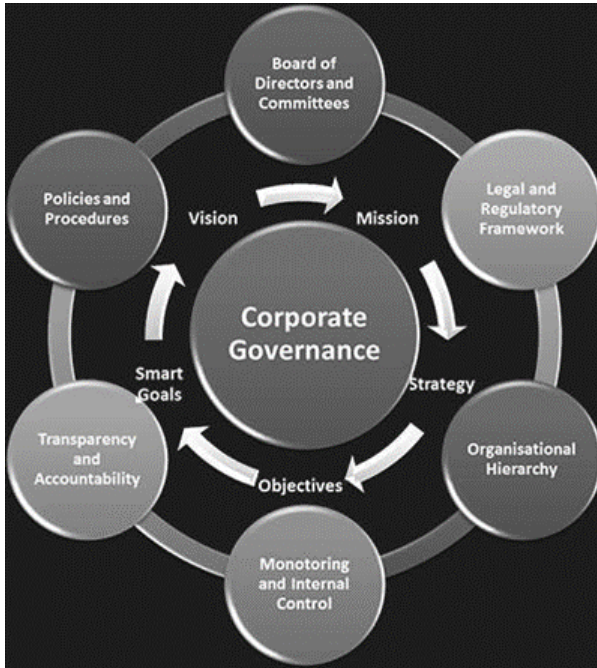


## CORPORATE GOVERNANCE

### PREFACE

The Board acknowledges the importance of its continuing obligations and ongoing regulatory considerations for a main market company to include the requirements of the UK Listing Authority (UKLA) and the London Stock Exchange's admission and disclosure standards.



### CORPORATE GOVERNANCE PROCEDURES

Since the Company is listed on the standard segment of the Official List, it is required to comply with listing rules. The Board of Directors includes three Non-Executive Directors and has established an Audit Committee that meets at least twice a year and a Remuneration Committee that meets at least once a year. In addition, the Company has entered into a relationship agreement with its controlling shareholders.

The Board of Directors of AltynGold Plc comprises a Chairman, three Executive Directors and three Non-Executive Directors. The current Directors, together with their biographical details, are set out in the "Board" section. The Directors are responsible for formulating, reviewing and approving the Group's strategy, budgets, major items of capital expenditure and senior personnel appointments.

### BOARD STRUCTURE AND ITS COMMITTEES

The Board comprises the Chairman, Chief Executive Officer, an Executive Director, Chief Financial Officer and Executive Director and three Non-Executive Directors. The Board meets regularly throughout the year and whenever issues arise that require the attention of the Board. The Chief Executive Officer conducts Board and shareholder meetings and ensures that all Directors are properly briefed. The Directors are responsible for formulating, reviewing and approving the Company's strategy, budgets (including for major items of capital expenditure) and appointments of senior personnel.

The Directors have access to independent professional advice at the Company's expense and to the Company Secretary. At each Annual General Meeting, one third of the Directors must retire by rotation, whereupon they can offer themselves for re-

<b>CONTROLLING SHAREHOLDERS</b>	Kanat Assaubayev Chairman
	Aidar Assaubayev Chief Executive Officer
	Sanzhar Assaubayev Executive Director
	Maryam Buribayeva Chief Financial Officer and Executive Director



election if eligible. The Directors have responsibility for the overall corporate governance of the Company and recognise the need for the highest standards of behavior and accountability.

The Directors are committed to the principles underlying best practice in corporate governance and intend to comply with the principles of the Code to the extent they consider appropriate for a company of a size and nature similar to the Company. The Board has a wide range of experience directly relevant to the Company's business. The structures and procedures of the Company ensure that no individual or group dominates the decision-making. The Company has established an Audit Committee and a Remuneration Committee.

<b>INDEPENDENT MANAGEMENT</b>	Ashar Qureshi Non-executive Director
	Vladimir Shkolnik Non-executive Director
	Andrew Terry Non-executive Director

**POLICY ON EXECUTIVE DIRECTORS**

The Company operates within a competitive environment and its performance depends on the individual contributions of the Directors and employees.

Executive remuneration packages are designed to attract, motivate and retain Directors of the calibre necessary to manage the Company's operations and to reward them for enhancing shareholder value. The performance review of the Chief Executive Officer and the determination of his annual remuneration package is undertaken by the Remuneration Committee.

- (a) Basic annual salary;
- (b) Health insurance for the Executive Director and his family;
- (c) Share options and;
- (d) Bonuses.

The Remuneration Committee establishes the performance levels required for a bonus to be paid or share options to be exercisable. The Remuneration Committee believes that the award of any bonuses should be tied to the interests of the Company's shareholders. The Chief Executive Officer may participate in share incentive schemes recommended by the Remuneration Committee.

**REMUNERATION COMMITTEE**

The Remuneration Committee currently which meets as required, is responsible for determining the contract terms, remuneration and other benefits of the Executive Directors.

The remuneration of Non-Executive Directors is determined by the Board within the limits set out in the articles of association. None of the Committee members has any personal financial interest in the matters to be decided (other than as shareholders), potential conflicts of interest arising from cross-Directorships, or any day-to-day involvement in running the business. The Committee has access to professional advice from inside and outside the Company at the Company's expense.



## **AUDIT COMMITTEE**

The Audit Committee's prime tasks are to review the scope of the external audit, to receive regular reports from the Company's auditor and to review the half-yearly and annual accounts before they are presented to the Board, focusing in particular on accounting policies and areas of management judgment and estimation.

The Committee also considers annually the need for an internal audit function. It advises the Board on the appointment of external auditors and on their remuneration for both audit and non-audit work, and discusses the nature and scope of the audit with the external auditors.

The Committee is responsible for monitoring the controls which are in force to ensure the integrity of the information reported to the shareholders. The Committee acts as a forum for discussion of internal control issues and contributes to the Board's review of the effectiveness of the Company's internal control and risk management systems and processes.

The Committee, which meets formally at least twice a year, provides a forum for reporting by the Company's external auditors. Meetings are also attended, by invitation, by the Company's Chairman, Chief Executive Officer and Chief Financial Officer.

## **ANNUALLY FORMAL ASSESSMENT PROCEDURE**

1. a review of non-audit services provided to the Company and related fees;
2. discussion with the auditors of a written report detailing all relationships with the Company and any other parties that could affect independence or the perception of independence;
3. a review of the auditors' own procedures for ensuring the independence of the audit firm and partners and staff involved in the audit, including the regular rotation of the audit partner;
4. obtaining written confirmation from the auditors that, in their professional judgement, they are independent.

## **QUORUM**

The quorum necessary for the transaction of business by the Committee is two. In the event that a meeting of the Audit Committee is required but a quorum might not be secured, an existing member of the Audit Committee shall be empowered to appoint an additional Non-Executive Director(s) to attend such meeting.

## **MEETINGS**

Meetings shall be held at least two times a year, and also at such other times as the Chairman of the Committee requires. Only members of the Committee have the right to attend. Other non-members may be invited. Members may participate in a meeting by means of a conference telephone, video conferencing facility or other suitable communicating equipment. The Secretary shall minute the proceedings and resolutions of all meetings as well as keep appropriate records. Minutes of the meetings shall be circulated promptly to all members of the Audit Committee.

## TERMS OF REFERENCE

The duties of the audit committee as follows:

*To ensure:*

1. that due consideration is given to laws and regulations, the provisions of the Code (as amended from time to time) and the requirements of the UK Listing Authority's Listing Rules as appropriate, including the requirement for explanation in the event of any permitted non-compliance with the provisions of the Code;
2. that the external auditors' comply with relevant ethical and professional guidance on the rotation of audit partners, the level of fees paid by the Company compared to the overall fee income of the firm, office and partner and other related requirements;
3. that there are no relationships (such as family, employment, investment, financial or business) between the external auditors and the Company (other than in the ordinary course of business);
4. that a tendering process in respect of the external auditor contract is conducted at least every 5 years;
5. the maintenance of a sound system of internal control and risk management
6. that the Committee reports annually to the Board on how it has discharged its' responsibilities;
7. that the Committee's terms of reference are made publicly available.

*To review:*

1. and monitor the integrity of the financial statements of the Company, including its annual and interim reports, preliminary results announcements and any other formal announcement relating to its financial performance, and discuss with the auditors as appropriate, including the consideration of representation letters requested by the external auditors prior to signing by management;
2. annually, the external auditors qualifications, expertise and resources, their independence and objectivity and the effectiveness of the audit process; and
3. annually, the Company's internal controls (including financial, operational and compliance controls) and risk management systems as well as the policies and procedures for preventing and detecting fraud.

To approve a statement for inclusion in the annual report on its duties and activities.

*To recommend to the Board:*

1. the approval of the financial statements of the Company, including its annual and interim reports, and any other formal announcement relating to its financial performance;
2. for approval at the AGM, the appointment, re-appointment and removal of the Company's external auditors. The Audit Committee shall oversee the selection process for new auditors, and if auditors resign the Audit Committee shall investigate the issues and circumstances leading to this and decide whether any action is required;
3. the external auditor to this and decide whether any action is required; and the start of each audit (ensuring that it has been updated to reflect changes in the circumstances arising since the previous year) and the scope of the audit.

## TERMS OF REFERENCE FOR REMUNERATION COMMITTEE

### 1. Membership

- 1.1. The Committee is appointed by the Board from amongst the independent Non-Executive Directors. A quorum shall be two members present in person, by telephone, audio or video link or similar real time communication facility, while recognising that wherever possible there should be a minimum of three members attending in line with current best practice. The Board shall appoint any member of the Committee (other than the Chair of the Board), which save in exceptional circumstances shall be a member who has served on the Committee for at least 12

months, to act as Chair.

- 1.2. The term of appointment to the Committee shall be three years. Members may be reappointed after their initial term for up to two further periods of three years provided that they continue to be independent. The Chair of the Committee will not normally remain in post beyond nine years from their first appointment to the Board.
- 1.3. Membership shall be reviewed annually as part of the annual performance evaluation of the Committee.
2. **Attendance** Only members of the Committee have the right to attend Committee meetings.
  - 2.2. The Chair of the Board, if he or she is not a member of the Committee, and the Chief Executive shall have the right to address any meeting of the Committee, and other individuals may attend for all or part of any meeting by invitation of the Chair of the Committee.
  - 2.3. No individual may participate in deliberations in which their remuneration is being directly discussed or in decisions which directly affect their personal remuneration.
  - 2.4. The Secretary of the Company shall act as Secretary to the Committee.
3. **Frequency of Meetings**
  - 3.1. The Committee shall meet at least twice a year and at such other times as the Chair of the Committee shall require.
  - 3.2. Meetings of the Committee shall be called by the Secretary to the Committee at the request of the Committee Chair.
  - 3.3. The Secretary shall be responsible for circulating information and papers in a timely manner to enable the Committee to give proper consideration to issues.
4. **Minutes of Meetings**
  - 4.1. The Secretary shall keep appropriate minutes of the Committee's proceedings, including the names of those present and in attendance.
  - 4.2. Draft minutes shall be circulated promptly to all members of the Committee and once approved will be circulated to all members of the Board unless it would be inappropriate to do so.
  - 4.3. A resolution in writing signed by all Committee members will be as effective as a resolution passed at a Committee meeting.
5. **Authority**
  - 5.1. The Committee has delegated authority from the Board in respect of the functions and powers set out in these terms of reference. In performing its duties, the Committee may:-
    - 5.1.1. take such internal and external advice as it considers appropriate to determine any aspect of remuneration, terms of service and incentives.
  - 5.2. The Committee may appoint remuneration consultants and/or commission and/or purchase such reports, surveys or information as may be necessary to allow it to perform its duties. In doing so, it shall determine the terms of reference and engagement of external advisers including remuneration consultants, and shall ensure appropriate disclosures relating to such advisers and consultants are included in the Company's annual remuneration report, including whether they have any other connection with the Company or individual directors.
6. **Responsibilities** The role of the Committee is to assist the Board to fulfil its responsibility to shareholders to ensure that the remuneration policy and practices of the Company reward fairly and responsibly, with a clear link to corporate and individual performance, having regard to statutory and regulatory requirements. In particular, the Committee shall: determine the Company's remuneration policy for the remuneration of the Chair of the Board, the Executive Directors and senior management;

- 6.2.2.** in determining the policy, consider and comply with all relevant legal and regulatory requirements from time to time, and with the provisions and recommendations of the UK Corporate Governance Code and the FCA's Listing Rules and associated guidance.
- 6.2.3.** in determining the policy, and when determining annual remuneration, ensure that, without paying more than is necessary, it:
- i. is designed to achieve an appropriate balance between fixed and performance-related remuneration, and immediate and deferred remuneration;
  - ii. is designed to incentivise attract, retain and motivate individuals of the quality required to promote the long term success of the Company;
  - iii. rewards individuals in a fair and responsible manner for their contributions to the success of the Company, linking rewards to corporate and individual performance and driving behaviour that is consistent with the Company's purpose, values and desired culture;
  - iv. gives the Committee discretion to override formulaic outcomes that might otherwise reward poor performance and recover or withhold sums in circumstances where it has specified it would be appropriate to do so;
  - v. is linked to the business strategy of the Company and its long term strategic goals;
  - vi. takes into account wider workforce remuneration and related policies; and
  - vii. is aligned with the Company's risk appetite, risk management strategy, risk policies and systems.
- 6.3.** The Committee shall be responsible for ensuring:
- 6.3.1.** that the remuneration policy is submitted to shareholders in general meeting, and for periodically reviewing its ongoing appropriateness and relevance. In doing so, it shall have regard to the views of shareholders and other stakeholders and (through the Chair) maintain contact as required and engage with its principal shareholders and institutional investors about remuneration; and
- 6.3.2.** that the annual report contains a clear description of its work, how it has addressed the requirement to engage with shareholders and the wider workforce in relation to remuneration matters, and includes relevant pay ratios in accordance with current regulation.
- 6.4.** The Committee shall ensure that all payments or proposed payments to directors are consistent with the latest remuneration policy approved by shareholders from time to time;
- 6.5.** The Committee will be responsible for setting remuneration policy and monitoring the level and structure of remuneration for the Executive and senior management below Board level.
- 6.6.** The Committee will:
- 6.6.1.** approve the design of, and determine targets for, any performance related pay schemes operated by the Company and approve the total annual payments made under such schemes, ensuring that such performance-related elements are transparent, stretching and rigorously applied;
- 6.6.2.** review the design of all long term incentive plans for approval by the Board and shareholders; determine each year whether awards will be made, and if so, the overall amount of such awards, the individual awards to each Executive Director and participant from senior management, and the performance targets to be used, and monitor the amount of such awards to be made to these participants, and the performance targets to be used;

- 6.6.3. design agreed safeguards, for example, clawback, to protect against rewarding failure, and adopt appropriate risk management of incentive arrangements to ensure performance-related payments reflect actual achievement;
- 6.6.4. determine the policy for, and scope of, pension arrangements for each Executive Director and senior manager and the level of contributions by the Company, and monitor the pension arrangements for the Executive and senior management. In doing so, it shall have regard to pension contribution rates available to the workforce;
- 6.6.5. ensure that contractual terms on termination, and any compensation payments made, are fair to the individual, and the Company, that failure is not rewarded and that the duty to mitigate loss is recognised;
- 6.6.6. within the terms of the agreed remuneration policy and in consultation with the Chair and/or Chief Executive as appropriate, determine the total individual remuneration package of each Executive Director including base salary, bonuses, incentive payments and share options or other share or share-based awards;
- 6.6.7. review and note annually the remuneration trends across the Group and have regard to these when setting remuneration, especially when determining annual salary increases;
- 6.6.8. oversee any major changes in employee benefits structures throughout the Group;
- 6.6.9. agree the policy for authorising claims for expenses from directors; and
- 6.6.10. ensure proper disclosure of remuneration as set out in the Large and Medium sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 and the Companies Act 2006 and any other relevant regulations which may come into force from time to time.
- 6.7. in carrying out their responsibilities, each member of the Committee shall act in a way which he or she considers, in good faith, to be most likely to promote the success of the Company for the benefit of its members as a whole.
- 6.8. The remuneration of the Non-Executive Directors (other than the Chairman) is a matter for the Board.
- 7. Reporting and Evaluation Procedures**
- 7.1. The Committee Chair shall report formally to the Board on its proceedings after each meeting.
- 7.2. The Committee shall review its own performance, constitution and terms of reference, at least once a year, to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.
- 7.3. The Committee Chair shall liaise with the Chief Executive on Remuneration Committee matters, and may also seek information from the Secretary and other members of senior management. Where it seeks advice and assistance from any such person, the Committee will take steps to address any potential conflict of interest and to ensure that this role is distinct from that person's role within the business.
- 7.4. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed, and shall work and liaise with other Board Committees as necessary
- 7.5. The Committee shall report annually on the Company's remuneration policy and practices which will form part of the Company's Annual Report for submission as appropriate to shareholders at the Company's AGM
- 7.6. The Chair of the Committee shall attend the Company's AGM and shall be available to answer



questions from shareholders.

7.7. The Terms of Reference shall be made available to shareholders by being placed on the Company's website.

**8. Other matters**

8.1. The Committee shall have access to sufficient resources in order to fulfil its duties, including access to the Company Secretariat as required;

8.2. The Committee shall be provided with appropriate and timely training, both in the form of an induction programme for new members and on an on-going basis for all members.



## **DIRECTORS' REMUNERATION POLICY**

The Policy is intended to apply for three years from the approval of the Policy.

The Committee has established the Policy on the remuneration of the Executive Directors and the Chairman. The Board has established the Policy on the remuneration of the other Non-Executive Directors.

### **Executive Director Remuneration Policy**

#### **Remuneration strategy**

The Company's remuneration strategy is to provide a remuneration framework based on the following principles:

1. Attract, motivate and retain Executive and senior management in order to deliver the Company's strategic goals and business plans.
2. Encourage and support a culture that delivers good customer outcomes and which adheres to FCA best practice.
3. Reward delivery of the Company's business plan and key strategic goals.
4. Adhere to the principles of good corporate governance and appropriate risk management
5. Align employees' interests with the interests of shareholders and other external stakeholders

The current remuneration structure will continue to support and motivate our Executive Directors in furthering the Company's long-term strategic objectives including the creation of sustainable shareholder returns.

#### **Remuneration Policy**

##### *Base salary*

1. To provide competitive fixed remuneration that will attract and retain key employees and reflect their experience and position in the Group.
2. Salaries are reviewed annually. When determining the salary of the Executives the Committee takes into consideration: the levels of base salary for similar positions with comparable status, responsibility and skills, in organisations of broadly similar size and complexity; the performance of the individual Executive Director; the individual Executive Director's experience and responsibilities;
3. A broad assessment of individual and business performance is used as part of the salary review. No recovery provisions apply

##### *Benefits*

To provide competitive benefits and to attract and retain high calibre employees. Currently given the size and development no material benefits are offered. The policy is reviewed on a regular basis.

##### *Pension*

To provide a competitive Company contribution that enables effective retirement planning. Currently given the size and development no material benefits are offered in this regard. The policy is reviewed on a regular basis.

#### *Annual bonus*

Incentivises achievement of annual objectives which support the Group's short-term performance goals and protects longer term interests of the Group. Currently given the size and development no material incentives are offered in this regard. The policy is reviewed on a regular basis.

#### *Long-Term Incentive and performance measures and targets*

Incentivises achievement of long term objectives which support the Group's longer-term performance goals. Currently given the size and development no material incentives and performance targets are offered in this regard. The policy is reviewed on a regular basis.

#### *Executive Director service contracts and payment for loss of office*

When setting notice periods, the Committee has regard to market practice and corporate governance best practice. Executive Directors' service agreements can be terminated by not less than 12 months' prior written notice given by the Executive or by the employer.

#### *Payments for loss of office*

When determining any loss of office payment for a departing Director the Committee will always seek to minimise cost to the Company while complying with the contractual terms and seeking to reflect the circumstances in place at the time. The Committee reserves the right to make additional payments where such payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation); or by way of settlement or compromise of any claim arising in connection with the termination of an Executive Director's office or employment.

#### *Consideration of shareholder views*

The Remuneration Committee takes the views of shareholders seriously and these views are taken into account in setting remuneration policy and practice. Shareholder views are considered when evaluating and setting remuneration strategy and the Committee commits to consulting with key shareholders prior to any significant changes to its Remuneration Policy

#### *Non-Executive Director Remuneration Policy and letters of appointment*

The Board as a whole is responsible for setting the remuneration of the Non-Executive Directors

#### *Fees*

1. Core element of remuneration, set at a level sufficient to attract and retain individuals with appropriate knowledge and experience in organisations of broadly similar size and complexity.
2. Fee levels are sufficient to attract individuals with appropriate knowledge and experience. Non-Executive Directors are paid a base fee. In exceptional circumstances, fees may also be paid for additional time spent on the Company's business outside of the normal duties. Fees are reviewed annually, any increases in fees will be determined based on time commitment and take into consideration level of responsibility and fees paid in other companies of comparable size and complexity. Non-Executive Directors do not receive any variable remuneration element or receive any other benefits`

#### *Expenses*

1. To provide Non-Executive Directors with travel and subsistence expenses.
2. Non-Executive Directors are reimbursed for all reasonable travelling and subsistence expenses (including any relevant tax) incurred in carrying out their duties



*Letters of appointment*

The Non-Executive Directors do not have service contracts but are appointed under letters of appointment. Appointments are reviewed every three years and continued on a rolling basis new appointments are made following recommendation by board.



## THE ANTI-BRIBERY AND CORRUPTION POLICY

This Regulation represents AltynGold plc, (hereinafter the "Company") anti-corruption policy and shall be communicated to the Company's personnel.

### Your Duties:

1. You shall read, understand and ensure compliance with this Policy by signing a confirmation certificate on the last page of this document.
2. In certain cases you shall secure permits, report and register any circumstances. These duties are described in detail in the Policy and include the following:
  - (a) securing a preliminary written permit to accept gifts, entertainment and hospitality, provision of copies of such permits for reimbursement of expenses, and their safekeeping;
  - (b) notifying the management of any request that may be thought of as a demand for a "stimulation payment";
  - (c) registration of any violation of this Policy, any circumstance that may lead to a violation, as well as any situations that pose a risk of bribery.
3. In dealings with persons who provide services on behalf of the Company, as well as with other persons, it is necessary to account for and understand the level of a potential risk of bribery and corruption and, as necessary, take response measures. You must make them aware of our policy of zero tolerance to bribery and corruption.
4. In accordance with the requirements of the Company you must undergo a training as required by this Policy, and assist in ensuring the compliance with, monitoring and review of its provisions.
5. Whenever you are uncertain as to what actions must be taken in any specific situation, you shall consult the person in charge of compliance with regulatory requirements. There may be situations that cannot be resolved through open discussions. We will support anyone who will, in good faith, raises concerns related to the subject of this Policy, even if such concerns turn out to be invalid.
6. For information on reporting or consultations please see the "Useful Contact Information" section in Appendix A.
7. Any director or employee found to be in breach of this Policy shall be subjected to a disciplinary action including termination of employment for gross wrongdoing.

### Bribery

8. In brief, the term "bribery" means the giving or accepting anything in exchange for a "wrongful" act by the recipient of the bribe, though in bribing a public official the recipient does not even need to do a "wrongful" act if the purpose of the bribe was to influence the recipient.
9. Bribery is a criminal offence. In case of a bribery all persons involved and any organization, to which they are related one way or another, shall be subjected to severe punitive sanctions.
10. The Company has adopted a policy of zero tolerance to any form of bribery.
11. This means that all persons related to the Company's activities in one way or another (including all directors, employees, representatives and other persons who provide their service on behalf of the Company) SHALL NOT:



- (a) give (or promise to give or offer) anything to anyone in exchange for an "improper" performance of any job duty; or
  - (b) accept (or demand) anything from anyone in exchange for an "improper" performance of any job duty; or
  - (c) give (or promise to give or offer) anything to a foreign official with an intent to influence such official in the performance of his/her official job duties for the purpose of receiving or maintaining any benefit; or
  - (d) create an unaccounted "yellow-dog fund" for various purposes; or
  - (e) undertake actions that induce, facilitate or allow other persons to do any of the above actions;
12. Appendix B lists all possible situations (or "warning signs") indicating a potential case of bribery.
13. You shall inform the Compliance Officer of the following:
- (a) any and all violations without exception, as well as any potential violations of the requirements of this Regulation; and any circumstances that may lead to such violations in future; and
  - (b) any situations that create a risk of bribery.

**Gifts, Entertainment and Hospitality ("GEH")**

14. GEH is an established and important means of increasing the Company's image, better representation of its products and services or establishing close relationships. Nevertheless, in certain cases, GEO may be likened to a bribery. In order to prevent crossing the "red line" this Regulation establishes (a) the GEH that are never acceptable; (b) the GEH that you may approve yourself; and (c) the GEH that require approval of the Compliance Officer. Where no such approval has been given, it is not allowed to give, promise to give, offer, accept or request any GEH.
15. Each one of you is individually responsible for application of the above rules. If you have any doubts as to their application, please always consult the Compliance Officer and receive his/her approval.



## MONEY LAUNDERING POLICY

1. Policy Statement detailing anti- money laundering and whistleblowing
  - 1.1. It is the policy of Altyngold plc (which includes all Altyngold plc subsidiaries in any jurisdiction) ("**ALTYNGOLD PLC**") to conduct all of its business in an honest and ethical manner. ALTYNGOLD PLC is committed to acting professionally, fairly and with integrity in all its operations, business dealings and relationships worldwide and in implementing and enforcing effective systems to acknowledge its zero-tolerance and the importance of preventing money laundering.
  - 1.2. ALTYNGOLD PLC strongly upholds all laws relevant to preventing money laundering in all of the jurisdictions in which ALTYNGOLD PLC operates. ALTYNGOLD PLC intends to comply with any laws and regulations related to preventing money laundering and all relevant local anti-money laundering regulations.
  - 1.3. This Policy provides information and guidance on how to recognize and deal with money laundering issues.
  - 1.4. Money laundering is generally used to describe the activities of organized criminals converting the proceeds of crime into legitimate activities, thus hiding their true sources. ALTYNGOLD PLC is unlikely to be a prime target for money laundering, however, the size and scope of services provided is such that it is not possible to be wholly immune from the risks surrounding money laundering.
2. To whom is this Policy addressed?
  - 2.1. This Policy applies to all individuals working at all levels and grades within ALTYNGOLD PLC, including senior managers, officers, directors, employees (whether permanent, fixed-term or temporary), consultants, contractors, trainees, seconded staff, home workers, casual workers and agency staff, volunteers, interns, agents and sponsors (the "**Workers**").
  - 2.2. All business partners of ALTYNGOLD PLC are requested to follow the same principles and commitments regarding anti-money laundering and to adhere to the provisions of this Policy at all times while conducting business with ALTYNGOLD PLC.
3. Who is responsible for this Policy at ALTYNGOLD PLC?
  - 3.1. The Management Team has overall responsibility for ensuring that this Policy complies with ALTYNGOLD PLC legal and ethical obligations, and that everyone under control of ALTYNGOLD PLC complies with it.
  - 3.2. The Management team has been given responsibility for advising employees on anti-money laundering issues. The Management team is responsible for carrying out risk assessments, including the assessment of agents, consultants and other business partners.
  - 3.3. The Compliance Officer has primary and day-to-day responsibility for implementing this Policy and for monitoring its use and effectiveness and dealing with any queries regarding its interpretation. Management at all levels are responsible for ensuring that the individuals reporting to them are made aware of and understand this Policy and are given adequate and regular training.
4. Responsibilities and Protection
  - 4.1. You must ensure that you read, understand and comply with this Policy.

- 4.2. The prevention, detection and reporting of money laundering and its other forms are the responsibility of all those working with ALTYNGOLD PLC, for ALTYNGOLD PLC or under the control of ALTYNGOLD PLC. All Workers and business partners are required to avoid any activity that might lead to or suggest a breach of this Policy.
- 4.3. Any transaction, no matter how seemingly insignificant, that might give rise to a violation of this Policy and/or any applicable Anti-Money Laundering Laws must be reported immediately to the Compliance Officer and/or General Counsel.
- 4.4. Any Worker who breaches this Policy will face disciplinary action which could result in dismissal for gross misconduct. We reserve the right to terminate the contractual relationship with Workers or business partners if they breach this Policy.
- 4.5. ALTYNGOLD PLC strives 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.
- 4.6. ALTYNGOLD PLC is committed to ensuring that no one suffers any detrimental treatment as a result of their good faith reporting of their suspicion under this Policy. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. If you believe that you have suffered any such treatment, inform the Compliance Officer and/or Management team immediately.
5. Indicators for suspicion of money laundering activities
  - 5.1. It is not possible to provide an exhaustive list of the ways to spot money laundering or state every scenario in which you should be suspicious. However, the following are examples of possible „indicators of suspicion“ for money laundering activity:
    - (a) transactions which have no apparent purpose, and which make no obvious economic sense;
    - (b) where the transaction being requested by the client/business partner, without reasonable explanation, is out of the ordinary range of services normally requested or is outside the experience of ALTYNGOLD PLC in relation to the particular client/business partner;
    - (c) where the client/business partner refuses to provide the information requested without reasonable explanation;
    - (d) unusual investment transactions without an apparently discernible profitable motive;
    - (e) A client/business partner refuses to proceed with a transaction when asked for identification;
    - (f) the extensive use of offshore accounts, companies or structures in circumstances where the client's/business partner's needs do not support such economic requirements;
    - (g) where, without reasonable explanation, the size or pattern of transactions is out of line with any pattern that has previously emerged;
    - (h) where cash payment been offered by the business partners/clients;
    - (i) where the client/business partner has no physical presence in the relevant country or where business is to be transacted in a country with a poor reputation record;
    - (j) business activities that contradict core brand values;
    - (k) suspiciously close ties to government officials, previous allegations of corruption or unethical behaviour or a lack of proportionality between the proposed work and fees;
    - (l) engage in any activity that might lead to a breach of this Policy.

Workers and business partners should be aware of the red flags listed above to this Policy (*Red Flags*) which may indicate that money laundering is taking place or providing grounds to raise suspicion.



However, this list is not exhaustive, and Workers and business partners should apply common sense in determining whether there may be other reasons for ALTYNGOLD PLC not to use a potential partner to provide the relevant services or enter into any contract with such a potential partner.

## 6. Identification Procedures

6.1. ALTYNGOLD PLC aims to implement, as far as practicable, procedures to prevent money laundering. The framework for doing so is set out below.

- (a) ALTYNGOLD PLC will only appoint intermediaries (including sales agents, introducers and other consultants) and engage with business partners who demonstrate business integrity at all times and who practice ethical conduct which meets the standards expected by ALTYNGOLD PLC and all applicable laws and regulations.
- (b) The appointment of intermediaries and engagement of business partners is subject to the approval of the Management team.
- (c) Prior to entering into any contract or business relationship with any intermediary or business partners, the officer or employee responsible for the appointment must first notify Management team (including any suspicion under this Policy) in writing (email is sufficient). If Management team deems it necessary, the appointing officer or employee may be requested to complete and submit a due diligence checklist.

6.2. The Management team will then consider the proposal and carry out further due diligence as they consider necessary before confirming their approval of the appointment. Due diligence will be carried out by or at the request of the Management team who may retain third party investigators or otherwise use intelligence services available to ALTYNGOLD PLC to assist with the due diligence.

6.3. Decisions not to engage in a business or to cease to do business will be taken by the Management Team.

## 7. How to Raise a Concern

You are encouraged to raise concerns about any issue or suspicion at the earliest possible stage. Any uncertainties as to whether a particular act constitutes money laundering, or any other queries, should be raised with the Compliance Officer. Concerns should be reported as follows:

7.1. Directly to the Compliance Officer and/or to the management team/Board, at your choice.

7.2. If you wish to remain anonymous, by creating a temporary GMAIL address (an email service that is non-jurisdiction specific) and sending an email from the temporary GMAIL address to ALTYN.uk The email will be received ONLY by the Compliance Officer and management team, who will take immediate steps to investigate the report independently and confidentially, without recourse to the sender. If the matter is considered of sufficient seriousness, the Compliance Officer and Management team will consider together appropriate further action, including informing the CEO and CFO, external legal counsel and/or relevant third party authorities.

**ALL APPROPRIATE STEPS WILL BE TAKEN TO RESPECT AND PROTECT THE ANONIMITY OF AND IDENTITY OF ANY PERSON MAKING SUCH A REPORT.**

## 8. Monitoring and Review

8.1. ALTYNGOLD PLC's Management team is directly accountable for the oversight of the anti-money laundering program and will be the person to whom the Compliance Officer reports. The Management team should have the proper authority and sufficient resources to implement and monitor all program activities; he/she will be responsible for ensuring that employees are



provided with regular briefings on developments in anti-money laundering law and practice, as deemed appropriate.

- 8.2.** The Management team is responsible for ensuring that appropriate systems and controls are put in place locally and that this Policy is effectively implemented.
- 8.3.** It is the responsibility of the Management team to respond swiftly and effectively to any breach of this Policy that is brought to his/her attention, as well as shortcomings in this Policy identified by the Compliance Officer in the management information provided to the General Counsel. If any aspect of this global Policy appears to be inadequate to ensure local compliance with relevant anti-money laundering law, it will be escalated immediately to the Management Team with a view to highlighting the need for changes to or enhancement of this Policy.
- 8.4.** The Management team is responsible for ensuring that the assessment of local compliance with this Policy is included in internal and external audit terms of reference, as appropriate. In addition the Management team will be responsible for agreeing with the Compliance Officer on the compliance monitoring program and training and reporting requirements which should be implemented locally (subject to the minimum standards set by this Policy on a global basis).
- 8.5.** All Workers and business partners are responsible for the success of this Policy and should ensure they use it to disclose any suspected danger or wrongdoing.
- 8.6.** Workers 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 Compliance Officer.
- 8.7.** This Policy does not form part of any Worker's contract of employment and it may be amended at any time.
- 8.8.** The Management team and the Compliance Officer will report to the Board on an annual basis.
- 8.9.** Internal reporting and management information will enable ALTYNGOLD PLC to gather feedback on the effectiveness of this Policy and its implementation and to ensure that its adequacy and effectiveness remain optimal. Internal auditors will also review the effectiveness of this Policy and report to the General Counsel.

#### **8.10. Reporting**

Reports made under this procedure will be investigated by the Compliance Officer together with the Management team in the first instance, and later involving appropriate persons in any other relevant entity.

The persons receiving reports submitted under this part of this Policy will consider whether external reporting is required in the relevant jurisdiction and, where necessary, report to the local money laundering reporting officer who will consider compiling a report under local anti-money laundering legislation if it appears there is criminal conduct which would require such a report.

Required reporting or voluntary self-reporting to the relevant prosecuting and other bodies will take place in accordance with local requirements applicable to each company or organisation covered by this Policy.