

Global Anti-Corruption Policy

CHAPTERS

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PREFACE FROM THE EXECUTIVE DIRECTOR

Bribery is a crime. It carries strict penalties for both the companies and the employees involved, who also may suffer from disciplinary measures. The position of Strategic Minerals Spain as far as bribery and corruption is clear: this company does not tolerate any type of offer, payment, authorization, request or acceptance of bribes.

At Strategic, our success is based on our reputation of being honest and serious when it comes to business, which should be the two main pillars of any company wanting to become a leader in its industry in the coming years. Many of our investments and commercial relationships will last much longer than people, governments or even political systems. The benefits of doing business with inappropriate means will lose their value when compared to the damage that they represent for Strategic Minerals Spain's long-term commercial objectives and reputation.

It is essential that you read and respect the spirit and content of our principles and procedures, as described in this policy, when acting on behalf of Strategic Minerals Spain in all jurisdictions. Any questions you may have as to the application of this Policy or any suspected violation, now or in the future, of this Policy or anti-corruption laws must be filed or notified as indicated below.

CEO

OBJECTIVES OF THIS DOCUMENT

The purpose of this Policy is to help you, as an employee of Strategic Minerals Spain (SMS), fill your role so that the company can achieve its long-term objectives.

One of the goals in having this Policy is to make sure that all of our staff and, when necessary, our commercial partners are familiar with the laws and regulations on bribery and other types of corruption, and that they follow them.

We also propose a broader, more essential goal. We want each of you to understand and adopt “Strategic culture”. Basically, and above all the subtleties in each country's legal interpretation, this culture requires that we meet the highest ethical principles at any given time. Our purpose is not only to establish a set of standards that ensures all laws and regulations are followed, but also to maintain and develop a culture of compliance and ethical conduct within Strategic Minerals Spain itself.

Individual responsibility

Our philosophy is to give everyone who works for Strategic the responsibility for establishing their own commercial relationships and business. That responsibility carries with it the obligation of acknowledging the fact that each person's behavior affects Strategic as a whole, and its reputation, so it is imperative that we follow the principles in this Policy in all of our business agreements.

Corporate Ethics Committee

Laws vary from one country to the next. Sometimes, executives and employees are faced with situations where they have doubts and cannot determine whether they are acceptable or not. Because we know what kind of difficulties executives and employees might face, we have created a Corporate Ethics Committee (“CEC”) and have placed corporate ethics executives in each of our offices.

The CEC has the following tasks: permanently develop and review the policies and principles of Strategic Minerals with a focus on questions of corporate ethics, and other related compliance questions, establish and evaluate the procedures, reports, agreements, confirmations and forms needed to implement these policies and principles (“SMS Guidelines for Due Diligence with Third Parties”) and receive new information and reports from the Corporate Ethics Sub-Committee.

The contact information for all Corporate Ethics Committee members can be found in the “Compliance” section of the SMS intranet.

Corporate Ethics Sub-Committee

The Corporate Ethics Sub-Committee meets regularly and as needed to address issues affecting the company's reputation, such as compliance matters related to third parties and due diligence in commercial endeavors.

How to present a concern

If you suspect that a certain behavior or proposed action could be improper or violate any laws or regulations on bribery and other corrupt payments, you should share your concern with your supervisor, manager or the appropriate Compliance officer, whose information can be found in the “Compliance” section of the SMS intranet.

1. INTRODUCTION

This Policy establishes the standards and guidelines for the companies that are part of the Strategic Minerals Spain Group as regards the prevention of bribery.

It applies to all marketing activities and industrial operations at SMS. It also applies to all full-time and temporary employees, directors and executives, and contractors (when they have a related contractual obligation) and, to the extent that this Policy includes them, all “people associated” with SMS and their employees.

For the purposes of this Policy, “people associated” means any individual or company acting on behalf of SMS or that provides a service for or on behalf of SMS in any capacity. A typical example is a sales representative, but the advisors, consultants, brokers and partners of a joint venture can also be considered as associated people. SMS employees must take all measures necessary to ensure that associated people comply with this Policy as much as possible. It is also important for our interaction with these groups to be appropriately documented, with sufficient proof and transparency.

This Policy, the SMS due diligence guidelines for third parties and other SMS guidelines that are related also establish additional specific requirements, such as the due diligence procedures and the requirement for contractual endeavors to involve these principles.

If you have any questions about this policy or are not sure how to act in a certain situation, consult with your supervisor, manager or the appropriate compliance officer, whose information can be found in the “Compliance” section of the Strategic Minerals Spain intranet.

2. WHAT IS CONSIDERED BRIBERY?

Bribery is a form of corruption. Simply put, bribery is any improper use of power for one's own benefit.

Anytime someone offers, provides, requests or receives a financial or other advantage from someone as an incentive or compensation for that person to do their job inappropriately or, if that person accepts, for misconduct. In some jurisdictions, the simple act of giving any value or advantage to an employee or individual hired as an agent might be considered bribery, when there is a risk of that person hiding their acceptance from the employer.

Bribes may include money, or an offer, promise or gift of value or advantage. It doesn't have to be something expensive. It could include entertainment, trips, incentive programs, the approval of bonuses, a job offer, an overpayment to government suppliers or reimbursements or "illegal commission" for services provided to Strategic Minerals Spain. Bribes can also be intangible benefits, such as information, advice or help in conducting some business transaction or to obtain another benefit or advantage.

In this policy, "relevant role" can be any public role, any activity related to business, any activity carried out by someone while they are a company employee and any activity carried out for or on behalf of a group of people (for example, a company). Any of these roles will be considered as having been carried out inappropriately when the outcome does not match what any reasonable person would expect for any applicable requirement in good faith, impartiality or any amount of trust that this person might have.

It should be emphasized that specific rules for dealing with public officials do apply. In this context, any act of offering or providing a public official with a financial advantage or other type, in order to influence (or with the intention of influencing) their official capacity in any way to obtain some advantage is also considered a bribe. This could also include influencing the public official to do something that is within the scope of their public duties or that could have been done anyway.

For these purposes “public officials” includes the following people, among others:

- any official, employee or representative of a “government authority”, or any other person in some way holding an official capacity with or on behalf of a government authority;
- for these purposes, “government authority” includes national and local government institutions, associations, companies or companies owned or controlled by the government, and supranational organizations;
- legislators or administrative/judicial officials;
- officials or people who hold a position
- with a political party or political candidates; or
- people who in some other way exercise a public role for or on behalf of any country.

Article 3 of this Policy briefly describes how the various laws in effect should be applied to the business deals that are made on behalf of Strategic Minerals Spain every day. If you are still not sure or have any other question, consult with your supervisor, manager or appropriate Compliance officer, whose information can be found in the “Compliance” section of the Strategic intranet.

3. PRACTICAL APPLICATION OF BRIBERY LAWS

The criminal and civil prohibitions on bribery mean that the following standards and principles must always be followed, in addition to the company being aligned with the ten principles of the United Nations Global Compact and more specifically in this regulation with principle number 10, on corruption in companies.

3.1. BRIBERY

All executives, employees and people associated with SMS should never request, accept, offer, provide or authorize bribes with third parties of any type or anything that could be perceived as a bribe, directly or indirectly or in any other way. No executive, employee or person associated with SMS may perform their duties in any inappropriate way expecting to receive a bribe or because they have received one.

All executives, employees and people associated with Strategic have the responsibility to know what is permitted in the country where the deal is being made as far as benefits provided and received by them themselves or on their behalf. This also includes knowing whether the person they happen to be involved with is a public official.

If you have any questions about the details in any anti-corruption law that could potentially apply, consult with your supervisor, manager or the appropriate compliance officer, whose information can be found in the “Compliance” section of the Strategic Minerals Spain intranet.

3.2. FACILITATION PAYMENTS OR “GREASE” PAYMENTS

A public official may offer to facilitate or expedite a process that he is obligated to carry out, like issue permits, licenses or other official documents, process governmental documents, such as visas or work orders, provide police protection, withdraw and deliver mail, provide public services and handle loads, in exchange for a small payment. These payments are called facilitation payments or “grease” payments and should not be made.

If you are not sure whether the payment requested or proposed could be considered a facilitation payment or if you have any other questions about facilitation payments, consult with your supervisor, manager or the appropriate Compliance officer, whose information can be found in the “Compliance” section of the SMS intranet.

3.3. EXTORTION

SMS and its executives, employees and associated people must refuse any direct or indirect request for bribery of third parties (for example, public officials), even when being extorted with unfavorable actions.

SMS acknowledges that, on very rare cases, the act of not accepting the bribery payment may put the employee's well-being and safety in danger. If you find yourself in this situation, you should not put yourself at any risk and should take whatever measures you think are reasonable for your safety. You should immediately report any situation like this to the appropriate Compliance officer.

3.4. GIFTS AND ENTERTAINMENT

Exchanging gifts and offering entertainment can be a display of goodwill and trust in relationships with other parties and business partners. However, it is important for you to always follow the guidelines below.

3.4.1. GENERAL REQUIREMENTS

Executives, employees and people associated with SMS may give and receive gifts and offer legal and appropriate commercial entertainment throughout their work for SMS, as long as those gifts and entertainment meet the general principles established in this Policy, and certainly as long as they are not going to be received with any intention or expectation of influencing decisions or other behaviors of the recipient.

Every time that you think about offering, accepting or giving gifts or offering entertainment (such as food, charity and sports events, parties and concerts), you should make sure that those gifts and entertainment:

- are shared in good faith, occasional, appropriate and reasonable;
- adhere to all applicable laws, including any that may apply to public officials or government authorities; are never cash payments;
- are a normal business courtesy (like paying for a meal or a shared taxi);
- cannot be reasonably or any other way considered as a bribe (meaning that they were offered, given, authorized, requested or received as an incentive or compensation for the recipient improperly performing a duty, or that person offering, giving, requesting or receiving it did so inappropriately);
- In those cases where gifts or entertainment is provided, they must be approved and personally verified to be in line with the policies and procedures for Strategic Minerals' business expenses;

3.4.2. IF YOU HAVE ANY QUESTIONS

If you are offered a gift or entertainment and you are not sure whether it is appropriate or not, consult with your supervisor, manager or appropriate Compliance officer, who will determine how to proceed. According to the circumstances and once you have spoken with your superior or respective Compliance officer, you may:

- keep the gift;
- donate it to a charity of your choice;
- turn it over to SMS; or
- return it to the person who gave it to you.

3.5. INTERMEDIARIES

When used in this Policy and the SMS Guidelines for Due Diligence with Third Parties, the word “intermediary” refers to any third party hired by or on behalf of SMS to assist in obtaining and/or maintaining business deals. Intermediaries may include, for example, specialized agents, consultants and advisers.

Using intermediaries does not exempt you or SMS from your responsibility, since the actions that they perform to assist with SMS business could legally implicate Strategic Minerals Spain.

In the SMS Guidelines for Due Diligence with Third Parties, which form part of this policy, specific guidelines are provided for the fundamental criteria and procedures for designating intermediaries. In summary, these guidelines describe the due diligence required for SMS to hire intermediaries. They also clearly stipulate that the intermediaries must be familiar with SMS anti-corruption standards and guidelines. If they do not follow these principles, we cannot use their services.

If you are not sure whether this Policy or the SMS Guidelines for Due Diligence with Third Parties apply to hiring a particular third party, consult with the appropriate Compliance officer.

3.6. JOINT VENTURES AND COMMERCIAL PARTNERSHIPS

For this policy, “joint venture” refers to any business agreement between SMS and one or multiple entities (or “joint venture partners”). It thus includes a specific business arrangement or profit-share in a business endeavor, based on an earnings and participation agreement.

The members of a joint venture and other commercial partners should act with integrity and never pay or receive bribes on behalf of Strategic Minerals Spain.

The members of a joint venture and other commercial partners should make a guarantee to SMS that they will comply with all applicable anti-corruption laws. If they do not, SMS could suffer, since any acts of the members of the joint venture could legally implicate SMS.

In some cases, the commercial partners might ask SMS to collaborate with them on an important public project or other projects within a given area, such as capacity building or developing local infrastructure (like building a school or stadium in the town). These practices are called community investment projects.

The relationship that SMS has with these joint venture members, commercial partners or other third parties for any community investment project agreement should first be subjected to the appropriate due diligence and recorded in writing and in detail.

Based on the degree of corruption risk that a certain joint venture, commercial association or community investment project could present, and based on the identity of the member in question and the nature of their activities, they may be required to go through additional, more specific due diligence processes, such as obtaining anti-corruption certificates, before SMS will agree to participate with these joint ventures, commercial partners or those who are parties to the community investment project agreements. If you are not sure about the degree of due diligence and the format and content required for anti-corruption certificates, consult with the appropriate Legal Affairs and Compliance officers.

3.7. PURCHASING AND PROCUREMENT

All contractors, suppliers and commercial partners should be procured through a fair and formal process, which includes written anti-corruption requirements when applicable.

You should make sure that the activities and transactions that they conduct have proper authorization, that they are recorded correctly and that they are carried out in accordance with SMS policies and applicable anti-corruption laws.

Purchasing and procurement decisions should be based on the potential for obtaining the best value, taking characteristics such as price, quality, yield, competence, compliance and suitability (including sustainability criteria) into account. No executive or employee may request or accept any financial or other advantage that is offered, provided, authorized, requested or received as an incentive or compensation for inappropriately meeting their obligations related to making purchasing or procurement decisions.

Executives and employees must be aware and consider the risks that any potential purchasing or procurement partner might pose. If you are not sure whether procuring a certain third party might violate the principles established in this Policy, particularly in reference to “warning” incidents, described in article 4.2 below, you should share your concerns with your supervisor, manager or appropriate Compliance officer.

3.8. POLITICAL CONTRIBUTIONS

3.8.1. POLITICAL CONTRIBUTIONS MADE BY OR ON BEHALF OF STRATEGIC MINERALS SPAIN

As part of our corporate principles, we at SMS do not allow any funds or resources to be contributed to political campaigns, political parties, political candidates or organizations affiliated with trying to obtain a certain business deal or other advantage in the course of their activities. SMS will not make any charitable donations as an alternative to political payments.

Any political donation made in the name of SMS must fully comply with all applicable laws (including public disclosure requirements). The SMS Guidelines for Due Diligence with Third Parties, which form part of this policy, describe the fundamental criteria and procedures for making political contributions.

3.8.2. PERSONAL POLITICAL CONTRIBUTIONS FROM EMPLOYEES AND OTHER INDIVIDUALS

SMS executives and employees may make political contributions on their own behalf and participate in any political activity they like during their free time. However, since they are also SMS employees and their activities might sometimes conflict with SMS activities, they should:

- not use company time, property and equipment to carry out or promote their personal political activities;
- always make it clear that those points of view and actions are their own and not those of SMS; and
- not accept any compensation for their contributions from SMS.

3.9. CHARITABLE DONATIONS AND SPONSORSHIP

SMS and its executives, employees and associated people may only make charitable donations or sponsorships on behalf of SMS for charity in good faith (for example, for a charitable or other non-profit organization where SMS does not receive or expect to receive any tangible benefit).

However, charitable donations must follow all laws and applicable regulations. The SMS Guidelines for Due Diligence with Third Parties, which form part of this policy, describe the fundamental criteria and procedures for making charitable donations. No charitable donations or sponsorships should be made as an alternative to political contributions.

3.10. LOBBIES

Even though SMS does not directly participate in political parties, it does participate in the political debates on themes that are of genuine concern to its business, employees, customers and end users, and the communities where it conducts its activities.

All executives, employees and people associated with SMS who lobby for SMS must meet all of the requirements established in applicable laws and regulations (including, among others, laws and regulations on records and reports). The SMS Guidelines for Due Diligence with Third Parties, which form part of this policy, describe the fundamental criteria and procedures for lobbying on behalf of SMS.

3.11. DOCUMENT RETENTION

Each company in the Strategic Group must keep a record of the following:

- Any and all due diligence performed for the procurement of intermediaries, commercial partners and other contractors, for purchases, for participation in joint ventures and in community investment project agreements; as described in this Policy and all respective approvals.
- A record of any denial or approval of procuring intermediaries, commercial partners and other contractors, for purchases, for participation in joint ventures and in community investment project agreements; for denials, include a summary of the reasons.

All transactions must be recorded accurately and properly in SMS books and records; as described in the current SMS internal control requirements.

All SMS employees must keep accurate records of any trips, hotel stays, entertainment, gifts or other approved expenses, with receipts, that they have incurred or received on behalf of SMS. Employees must submit these records and receipts to the accounting department as scheduled.

The SMS procedures for opening and closing bank accounts must also be strictly complied with, so as to keep adequate control over outgoing funds.

4. COMPLAINTS TO STRATEGIC MINERALS SPAIN

If you suspect that a payment has been made or received, or a certain course of action taken, that could violate anti-corruption laws or the principles in this policy, or if you suspect that you are committing or might violate anti-corruption laws, you should notify your supervisor or manager (as long as they are not the object of your suspicion or concern) or contact the appropriate Compliance officer, whose information can be found in the “Compliance” section of the Strategic Minerals Spain intranet, or send an email to codeofconduct@strategicminerals.com.

4.1. IMMUNITY

No employee shall be demoted to a lesser position or subject to any penalty or other disciplinary measure for notifying us of any suspicions regarding this policy or for refusing to pay a bribe, including when it could implicate a loss of business for Strategic Minerals Spain.

4.2. STATE OF AWARENESS

All executives, employees and people associated with SMS should always be aware of potential corrupt situations, such as:

- a customer, agent or other associated person who has a close personal or professional relation (perhaps an employee, contractor, associate, relative or acquaintance) to a government, public official or other relevant third party (like a potential customer) or a company that is owned by the government, a public official or other relevant third party;
- a customer, agent or other associated person recommended by a public official or other relevant third party (like a customer);
- unusual or suspicious requests, like payments in cash, urgent, unusual or unjustified payments, or payments to use fake businesses or blind trustees for any transaction;
- significant travel allowances or payments for luxurious entertainment for third parties;
- lack of transparency in expenses and accounting records by an agent or other associated person;
- lack of the infrastructure that would typically be expected from an associated person who renders services on behalf of SMS;
- verify references for a customer, agent or other associated person who is discovered to have a questionable history and/or poses concern about their integrity;

- a third party's refusal to accept anti-corruption provisions in the agreements or provide details about the services they provide or have provided on behalf of SMS;
- someone requesting the preparation of or signing false or inaccurate documents, and any indication that they have deliberately omitted information from SMS records;
- statements that should serve as a warning (like when an associated person boasts about their connections or suggests that you shouldn't ask how they get things); and
- commercial operations in a country or region with a history of corruption.

One or many incidents like this does not necessarily prevent SMS or any other associated person from following a certain business opportunity. However, you should consult the appropriate Compliance officer and, if they find it necessary, they should dig deeper or conduct due diligence processes to understand any action taken regarding suspicious transactions, requests or other matters involving funds.

5. TRAINING

All relevant SMS executives and employees (both full-time and temporary) will receive regular training for this and other policies and procedures. New executives and employees will also receive this training as part of their orientation.

The scope and nature of this training will be defined by the given business unit and will reflect the risks that the employees in that unit face.

The appropriate Compliance or Human Resources officer will keep a record of all training sessions attended by executives and employees.

6. VIOLATION OF ANTI-CORRUPTION LAWS OR THESE STANDARDS AND GUIDELINES

SMS believes that any violation of an applicable anti-corruption law or of the standards and guidelines in this Policy and the SMS Guidelines for Due Diligence with Third Parties should be taken very seriously. If there are reasonable motives demonstrating deliberate or dangerously negligent conduct, the employee may be fired. SMS does not hesitate from referring to the law. However, violations will be investigated objectively and the people involved will have the right to explain themselves.

Any SMS employee who violates applicable anti-corruption laws may also be subject to civil and/or criminal action. The commercial relationship that Strategic has with people who are not its employees that violate this Policy will be terminated.

The purpose of SMS' internal audit is to periodically review the non-financial risk, and it includes reviewing compliance records kept by the business units.



