

**Cambridge Mineral Resources plc**

Policies Manual

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## Appendix:

Director declaration form

## **1) DIRECTOR COMPENSATION**

### **Appropriate level of fees**

The Board has determined that the directors should be compensated in a form and amount that is appropriate and which is customary for comparative companies, having regard to such matters as time commitment, responsibility and trends in director compensation. When implemented, the Compensation Committee will review the compensation of the directors on an annual basis. All compensation paid to directors will be publicly disclosed. In the meantime, compensation levels will be set by the board.

### **Loans to Directors**

**Cambridge** will not make any loans to any of its directors.

## **2) THE BOARD'S RELATIONSHIP WITH MANAGEMENT**

### **Respect for Management**

The Board will support and encourage the members of management in the performance of their duties. Management will make appropriate use of the Board's skills before decisions are made on key issues. The Board has adopted and will annually review the position description for the Chief Executive Officer, which will be publicly disclosed.

### **Limits on Management Authority**

The Board will approve annual business plans and budgets and will also approve general authority guidelines that place limits on management's ability to approve contractual and financial arrangements and commitments both in accordance with and outside approved budgets. All transactions, arrangements, contracts and commitments outside approved budgets and defined limits will require approval by the Board.

### **Evaluation of the Chief Executive Officer**

The Compensation Committee will conduct an annual review of the performance of the Chief Executive Officer against the goals and objectives which have been established by the committee and will review, assess and recommend the compensation of the Chief Executive Officer to the Board. The Chairman of the Board and the Chairman of the Compensation Committee will advise the Chief Executive Officer of the results of the assessment.

### **Director Access to Management**

All directors will have open access to **Cambridge's** senior management for relevant information. All written communications from directors to members of management will be copied to the Chief Executive Officer or, in the case of accounting and financial matters, to the Chief Executive Officer and the Chief Financial Officer.

Individual directors are encouraged to make themselves available for consultations with management outside of Board meetings in order to provide specific advice and counsel on subjects where such directors have special skills, knowledge and experience.

### **3) DIRECTOR RESPONSIBILITIES & PERFORMANCE**

#### **Director Responsibilities**

Directors are expected to use their skill and experience to provide oversight of the business and affairs of **Cambridge**. Directors have a statutory duty to act honestly and in good faith with a view to the best interests of **Cambridge** and to exercise the care, diligence and skill that a reasonably prudent person would in comparable circumstances.

#### **Attendance at Meetings**

Directors are expected to attend all Board meetings and meetings of committees of which they are members, either in person or by conference call. A director will notify the Chairman of the Board or of a committee or the Corporate Secretary if the director will not be able to attend or participate in a meeting. **Cambridge** will publicly disclose the Directors' attendance record on an annual basis. All directors are invited, but not required, to attend meetings of committees of which they are not members.

#### **Board and Committee Meeting Materials**

Directors are expected to review and be familiar with Board and committee meeting materials which have been provided in sufficient time for review prior to a meeting.

#### **Outside Advisers for Individual Directors**

Any director who wishes to engage an independent adviser to assist on matters involving the discharge of his duties and responsibilities as a director at the expense of **Cambridge** should review the request with, and obtain the authorization of the Chairman.

#### **Assessment of Board and Committee Performance**

The Corporate Governance Committee is mandated to undertake an annual assessment of the overall performance and effectiveness of the Board and each committee of the Board and report on such assessments to the Board. The purpose of the assessments is to ensure the continued effectiveness of the Board in discharging its duties and responsibilities and to contribute to a process of continuing improvement.

#### **4) CONFLICTS OF INTEREST**

##### **Legal responsibility**

Each director has a legal responsibility to disclose all actual or potential conflicts of interest and generally to abstain from voting on matters in which the director has an interest, and will excuse himself from any discussion or decision on any matter in which he is precluded from voting as a result of a conflict or which otherwise affects his personal, business or professional interests.

## **5) TRADING IN THE COMPANY'S SHARES**

### **Share Trading**

Any director or senior management employee or contractor who wishes to acquire or dispose of shares held (directly or beneficially) or controlled by him will seek the written approval of the Chairman in advance of any trade.

The Chairman in considering any application from a director to buy or sell shares will consult with the appropriate market and / or financial advisers to ensure that any such trade is within the trading permissions as laid down by any relevant stock exchange and legislation.

In particular the Chairman must make himself aware of all close periods relevant to the Company.

## **6) AUTHORITY LEVELS**

The following financial and contractual authorization limits shall apply as follows:

### **1) Cash and cash equivalents.**

(i) The current signatories are as follows:

Michael Burton

Mark Slater

(ii) Cheques and bank payments up to £250 by any one signatory.

(iii) Cheques and bank payments greater than £250 but less than £5,001 by any two signatories.

(iv) Any payment greater than £5,000 to be approved at a meeting of the directors.

ALL payments made in the month will be circulated to the board within a week of the end of the month, together with a list of those payments to be made in the next month.

Procedures will be put in place to ensure that each electronic payment is supported by the appropriate "hard copy" signed approvals.

### **2) Contracts**

All contracts which may in any form commit the Company and / or any of its directors must contain the wording: "Subject to and conditional upon board approval". Only when board approval has been granted can that be advised to the other party and the contract or agreement become legally binding.

Board approval should consider and decide upon the need for further legal review of the contract by a lawyer suitably experienced in the areas and disciplines of the nature of the contract.

All contracts must be considered for whether reference to shareholders must be made.

Notes:

a) "Payment" will not include properly approved payroll, remuneration and related payments. Whereas "Contracts" will include all payroll and director contracts.

b) The above authority limits should be reviewed regularly and as the Company's financial circumstances change.



## 7) BRIBERY AND CORRUPTION

### 1 INTRODUCTION

1.1 The Board of Directors of **Cambridge plc** ("**Cambridge**") has determined that, on the recommendation of the Corporate Governance Committee, **Cambridge** should formalise its policy on compliance with the anti-corruption laws, including the UK Bribery Act 2010, and the US Foreign Corrupt Practices Act 1977.

1.2 This Anti-Bribery & Corruption Policy (the "Policy") will supersede any other existing **Cambridge** policies relating to bribery and corruption.

### 2 POLICY STATEMENT

2.1 It is **Cambridge's** policy to conduct all of its business in an honest and ethical manner. **Cambridge** takes a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in all its business dealings and relationships. It does not act in any way which might reflect adversely upon the integrity and reputation of the Company.

2.2 Individuals involved in corrupt activity are liable to be sentenced to imprisonment. Further, if **Cambridge** or any of its employees or associated persons (e.g. contractors, agents or subsidiaries) is found to have taken part in corruption, **Cambridge** could face an unlimited fine, and it could face serious damage to its reputation both in the public markets and in its country areas of interest. **Cambridge** therefore takes its legal responsibilities very seriously.

2.3 **Cambridge** will uphold all laws relevant to countering bribery and corruption in each of the jurisdictions in which it operates. As the anti-corruption laws of the UK and US have extraterritorial application, **Cambridge**, its employees and associated persons will be bound by the most stringent requirements of these laws in respect of its conduct in all jurisdictions they operate, even if such conduct would otherwise be permitted by the local law of a particular jurisdiction.

2.4 The purpose of this Policy is to:

- set out **Cambridge's** responsibilities, and of those working for it, in observing and upholding its position on bribery and corruption; and
- provide information and guidance to those working for it on how to recognise and deal with bribery and corruption issues.

2.5 In this Policy, "third party" means any individual or organisation with whom an employee (including directors) may come into contact during the course of their work for **Cambridge**, and includes

consultants, actual and potential customers, suppliers, distributors, business contacts, agents, advisers, and government and public bodies, including their advisors, representatives and officials, politicians and political parties.

### 3 APPLICATION OF THE POLICY

3.1 The Policy applies to all directors, officers, employees, consultants and contractors of **Cambridge** and compliance with this Policy for each director constitutes terms of service, for each officer and employee constitutes conditions of employment and for each consultant and contractor constitutes conditions of providing services to **Cambridge**. Each such person agrees to be bound by the provisions of this Policy upon notification of the most recent copy being given to them or upon notification that an updated version has been placed on **Cambridge's** website for review.

3.2 All persons covered by this Policy in discharging their duties on behalf of **Cambridge** will be required to comply with the laws, rules and regulations of the location in which **Cambridge** is performing business activities, and in particular with respect to anti-bribery and corruption laws, rules and regulations. Where uncertainty or ambiguity exists, contact must be made with the chairman of the Corporate Governance Committee. who may seek legal advice.

### 4 FORMS OF BRIBERY AND CORRUPTION

4.1 For purposes of this Policy, each of the examples in 4.2 to 4.5 below is referred to as a “bribery offence.”

#### 4.2 **Bribes**

(a) A **bribe** is an inducement or reward offered, promised or provided in order to gain any commercial, contractual, regulatory or business or personal advantage.

(b) An **inducement** is something which helps to bring about an action or desired result.

(c) A business **advantage** means that **Cambridge** is placed in a better position (financially, economically, or reputationally, or in any other way which is beneficial) either than its competitors or than it would otherwise have been had the bribery or corruption not taken place.

4.3 **Facilitation** payments or "**grease**" payments are typically small, unofficial payments made to secure or expedite a routine government action by a government official.

4.4 **Kickbacks** are payment of any portion of a contract made to employees of another contracting party or the utilisation of other techniques, such as subcontracts, purchase orders or consulting

agreements, to channel payment to public officials, political parties, party officials or political candidates, to employees of another contracting party, or their relatives or business associates.

4.5 **Extortion** means to directly or indirectly demand or accept a bribe, facilitation payment or kickback.

## 5 ANTI-BRIBERY AND CORRUPTION STANDARDS

5.1 It is not acceptable for **Cambridge** or its directors, officers, employees, consultants or contractors to:

- (a) give, promise to give, or offer, a payment, gift or hospitality or otherwise engage in or permit a bribery offence to occur, with the expectation or hope that an advantage in business will be received, or to reward a business advantage already given.
- (b) give, promise to give, or offer, a payment, gift or hospitality to a government official, agent or representative to "facilitate" or expedite a routine procedure.
- (c) accept a payment, gift or hospitality from a third party if you know or suspect that it is offered or provided with an expectation that a business advantage will be provided by the Company in return.
- (d) threaten or retaliate against another employee or worker who has refused to commit a bribery offence or who has raised concerns under this or the Whistleblowing Policy.
- (e) engage in any activity that might lead to a breach of this Policy.

## 6 FACILITATION PAYMENTS

6.1 **Cambridge** does not make facilitation payments or "grease" payments of any kind. Although these are commonly paid in some jurisdictions and are permitted under the US Foreign Corrupt Practices Act 1977, **they are unlawful under the UK Bribery Act 2010** and so are prohibited by **Cambridge**.

## 7 GIFTS AND HOSPITALITY

7.1 This Policy does not prohibit normal and appropriate hospitality of reasonable value to or from third parties.

7.2 **Cambridge's** directors, officers, employees, consultants and contractors must exercise great care and act with the highest levels of ethics and integrity when interacting with political and public officials.

7.3 **Cambridge's** directors, officers, employees, consultants and contractors will not give or accept gifts, gratuities, or entertainment in relation to **Cambridge** or its business that may conflict with the provisions of this Policy. **Cambridge's** directors, officers, employees, consultants and contractors must ensure that:

- a) The gift / hospitality is not given or accepted with the intention or expectation of influencing a party to obtain or retain business advantage, or as a reward for the provision of or retention of business or a business advantage, or in explicit or implicit exchange for favours or benefits;
- b) the gift or hospitality is customary in the industry;
- c) the gift or hospitality does not violate any local laws;
- d) Any gift or hospitality given is provided in the name of the Company and not in the name of the individual;
- e) the gift or hospitality does not include cash or cash equivalent (eg vouchers, gift certificates);
- f) the gift or hospitality is of an appropriate type and value and given or accepted at an appropriate time, taking into account the business relationship with the counterparty, any pending action expected of the counterparty and the reason for the gift or hospitality.
- g) the gift or hospitality would be considered as being appropriate by an independent third party bystander in all the circumstances and with hindsight;
- h) the gift or hospitality is given or accepted openly and not secretly.

7.4 In the absence of any value limits or guidelines, prior approval from the appropriate level of authority in the Company before the gift or hospitality is provided. The Corporate Governance Committee is directed to prepare a structure of expenditure below which authority can be waived, in the correct circumstances.

## 8 RED FLAGS

8.1 The following is a list of “red flags” that may indicate the possible existence of corrupt practices and should be kept in mind by all those subject to this Policy:

- (a) Use of an agent with a poor reputation or with links to a foreign government.

- (b) Unusually large commission payments or commission payments where the agent does not appear to have provided significant services.
- (c) Cash payments, or payments without paper trail or compliance with normal internal controls.
- (d) Unusual bonuses to foreign personnel for which there is little support.
- (e) Payments to be made through third party countries or to offshore accounts.
- (f) Private meetings requested by public contractors or companies hoping to tender for contracts.
- (g) Not following **Cambridge** policies or procedures – abusing the decision process.
- (h) Unexplained preferences for certain sub-contractors.
- (i) Invoices agreed in excess of contract.

8.2 This list is not exhaustive and you should be alert to other indicators that may raise a suspicion of corrupt activity.

## 9 RESPONSIBILITIES UNDER THE POLICY

9.1 The prevention, detection and reporting of bribery offences and other forms of corruption are the responsibility of all those working for **Cambridge** or under its control. All persons are required to avoid any activity that might lead to, or suggest, a breach of this Policy.

9.2 If you are asked to make a payment on the Company's behalf, you should always be mindful of what the payment is for and whether the amount requested is proportionate to the goods or services provided. You should always ask for a receipt which details the reason for the payment. If you have any suspicions, concerns or queries regarding a payment, you should raise these with the chairman of the Corporate Governance committee or the Chairman of the board of directors.

9.3 All directors, officers, employees, consultants and contractors of **Cambridge** must notify the Anti-Corruption Compliance Officer or make a disclosure under **Cambridge's** Whistleblower Policy (see Section 11 below) as soon as possible if they believe or suspect that an action in conflict with this Policy has occurred, or may occur in the future, or has been solicited by any person.

9.4 Any person who breaches this Policy will face disciplinary action, which could result in dismissal for gross misconduct. **Cambridge** reserves its right to terminate its contractual relationship with other persons if they breach this Policy.

## 10 RECORD-KEEPING

10.1 **Cambridge** will be required to develop, implement, monitor and maintain a system of internal controls to facilitate compliance with this Policy, as well as to foster a culture of integrity and maintain high ethical standards throughout the Company.

10.2 **Cambridge** must keep financial records and have appropriate internal controls in place which will evidence the business reason for making payments to third parties.

10.3 All directors, officers, employees, consultants and contractors of **Cambridge** must seek approval for any gifts given or received and record them on the Gift Register in accordance with the Gifts & Hospitality Policy.

10.4 All expenses claims relating to hospitality, gifts or expenses incurred to third parties must be submitted in accordance with the relevant **Cambridge** group company policies and the reason for the expenditure specifically recorded.

10.5 All accounts, invoices, memoranda and other documents and records relating to dealings with third parties should be prepared and maintained with strict accuracy and completeness. No accounts or cash funds must be kept "off-book" to facilitate or conceal improper payments.

## 11 REPORTING VIOLATIONS OF THIS POLICY

11.1 All directors, officers, employees, consultants and contractors will adhere to **Cambridge's** commitment to conduct its business and affairs in a lawful and ethical manner.

11.2 In addition, any director, officer, employee, consultant and contractor of **Cambridge** who becomes aware of any instance where **Cambridge** receives a solicitation to engage in any act prohibited by this Policy, or who becomes aware of any information suggesting that a violation of this Policy has occurred or is about to occur is required to report it to the Chairman.

11.3 Persons who refuse to engage in or permit a bribery offence, or who raise legal or ethical concerns or report another's wrongdoing, are sometimes worried about possible repercussions. **Cambridge** aims to encourage openness and will support anyone who raises genuine concerns in good faith under this Policy, even if they turn out to be mistaken. No directors, officers, employees, consultants and contractors of **Cambridge** will suffer demotion, penalty, or other adverse consequences for refusing to engage in or permit a bribery offence or for raising concerns or for reporting possible wrongdoing, even if it may result in the Company losing business or otherwise suffering a disadvantage.

## 12 INVESTIGATION OF REPORTED INCIDENTS OF VIOLATION

12.1 Any report of solicitations to engage in a prohibited act or possible violation of the Policy will be investigated initially by the Corporate Governance committee. Where the matter is deemed potentially serious it will be promptly reported to the Chairman, and legal advice on the procedure to be followed will be sought.

### 13 COMMUNICATION OF THE POLICY

13.1 To ensure that all directors, officers, employees, consultants and contractors of **Cambridge** are aware of the Policy, a copy of the Policy will be provided to them and they will be advised that the Policy is available on **Cambridge's** website for their review. All directors, officers, employees, consultants and contractors of **Cambridge** will be informed whenever significant changes are made. New directors, officers, employees, consultants and contractors of **Cambridge** will be provided with a copy of this Policy and will be required to familiarise themselves with the Policy.

13.2 **Cambridge's** zero-tolerance approach to bribery and corruption must be communicated to all suppliers, contractors and business partners at the outset of our business relationship with them and as appropriate thereafter. For advice on these communications, please contact the Anti-Corruption Compliance Officer.

### 14 RESPONSIBILITY FOR THE POLICY

14.1 The Company's Board of Directors has overall responsibility for ensuring this Policy complies with **Cambridge's** legal and ethical obligations, and that all those under **Cambridge's** control comply with it.

14.2 The Corporate Governance committee has primary and day-to-day responsibility for implementing this Policy, and for monitoring its use and effectiveness. Management at all levels is responsible for ensuring those reporting to them are made aware of and understand this Policy.

### 15 ANNUAL CERTIFICATION

15.1 All directors, officers, employees, consultants and contractors of **Cambridge** will provide annual certification of compliance with this Policy.

### 16 CONSEQUENCES OF NON-COMPLIANCE WITH THE POLICY

16.1 Failure to comply with this Policy may result in severe consequences, which could include internal disciplinary action or termination of employment or consulting arrangements without notice. Violation of this Policy may also violate or constitute a criminal offence under UK, US, or local laws. If it

appears that any director, officer, employee, consultant or contractor of **Cambridge** may have violated such laws, then **Cambridge** may refer the matter to the appropriate regulatory authorities, which could lead to penalties, fines or imprisonment for **Cambridge** and/or the responsible person.

## 17 PUBLICATION OF THE POLICY

It is the responsibility for each director, officer, employee, consultant and contractor of **Cambridge** to familiarise themselves with this Policy, which in due course will be posted on **Cambridge's** website.



## 8) COMMUNITY SUPPORT

**Cambridge's** principal geographic focus is the Andalucian region of southern Spain. The Company believes that the use of shareholder funds in developing and maintaining each of the cultural, spiritual, heritage and economic pillars of the local community is appropriate where the company and its shareholders will benefit from its operations in that region. And in so doing will demonstrate itself as a responsible corporate citizen.

The primary focus, wherever the Company proposes to operate, will be towards education and children's welfare and health. There will also be circumstances where the Company believes that general community support is justified.

The support and contributions made into the local community will generate goodwill towards the Company thus making it the preferred employer and respected corporate citizen to which Cambridge will forever aspire.

Each economic contribution into the local community will be duly considered and justified with the objective of serving the community.

Furthermore, the Company will donate an appropriate level of its services in the form of executive time where this is called upon. This may take the form of attending or calling local meetings to consider matters of shared interest.

This Policy of Community Support is in addition to the employment, logistics and community development that **Cambridge** expect will be brought to the community with the development of its exploration projects.

## 9) DIRECTORS' DECLARATIONS

At least annually, each director will sign a Declaration of Compliance with **Cambridge's** policies and procedures, both contained herein and other documented policies and declare any conflicts of interest, related party transactions and confirm that that among other things he / she has not become aware of, condoned, or been a party to any payment that could be construed as a breach of the UK Bribery and Corruption legislation.

## APPENDIX

### Director's Declaration

A) In accordance with the Company's corporate governance practices, I confirm that:

- 1) the number of securities beneficially held by me and my family (spouse and children) as at the date of the Directors' Report for the year ended \_\_ / \_\_ / \_\_ are in accordance with the attached Schedule "A".
- 2) the balance of amounts owing to me from the Company, or owing from me to the Company, or any company in the Group, other than incidental amounts, as at \_\_ / \_\_ / \_\_ are in accordance with the attached Schedule "B";
- 3) in the period from \_\_ / \_\_ / \_\_ to the date of this declaration, I am not a related party (as defined under the relevant stock exchange or corporate legislation) to any transaction entered into by any Group company, not otherwise disclosed in the attached schedule "C"
- 4) I have acted in good faith as a director of the Group, in the best interests of all shareholders, and where applicable in accordance with authorised powers of attorney.
- 5) I have not directly or indirectly paid or condoned or authorised to be paid any amount for goods or services that might be considered or construed as a bribe or unlawful incentive under the bribery and corruption law of any jurisdiction in which a Group company is incorporated and / or registered.
- 6) I have read and understood the Corporate Governance policy and all other policies of the Company and I have not breached any of these policies; and
- 7) In relation to any agreement between the Company and another party (including consultants, legal advisers, and bankers), I have no knowledge of any conflict of interest either directly, or through the interests that I may represent, or through my duty to shareholders.

B) Please consider and report upon any matter or conflict with respect to any discussions or negotiations with potential equity or joint venture parties or other parties with whom the Company is negotiating or will be negotiating, in the best interests of all the shareholders.

Comment (if any) .....

.....

Yours faithfully

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Director

Encl. Schedules "A", "B", and "C" (strike out as appropriate)