



TSM Conflict of Interest Policy



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1 Introduction

The Towards Sustainable Mining (TSM) Conflict of Interest Policy (herein referred to as “Policy”) is an internal document generally applicable to those involved in supporting TSM including employees, boards of directors, third-party verifiers, and Community-of-Interest Advisory Panel (COI Panel) members. Violations of this Policy will be handled in accordance with the *TSM Issues Resolution Policy*.

All MAC employees, board of directors members, third-party verifiers, and COI Panel members should receive a copy of this Policy and shall be deemed as accepting it.

The MAC Board of Directors has overall responsibility for this Policy, and for reviewing the effectiveness of actions taken in response to concerns raised under this Policy.

All MAC employees, board of directors members, third-party verifiers, and COI panel members are responsible for the success of this Policy and should ensure that they use it to disclose any suspected conflict of interest. They are invited to comment on this Policy and suggest ways in which it might be improved. Comments, suggestions and queries should be addressed to the President and CEO of MAC.

2 Review

This Policy has been approved by the MAC Board and shall be reviewed and approved by the same every [2] years.

3 Conflicts of Interest

3.1 General

MAC’s employees, board of directors, third-party verifiers, and COI Panel members must avoid situations in which they have or can have a direct or indirect interest that conflicts with, or may conflict with, the interests of TSM. They must properly manage situations, as outlined below, where there may be a conflict of interest.

3.2 Conflict of Interest Defined

In this Policy, a conflict of interest means any situation where a direct or indirect interest of an individual or the interest of another person or organisation with which the individual is associated conflicts, or might reasonably be regarded as conflicting, with the interests of TSM.

Conflicts of interest can be direct or indirect, and are not just about personal benefits or benefits received by people or organisations connected with an individual. Although the conferring of such benefits will give rise to conflicts which need to be authorised and managed, a conflict (or appearance or possibility of a conflict) can arise simply because an individual has interests in or loyalty or other duties owed to other organisations whose interests might conflict with those of TSM.



3.3 Conflicts Procedure

A MAC employee, member of the board of directors, third-party verifier, or COI Panel member seeking authorisation in respect of a conflict must declare to the President and CEO of MAC the nature and extent of their interest in that conflict as soon as is reasonably practicable. There is no legal definition of “interest.” However, the ordinary meaning of the word should be reasonably and cautiously interpreted in assessing whether circumstances are such that an individual has an interest.

Any potential conflict of interest must be:

- identified;
- managed in accordance with this policy; and
- minuted (i.e. set out in a formal record of a meeting).

3.4 Declaring Interests

A ‘Declaration of Interests’ form is attached in Appendix I. This should be completed: when any existing employee, member of the board of directors, third-party verifier, or COI Panel member becomes aware of a new direct or indirect interest that could be a conflict.

3.5 Duties regarding conflicts of interest

MAC’s employees, board of directors, third-party verifiers, and COI Panel members have the following duties in respect of conflicts of interest:

- to avoid a situation in which there is, or can be, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the TSM (the duty to avoid conflicts of interest);
- not to accept a benefit from a third party conferred by reason of the individuals connection to TSM (the duty not to accept benefits from third parties); and
- to declare if they are in any way, directly or indirectly, interested in a proposed transaction or arrangement with TSM, and the nature and extent of that interest, to the other directors (the duty to declare interests in proposed transactions or arrangements).

There is no exception to the duty to avoid conflicts of interest for minor conflicts. However, it is not infringed if:

- the situation cannot reasonably be regarded as likely to give rise to a conflict of interest; or
- the matter has been authorised by the President and CEO of MAC and reported to the TSM Governance Team in accordance with this policy.

Clarification on Gifts and Hospitality

This Policy does not prohibit the giving or accepting of reasonable and appropriate hospitality for legitimate purposes such as building relationships, maintaining the image or reputation of TSM, or marketing of TSM products and services. A gift or hospitality



will not be appropriate if it is unduly lavish or extravagant, or could be seen as an inducement or reward for any preferential treatment. Gifts must be of an appropriate type and value depending on the circumstances and taking account of the reason for the gift. Gifts must not include cash or cash equivalent (such as vouchers), or be given in secret.

3.6 Implementation

In order to proactively avoid any of the above, MAC will take the following precautions:

- Seek executive leadership and/or legal advice before engaging in any activity that may cause an actual or perceived action against this Policy
- Conduct the *Verifier Oversight Process* on verifiers participating in or using the Verification Process
- Ensure accounts, invoices, and other records relating to dealings with third parties including suppliers and service providers will be prepared with accuracy and completeness. Accounts will not be kept “off-book” to facilitate or conceal improper payments
- Inform business partners of this section of this Policy

Any observed instances of violating this policy – whether or actual or perceived – should be raised immediately using the process outlined in the *TSM Issues Resolution Policy* or, in the case of staff whistleblowing, as outlined in Article 7 of this document.

4 Whistleblowing

4.1 General

The Mining Association of Canada (the “Association”) requires its directors, officers and employees to maintain the highest standards of business conduct and ethics. The Association will ensure compliance with all applicable government laws, rules and regulations, corporate reporting and disclosure, accounting controls, auditing practices and other matters, collectively referred to as irregularities.

The Executive Committee of MAC’s Board of Directors (the “Committee”) will investigate and resolve all complaints and allegations concerning *irregularities* reported in accordance with this policy. The Executive Committee may retain independent legal counsel, accountants and others to assist in its investigations.

The Committee will establish a confidential and anonymous process whereby individuals can report any *irregularities* relating to the Association. In order to carry out its responsibilities under its charter, the Mining Association of Canada Board of Directors adopted this Whistleblower Policy (the “**Policy**”)

IRREGULARITIES

For the purposes of this Policy, *irregularities* is intended to be broad and comprehensive and to include any matter, which in the view of the complainant, is illegal, unethical or contrary to the policies of the Association. Examples would include:



- Accounting, auditing, or other financial reporting fraud or misrepresentation;
- Violations of federal or provincial laws that could result in fines or civil damages payable by MAC, or that could otherwise significantly harm MAC's reputation or public image;
- Unethical business conduct in violation of any MAC policies and/or MAC's Code of Conduct;
- Danger to the health, safety, or well-being of employees, volunteers and/or the general public.

COMMUNICATION OF THE POLICY

To ensure that all directors, officers, employees, consultants and contractors of the Association are aware of the Policy, a copy of the Policy will be distributed to all directors, officers and employees. All directors, officers and employees will be informed whenever significant changes are made. New directors, officers and employees will be provided with a copy of this Policy and will be informed about its importance.

REPORTING ALLEGED VIOLATIONS OR COMPLAINTS

Any person aware of an *irregularity* relating to the Association may submit their concern to MAC's Board Chair (the "**Chair**"), in writing, by telephone or by email as follows:

In Writing : Carolyn Chisholm
Chair, Board & Executive Committee
Mining Association of Canada
General Manager, External Affairs, Canada
Rio Tinto
Suite 1020, 360 Albert St. Ottawa, Ontario
Ottawa, ON K1R 7X7
By Telephone: 1 613 292 7473
By Email: carolyn.chisholm@riotinto.com

All submissions to the Chair may be anonymous. It may help the investigation, if the identity of the person making the submission is given. If the identity of the submitter is provided to the Chair, this will be kept in strict confidence by the Executive Committee.

NO RETALIATION

A submission regarding an *irregularity* may be made by an officer or employee of the Company without fear of dismissal, disciplinary action or retaliation of any kind. The Association will not discharge, demote, suspend, threaten or in any matter discriminate against any person who submits in good faith an *irregularity* or provides assistance to the Audit Committee, management or any other person or group, including any governmental, regulatory or law enforcement body investigating an irregularity.

TREATMENT OF IRREGULARITIES SUBMISSIONS

Irregularities will be reviewed as soon as possible by the Executive Committee with the assistance and direction of whomever the Executive Committee thinks appropriate including, but not limited to, external legal counsel and the Executive Committee shall implement such corrective measures and do such things in an expeditious manner as it



deems necessary or desirable to address irregularities. Where possible and when determined to be appropriate by the Executive Committee, notice of any such corrective measures will be given to the person who submitted the irregularities.

The Executive Committee shall retain all records relating to any irregularities or report of a retaliatory act and to the investigation of any such report for a period judged to be appropriate based upon the merits of the submission. The types of records to be retained by the Executive Committee shall include records of all steps taken in connection with the investigation and the results of any such investigation.

REVIEW OF POLICY

The Executive Committee will review and evaluate this Policy every two years (timing to coincide with the change of Board Chair) or at such time as the Chair is advised of a complaint under the policy.

QUERIES

If you have any questions about how this Policy should be followed in a particular case, please contact the Chair (Carolyn Chisholm).



Appendix I: Declaration of Interests

Declaration of Interests

I, [NAME], in my capacity as [ROLE IN TSM] in [JURISDICTION] have declared and set out below my interests.

Part 1

No.	Date notified to the relevant TSM Partner Association	Details of interest noted
1.		

I confirm that the details that I have provided above are correct to the best of my knowledge.

If I become aware of a new direct or indirect interest, I will inform the MAC and update this Declaration of Interests as soon as is reasonably practicable and, in any event, I will review and confirm the accuracy of this Declaration of Interests as my interests change.

Signed: _____

Date: _____