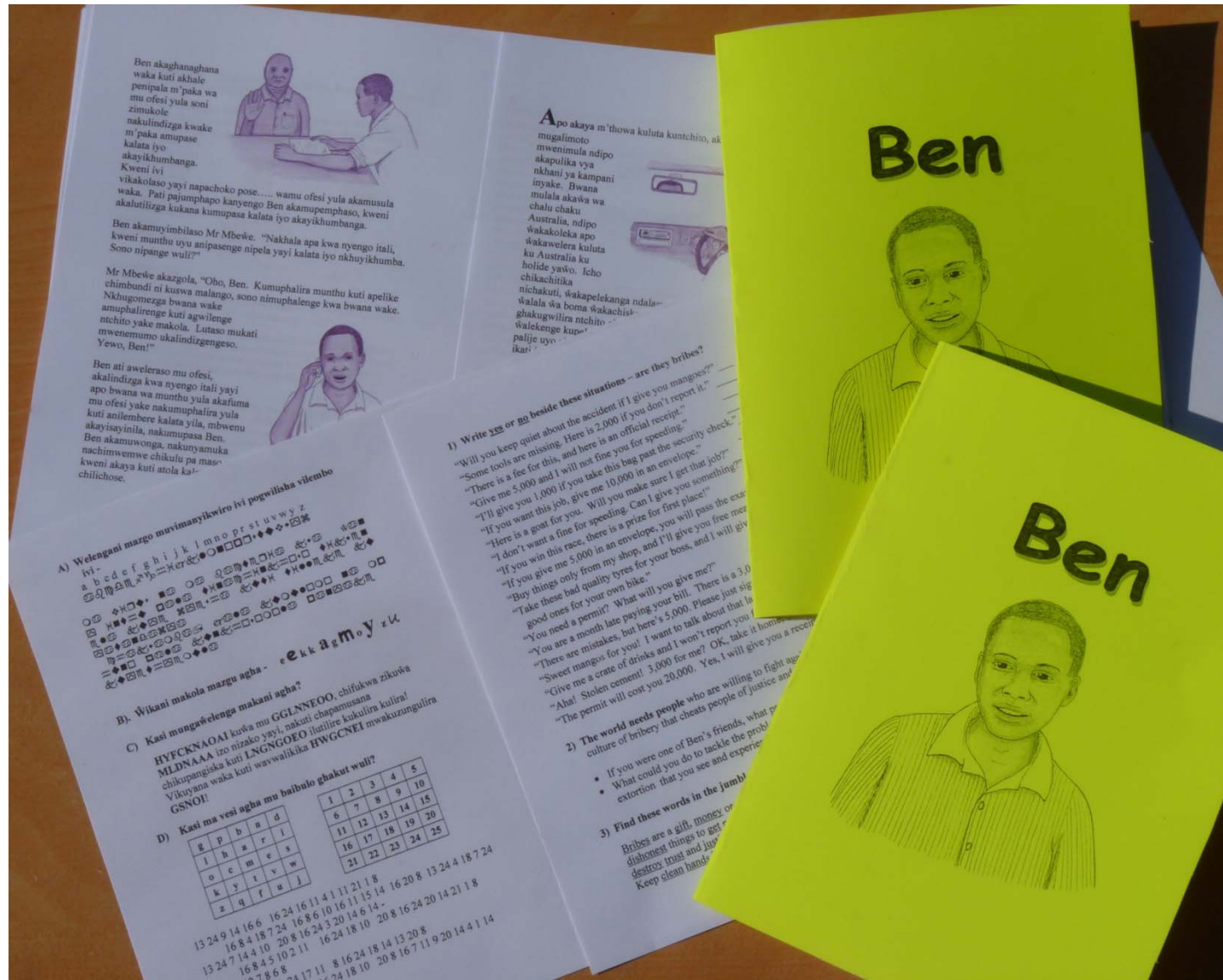
✦ Workers' levels:

- Differences in sites.
- Level of education/language.
- Drama group.
- Book.
- Posters – cultural.



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Fraud



DO

- ✓ Report fraudulent activities on the fraud hotline.
- ✓ Act honestly, with integrity and safeguard the resources for which you are responsible for at all times.

DON'T

- ✗ Use company credit cards for private payments.
- ✗ Remove corporate property from the company location without express permission.
- ✗ Offer or receive gifts, hospitality or expenses whenever such arrangements could improperly affect, or might be perceived to improperly affect, the outcome of procurement of other business transactions.



To report any irregularities, refer to your Anti-Corruption Framework booklet for contact number.

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Corruption



DO

- ✓ Always act transparently in all business dealings.
- ✓ Behave fairly to all clients, suppliers and competitors.
- ✓ Contact your manager/supervisor immediately if you encounter an attempt at bribery.
- ✓ Report on any attempt at bribery on the fraud hotline.

DON'T

- ✗ Agree to fix prices.
- ✗ Collude with competitors on tenders and bids.
- ✗ Misuse trade or quality marks.



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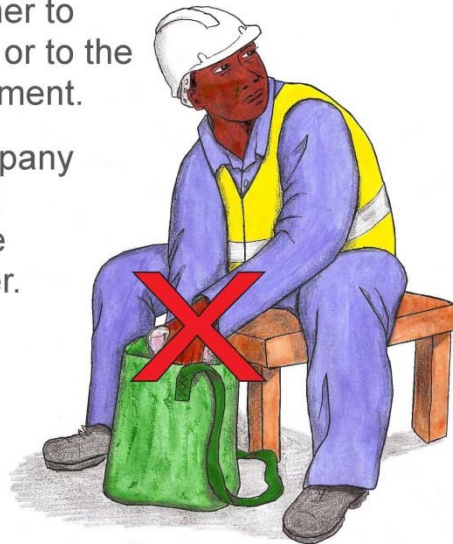
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Fraud & Corruption

- Always do business openly so people can see that you are honest.
- Never work with suppliers in preparing tenders and bids.
- Do not remove Company property from site – unless you have written permission to do so.
- Report fraudulent or corrupt behaviour – either to your supervisor or to the Security Department.
- Never use Company money or credit cards for private payments – ever.



Fraud & Corruption

- Always do business openly so people can see that you are honest and fair to everyone.
- Never accept any gifts, discounts or money from suppliers that is not available to everyone.
- Do not remove company property from site – unless you have written permission to do so.
- Report fraudulent or corrupt behaviour – either to your supervisor or to the Security Department or as per the Anti-Fraud and corruption procedure on the intranet.
- Never use Company money or assets for private benefit – ever.
- Never give out information to suppliers or stakeholders that are not available to everyone.



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Gifts



DO

- ✓ Always ensure that your hospitality plans are appropriate and culturally acceptable in the relevant country.
- ✓ Select and deal with suppliers, customers and others in a completely impartial manner.
- ✓ Record all gifts received in the company gift register.

DON'T

- ✗ Use supplier discounts that are not available to all other employees for private purposes.
- ✗ Accept gifts in the form of cash or its equivalents (e.g. cheques).
- ✗ Offer or receive gifts, hospitality or expenses whenever such arrangements could improperly affect, or might be perceived to improperly affect, the outcome of procurement of other business transactions.



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Bribes



DO

- ✓ Contact your manager/supervisor immediately if you encounter an attempt at bribery.
- ✓ Report all bribery attempts on your fraud hotline.

DON'T

- ✗ Make promises for any due advantage.
- ✗ Accept gifts in the form of cash or its equivalents.
- ✗ Make payments to gain improper benefits.



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Gifts & Bribes



- Do not ask for or accept gifts which may influence (or be seen to influence) business transactions. This includes:
 - Cash or its equivalents – like cheques;
 - Hospitality – like meals or accommodation; and
 - Supplier discounts that are not available to all employees.
- Never offer money or anything else in exchange for favourable treatment or to gain an advantage – for yourself or for the Company.
- Always report any dishonest behaviour, bribery or attempted bribery – to your Supervisor or to the Security Department.



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Gifts & Bribes



- Do not ask for or accept gifts which may influence (or be seen to influence) business transactions. This includes:
 - Cash or its equivalents – like cheques;
 - Hospitality – like meals or accommodation; and
 - Supplier discounts that are not available to all employees.
- Declare gifts to your Supervisor and if need be register it in the gifts register.
- Never offer money or anything else in exchange for favourable treatment or to gain an advantage – for yourself or for the Company.
- Always report any dishonest behaviour, bribery or attempted bribery – to your Supervisor, Security Department or as per the Anti-Fraud and Corruption procedure.



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In Summary:

- ✦ Be aware of your “audience”.
- ✦ Keep it simple without losing the message.
- ✦ Spread the responsibility for training.
- ✦ Keep it relevant and use all opportunities to get the message across.