
RAINBOW RARE EARTHS LIMITED

CODE OF CONDUCT AND ETHICS



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1. Purpose

- 1.1. Rainbow Rare Earths Limited (“Rainbow” or the “Company”) is committed to the highest standards of openness and accountability.
- 1.2. This Code of the Conduct and Ethics (including Appendices) is to set out the key principles and standards of behaviour to which all employees and stakeholders are expected to adhere.
- 1.3. It applies to all officers, employees, consultants, contractors, and third party agents, of the Company and its subsidiaries (together, referred to as “Stakeholders”)
- 1.4. A breach of this Code will be considered a disciplinary matter for all employees of the Rainbow group.

2. Mission Statement and Core Values

2.1. Rainbow's mission is:

To be the most efficient, sustainable, zero-harm rare earth mine in the world, acting as an engine for social and economic development in Burundi and providing net gains for all stakeholders

2.2. Our Core Values are:

- **Zero Harm** – to our people, to the local population, to the wider community and the environment
- **Integrity** – undertaking all our business dealings and relationships with the utmost integrity
- **Respect** – for our colleagues, for the people of Burundi and for our customers and stakeholders
- **Accountability** – to be willing to take responsibility for all our actions
- **Transparency** – to conduct all of our business dealings to the highest level of transparency
- **Courage** – to be prepared to persevere when others would not

3. Employment

- 3.1. The Company is committed to developing a diverse workforce and to providing a work environment in which everyone is treated fairly and with **respect**.
- 3.2. The Company is an equal opportunity employer and does not discriminate against Stakeholders or potential employees.
- 3.3. The Company is committed to providing an environment free from harassing behaviour and all Stakeholders have a responsibility to not participate in harassing behaviour towards others.
- 3.4. The Company will not tolerate discrimination against any of its employees on any grounds (including race, creed, gender, sexuality) and will treat any instances of discrimination as serious misconduct.
- 3.5. Employees are at all times expected to maintain high standards of behaviour. Any behaviour which is deemed by the Board or Executive Committee to have brought an employee, or the Company, into disrepute, will be considered a disciplinary offence.
- 3.6. Employees are expected to comply with the laws applicable in the countries in which they operate. Any breach of the law will be considered as a serious disciplinary offence, and may be considered gross misconduct.
- 3.7. Any employee, contractor or agency worker reporting to work must be free from the influence of alcohol, illegal drugs or any medication that may impair their ability to execute their duties safely and healthily.

4. Health & Safety

- 4.1. The Company's objective is to achieve **Zero Harm** to all employees and stakeholders, and a zero-accident rate.
- 4.2. Health and Safety is the responsibility of each and every employee. We are responsible for keeping ourselves and each other safe from harm.
- 4.3. The Company is committed to providing a workplace that is safe and healthy, not only to our own staff, but also to wider stakeholders and the communities in which we operate.
- 4.4. We will ensure that Occupational Health and Safety Management remains a core business priority. The Company recognises its responsibility towards the attainment and maintenance of the highest standards in issues relating to occupational health and safety.
- 4.5. This is achieved by conducting our business in a manner that:
 - safeguards our employees, customers and affected parties against hazards and risks with regard to Occupational Health and Safety; and
 - minimises the adverse impacts of our operations on communities while respecting the culture and customs of these communities.
- 4.6. All employees are required to comply with Occupational Health and Safety Policies and Standard Operating Procedures. If any employee is not familiar with these policies, they should contact the Health and Safety Manager, or their Line Manager.
- 4.7. Any breach of Occupational Health and Safety Policies or Standard Operating Procedures may be regarded as a disciplinary matter.
- 4.8. It is the responsibility of the Company, management, and all employees, to ensure that all exploration, mining and construction work and services are undertaken in a systematic and controlled manner and at consistently high levels of conformity with health and safety best practices.
- 4.9. The Company commits to communicate openly with our suppliers, subcontractors, employees and all other relevant parties to create a common set of objectives in order to perform our duties in accordance with:
 - legislative requirements;
 - established policies procedures and guidelines;
 - acknowledged standards and procedures;
 - best practices; and

- good corporate governance.
- 4.10. The Company will maintain a process of hazard identification, risk assessment, evaluation and recording.
- 4.11. The Company commits to provide appropriate resources, information, training and supervision.
- 4.12. The Company believes in the integration of health, safety, environment, community and quality aspects into all workplace activities to ensure **Zero Harm**.
- 4.13. All suppliers, subcontractors' employees and other relevant parties are given the necessary resources and training to meet the responsibility and accountability requirements regarding all aspects related to environment, health and safety.
- 4.14. Our commitment is to strive towards continuous improvement in Occupational Health, Safety and Quality in our working environment with **Zero Harm**.

5. Environment

- 5.1. The Company is committed to sound environmental management. It is the intent of the Company to conduct itself in partnership with the environment and community at large as a responsible and caring business entity.
- 5.2. The Company is committed to continually improving its environmental performance, endeavouring to minimise the impacts of its operations on the physical environment, and to contributing to sustainable development with its host communities.
- 5.3. To achieve this, the Company commits to:
- Comply with applicable environmental laws, regulations and with other relevant environmental obligations as a minimum standard;
 - Establish and review environmental targets and objectives to ensure continual improvement to ensure **Zero Harm** to the environment;
 - Ensure the necessary resources are provided to implement and maintain an Environmental Management System to continually improve our operations;
 - Integrate environmental considerations into all activities including exploration, mine planning, mining and processing operations;
 - Implement acceptable management practices to prevent pollution and eliminate, minimize or mitigate environmental impacts;
 - Perform regular audits and inspections to assess the environmental performance of the operations in terms of environmental impact studies;
 - Educate our employees, their families and our business partners regarding their roles and responsibilities in the environmental management program; and
 - Actively work with all levels of government, local leaders, environmental groups and other key stakeholders to enhance environmental protection and stakeholder confidence in the Company's activities.

6. Government & Community Relations

- 6.1. All Stakeholders and Directors of the Company shall conduct their relationship with government officials and employees in such a way that the **integrity** and reputation of the Company, the government and the government officials or employees will not be brought into question.
- 6.2. Neither the Company nor any of its Directors or Stakeholders are permitted to directly or indirectly influence (with money, gifts or promises) any government, official, political party or political candidate in order to assist the Company in obtaining or retaining business or in directing business to any other person.
- 6.3. The Company is committed to conducting its business responsibly with the communities in the areas where it operates, and to making a positive contribution to the well-being and development of those communities.
- 6.4. If Employees are in doubt about the legitimacy of a payment that you have been requested to make to government or public officials, or have been offered to accept, refer such situations to the Company's Anti-Bribery Policy (**Appendix I**), and/or please consult the CEO or Anti-Bribery Officer.
- 6.5. Employees of the Company will conduct themselves at all times in a manner that does not cause offence to local communities, nor which would, if details became public, bring the Company into disrepute, or damage its interests or standing in the community.
- 6.6. Company employees will at all times **respect** laws and rules, as well as being mindful of local traditions and expectations.
- 6.7. The Company respects the protection of internationally proclaimed human rights and recognises its responsibility to observe those rights.
- 6.8. The Company is committed to Sustainability Practices and will document its goals in this matter and facilitate their communication throughout the Company.
- 6.9. Rainbow and its Stakeholders never support tax evasion, whether on behalf of the Company and its subsidiaries, or individuals.
- 6.10. Employees and other Stakeholders are encouraged to communicate any suspicions of illegal tax evasion activities with their Line Managers, or through the Whistleblowing Procedures (see **Appendix II**).
- 6.11. Rainbow supports transparency initiatives with regard to government payments, and will continue to disclose any payments to government bodies in full in its Annual Report.

7. Conflict of Interest

Buying and selling of Rainbow shares by employees

- 7.1. Trading by employees in Rainbow shares is governed by the Share Dealing Code (see **Appendix III**)
- 7.2. All senior managers are required under the Share Dealing Code to notify the CEO or CFO (or in the case of the CEO, the Chairman) of any transactions involving Rainbow shares. All other employees are also encouraged to pre-notify the CEO or CFO to ensure compliance.

Disclosure of price sensitive information

- 7.3. No employee (including contractor, consultant or similar) shall disclose unpublished price sensitive information to any other person (including family members, friends, associates) where such information may be used by such person to his or her profit by trading in the securities of companies to which such information relates.
- 7.4. Unauthorised disclosure of any unpublished information relating to the Company, or any property, asset, or entity belonging to the Rainbow group, is forbidden. Any employee receiving a request for information relating to the Company (for example from an analyst, competitor, or other interested party), should refer this request to the CEO, or the CFO.

Other conflicts of interest

- 7.5. Stakeholders and Directors of the Company are required to act with honesty and integrity and to avoid any relationship or activity that might create, or appear to create, a conflict between their personal interests and the interests of the Company.
- 7.6. Stakeholders and directors of the Company shall perform the responsibilities of their positions on the basis of what is in the best interests of the Company and free from the influence of personal considerations and relationships.
- 7.7. Stakeholders and directors of the Company shall not acquire any property, security or any business interest which they know that the Company is interested in acquiring. Moreover, based on such advance information, Stakeholders and directors of the Company shall not acquire any property, security or business interest for speculation or investment.
- 7.8. For **transparency**, Stakeholders and directors are expected to report to the CEO or CFO any personal interests which conflict or may conflict with the interests of the Company.

- 7.9. Stakeholders and Directors of the Company and their immediate families shall not use their position with the Company to solicit any cash, gifts or free services from any of the Company's suppliers, contractors or consultants for their or their immediate families or friends' personal benefit. For further information, please consult the Company's Anti-Bribery Policy (**Appendix I**).
- 7.10. The Company has a policy of strict neutrality in political matters. The Company, its Stakeholders or Directors, when acting on behalf of the Company, should not make direct or indirect contributions to political parties, organisations or individuals engaged in politics, as a way of obtaining advantage in business transactions.
- 7.11. The Company, its Stakeholders and Directors should refrain from making public political comments.
- 7.12. The Company firmly believes that fair competition is fundamental to the continuation of the free enterprise system. The Company complies with and supports laws of all jurisdictions which prohibit restraints of trade, unfair practices, or abuse of economic power.
- 7.13. The Company will not enter into arrangements that unlawfully restrict its ability to compete with other businesses, or the ability of any other business organisation to compete freely with the Company. The Company's policy also prohibits its Stakeholders and Directors from entering into or discussing any unlawful arrangement or understanding that may result in unfair business practices or anti-competitive behaviour.
- 7.14. The Company selects its suppliers, contractors and consultants in a non-discriminatory manner based on the quality, price, service, delivery and supply of goods and services. A decision to employ a particular supplier, contractor or consultant must never be based on personal interests or the interests of family members or friends. All Stakeholders and Directors are required to conduct themselves in a business-like manner that promotes equal opportunity and prohibits discriminatory practices.
- 7.15. The Chairman and Chief Executive Officer are responsible for all of the Company's public relations, including all contact with the media. Unless specifically authorised to represent the Company to the media, no Stakeholder or Director may respond to inquiries or requests for information. Any contact from the media should be referred to the above individuals.
- 7.16. Employees of the Company shall not act as officers or directors of any other corporate entity or organisation, public or private, without the prior approval of the CEO (or in the case of Exco members, the Board of Directors). Officerships or directorships with such entities will not be authorised if they are considered to be contrary to the interests of the Company.

8. Financial Integrity

8.1. Stakeholders and Directors of the Company are expected to:

8.1.a. Comply with the Company's timely disclosure, confidentiality and insider trading policies and all other policies and procedures applicable to them;

8.1.b. Provide full, fair, accurate, understandable and timely disclosure in reports and documents filed with, or submitted to, securities regulatory authorities and other materials that are made available to the investing public;

8.1.c. Co-operate fully with those responsible for preparing reports filed with the securities regulatory authorities and all other materials that are made available to the investing public to ensure those persons are aware in a timely manner of all information that is required to be disclosed; and

8.1.d. Co-operate fully with the independent auditors in their audits and in assisting in the preparation of financial disclosure.

8.2. Stakeholders and Directors of the Company may be exposed to certain information that is considered confidential by the Company, or may be involved in the design or development of new procedures related to the business of the Company. All such information and procedures, whether or not they are the subject of copyright or patent, are the sole property of the Company.

8.3. The Company maintains a high standard of accuracy and completeness in its financial records. These records serve as a basis for managing the Company's business and are crucial for meeting obligations to employees, customers, investors and others, as well as for compliance with regulatory, tax, financial reporting and other legal requirements.

8.4. Rainbow commits to pay all of its taxes in full and on time. This commitment is in accordance with the Core Values of integrity, accountability and transparency, and reflects the Company's commitment to the communities and jurisdictions in which it operates.

9. Assets of the Company

- 9.1. The use of Company property for individual profit or any unlawful unauthorised personal or unethical purpose is prohibited. The Company's information, technology, intellectual property, buildings, land, equipment, machines, software and cash must be used only for business purposes except as provided by this Code or approved by the CEO.
- 9.2. Stakeholders and Directors of the Company may not reproduce, distribute or alter copyrighted materials without permission of the copyright owner or its authorised agents. Software used in connection with the Company's business must be properly licensed and used only in accordance with that licence.
- 9.3. The Company's information technology systems, including computers, e-mail, intranet and internet access, telephones and voice mail are the property of the Company and are to be used primarily for business purposes.
- 9.4. Use of the Company's information technology systems for illegal or immoral purposes is strictly prohibited.
- 9.5. The Company's information technology systems may be used for minor or incidental reasonable personal messages provided that such use is kept at a minimum and is in compliance with the Company's policy.
- 9.6. The Company may monitor the use of its information technology systems to ensure adherence to these policies.

10. Discipline and Grievances

- 10.1. Employees will be held accountable for their behaviour at work and action will be taken where the Code of Conduct and Ethics has not been followed. Consequences will depend on how an individual has broken the rules of the policies in the Code and in what circumstances, and could range from an informal warning to dismissal.
- 10.2. Any breaches of the Code must be reported to the Executive Committee, who will decide on the appropriate disciplinary action. If appropriate, the matter may be referred to the Board of Directors of the Company.
- 10.3. Disciplinary action will be taken in accordance with this Code of Conduct and Ethics, as well as with all applicable laws.
- 10.4. For offences not considered minor, disciplinary action will typically involve a formal, verbal warning for a first offence, followed by a written warning for a second offence. A third offence would normally result in dismissal.
- 10.5. Gross misconduct is deemed to be a serious breach of the Code of Conduct and Ethics, and/or an illegal act. Gross misconduct is normally considered a breach of contract and would result in the termination of employment, subject to prevailing law.
- 10.6. Grievances and/or complaints should be directed to your line manager, or to a member of the Executive Committee.

11. Anti-Bribery, Gifts, and Whistleblowing

Anti-Bribery

11.1. The Company stands against corruption. Bribes and other corrupt payments are unethical, contrary to our values and illegal. Employees and Stakeholders will neither give nor accept bribes nor permit others to do so in our name, either in our dealings with public officials, the communities in which we operate or with suppliers and customers.

11.2. For further details, see the Anti-Bribery Policy (**Appendix I**)

11.3. Our relationships with suppliers, customers and business partners, including governmental and other public bodies, are conducted on the basis of objective factors and must not be influenced by the offer or acceptance of gifts or the provision or receipt of entertainment or hospitality.

11.4. Our policies are not intended to prevent the establishment and building of legitimate business relationships. However, inappropriate (ie excessive or lavish) gifts, entertainment and hospitality can be seen as a way to unfairly gain business advantage and can amount to an illegal bribe.

Gifts

11.5. Gifts, entertainment or hospitality offered or provided to government or public officials carry a heightened risk of perceived bribery and always require careful, prior consultation with the Anti-Bribery Officer.

11.6. Any employee engaged in the giving or receiving of bribes, facilitation payments, kick-backs, or other means of obtaining personal financial gain from a business relationship on behalf of the Company with suppliers, government representatives, or any third party, will be considered to have committed a serious disciplinary matter, and may result in legal action.

11.7. If in doubt, consult the Anti-Bribery Officer before engaging in any such activities, or if this is not possible, immediately afterwards.

Whistleblowing

11.8. The Company has adopted an anonymous Whistleblowing Policy (**Appendix II**), which is intended to allow employees and others to raise serious concerns about possible fraud, crime or other serious risk to the Company or its stakeholders.

11.9. The Company recommends that you first report any such instances to your immediate Line Manager. However if the concern relates to that person, or if you otherwise are not comfortable with reporting to your immediate Line Manager or if such reporting has not resulted in a satisfactory result, the Company recommends that you report your Whistleblowing Concern to one or more of the following contacts:

- a) George Bennett – Chief Executive Officer
Phone: +27 82 652 8526 or E-mail: georgeb@rainbowrareearths.com
- b) Pete Gardner – Chief Financial Officer and Anti-Bribery Officer
Phone: + 44 771 779 4251 or E-mail: peteg@rainbowrareearths.com
- c) Shawn McCormick – Non-executive Board member
E-mail: ShawnM@Rainbowrareearths.com

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