

Anti-Bribery and Anti-Corruption Procedure

MANUAL FOR AUTHORIZED APPROVAL EMPLOYEES

The procedure (“Procedure”) for implementing the Anti-Bribery and Anti-Corruption Policy (“Policy”) of Barrick Gold Corporation (“Barrick” or the “Company”) requires that certain high-risk payments and transactions with government officials be approved by Authorized Approval Employees.

At this time, Authorized Approval Employees are the General Counsel and senior attorneys in corporate legal, Senior Ethics and Compliance Personnel, Barrick Head Country In-House Legal Counsel, or any other employees of a Site, Country, or Corporate office the General Counsel designates.

This manual has been prepared to provide guidance to Authorized Approval Employees as they evaluate requests for approval of high-risk payments and transactions with government officials.

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I. INTRODUCTION: Anti-Corruption Laws, Enforcement Environment, and Legal Requirements

Compliance with anti-corruption and anti-bribery laws is an important element of Barrick's strongly-held desire to operate ethically, in accordance with our values as expressed in the Code of Business Conduct and Ethics, and consistent with the law everywhere we operate. Failure to comply with the Policy and Procedure puts Barrick, its directors, officers, and individual employees at genuine risk for perceived unethical behaviour and legal liability.

Where Issues Arise:

Barrick operates in environments that external observers rank as having a high risk of corruption. Moreover, we operate in an industry that ranks high in terms of perceived likelihood of fraud and corruption and is, therefore, an area of focus for enforcement authorities.

Anti-corruption laws – the most relevant of which are the US Foreign Corrupt Practices Act (“FCPA”), Canada's Corruption of Foreign Public Officials Act (“CFPOA”), and the UK Bribery Act – are far reaching, both in substance and geographic scope. They can be triggered when a company provides, either directly or indirectly, anything of value¹ to any government official² for any improper purpose, which essentially means getting an advantage or benefit to which that company is not entitled. The laws apply on a worldwide basis, meaning that any corruption in connection with Barrick's operations, anywhere in the world, and committed by a parent, subsidiary, or agent, can violate anti-bribery laws.

Bribery issues can come up in a variety of contexts. These contexts include seeking licenses and permits, payment of taxes and royalties, obtaining visas, clearing customs, payments during litigation, the purchase and sale of goods, hiring relatives of government officials, donations and contributions, and other areas. It can also come up in the context

¹ For the purpose of the anti-corruption laws, “anything of value” includes, but is not limited to: (i) money; (ii) job opportunities; (iii) consulting agreements; (iv) contributions or donations; (v) gifts, meals, or entertainment; (vi) travel; (vii) use of cars or boats; (viii) health care or other social benefits; or (ix) scholarships. These are only examples, as many different kinds of things can be valued by someone.

² For the purpose of anti-corruption laws, “government official” is understood as any appointed, elected, or honorary official or any employee of a government, a government-owned or government-controlled enterprise, a public international organization (such as the United Nations or the World Bank), or an individual acting in an official capacity for such government, entity, or organization. The definition encompasses officials in all levels of government (local, state/province, federal) and all branches of government (executive, legislative, and judicial). The definition often also includes political parties and party officials and candidates for political office. A person does not cease to be a government official by purporting to act in a private capacity or by the fact that he or she serves without compensation. It broadly includes, without limitation: (i) politicians and their staff; (ii) judges; (iii) employees of government agencies (such as tax, immigration, mines, environment, or customs employees) and legislative bodies; (iv) employees of government-owned universities; (v) members of the police or military; (vi) public hospital or university employees; (vii) United Nations or World Bank employees; (viii) employees of private companies that are largely owned by the state, or which the state effectively controls; (ix) ambassadors and embassy personnel; or (x) private persons who may be performing a function for the government.

of providing support to government officials related to the Company's work. In short, any time there is an interaction between a government official and a representative of a company (direct or indirect), there is a risk that corruption issues may arise.

You should note, however, that most bribery is not direct; that is, most investigations and prosecutions do not involve companies or individuals providing things of value directly to government officials. Most often, bribery is indirect. For instance, indirect bribes may involve a payment by a company consultant or agent to a government official, in the course of seeking a license or concession for that company. Or indirect bribes may be provided by a company, or a consultant or agent, to someone for the benefit of a government official, such as a close relative or friend. **For these reasons, whenever a consultant, agent, or anyone else acting on our behalf is interacting with the government, it is critical that we closely monitor the relationship. The legal department should be informed of the relationship and review any contract in advance.**

The U.S. Department of Justice's ("DOJ") "Lay Person's Guide to the Foreign Corrupt Practices Act" is attached to this manual as Attachment E, and contains additional background information.

Enforcement Environment, Penalties, and Risks to Barrick:

In recent years, American and Canadian authorities, and more recently U.K. authorities, have been enforcing anti-corruption legislation vigorously. For DOJ, FCPA enforcement remains one of its highest enforcement priorities, and enforcement actions remain common. In Canada, a cadre of the RCMP is now assigned to CFPOA investigations on a regular basis. As a means of deterring corporate misconduct, the increasing emphasis in recent years has been to prosecute individuals under the FCPA and CFPOA. That has led to prison sentences for multiple individuals located abroad who are extradited to the United States, or whose local enforcement authorities are notified of the violation to pursue their own prosecution.

The penalties for violating anti-corruption laws are very harsh. At the high-end, there have been fines totaling over one billion dollars. In the U.S., the mean penalty levied by DOJ has been \$36m. It has been \$11m from the SEC. Almost every settlement or prosecution of a company in the last several years has resulted in payments to the government in excess of \$1m, and the legal fees associated with the investigations are often even more costly. Half of all U.S. cases are now against individuals, and the average length of prison sentence in connection with an FCPA conviction is two years (though sentences have been as high as fifteen years). DOJ has recently emphasized that it will focus its prosecution efforts on individuals, and expects company cooperation.

Apart from the penalties resulting from a settlement or conviction, the attention and investigation by authorities are themselves costly, time-consuming, distracting from business goals and seriously damaging to a company's reputation.

Most importantly, bribery is simply not how Barrick does business.

What the Law Requires:

Anti-corruption laws have two primary requirements: (1) non-payment of bribes; and (2) maintenance of accurate internal accounting controls to deter and detect bribery, and to ensure that bribes are not being hidden in the books and records. Although prosecutions under the first aspect receive more public attention, prosecutions under the second are more frequent and easier to prove. The Procedure and other Company processes are designed to prevent violations of both requirements.

Moreover, U.S. and Canadian authorities have identified 10 program components³ that companies should implement to ensure compliance with anti-corruption laws. The failure to implement these elements can be, in itself, a violation of applicable laws even absent actual bribery.

The Anti-Corruption Procedure

Of the 10 elements identified by the authorities, the ones most closely related to the Procedure are the implementation of compliance standards governing certain high-risk payments and high-risk relationships. These include:

- providing travel to government officials;
- giving government officials monetary support, in-kind support, or *per diem* payments;
- providing meals, gifts, or entertainment to government officials;
- charitable donations or contributions to governments, cultural sponsorships, and other similar types of payments;
- political contributions;
- contracts and agreements with government officials or their relatives, state-owned entities, third parties referred by government officials, or third parties who interface with the government on our behalf; and
- facilitating payments.

³ The 10 elements are as follows: visible management support for the anti-corruption efforts and a clear policy; code of conduct and appropriate procedures, including compliance standards governing certain high-risk payments and a system of financial and accounting procedures designed to protect against bribery; a compliance program with appropriate oversight by a senior official, autonomy and direct board reporting, and appropriate resources; risk assessments; training and continuing advice, including real-time advice, for employees and third parties; incentives and disciplinary measures; third party due diligence, controls, and monitoring; confidential reporting and internal investigations; regular testing of the program for improvements and strengths, and a review of its scope and priorities; M&A due diligence, pre- and post-acquisition.

Numerous prosecutions in relation to payments in these areas have been filed in the past few years. Some examples are discussed throughout this Manual.

II. Approval Process for High-Risk Payments

Required Approvals for High-Risk Payments:

The Procedure applies to all Barrick employees at corporate offices and sites and projects where Barrick is the operator. The Procedure is designed to comply with the expectations of regulatory authorities in the context of a decentralized operating model, such as ours.

EXAMPLES: In 2015, FLIR Systems settled an FCPA prosecution for \$9.5 million, in part because the company did not have controls in place regarding its foreign offices, including for gifts, and local managers were responsible for approving support for government personnel. Also in 2015, PBSJ settled its prosecution and paid a substantial fine for failing to conduct adequate due diligence on a third party contractor.

As a general matter, the Procedure requires that requests for payments to government officials go through an approval process for high risk payments and relationships, to ensure legal compliance. In addition, because of the different environments in which Barrick operates, and the fact that officials in different places may be motivated by different amounts of monetary incentives, sites and countries can set appropriate monetary thresholds on certain payments to government officials. (For instance, there may be no reasonable risk that a \$25 holiday gift in one country may influence a government official, while that same gift may have an undue influence in another country.)

Under the Procedure, two levels of approval are required before something of value covered by the Procedure can be provided to a government official:

(1) A request must first go through its normal approval chain as defined by the site, country, or functional unit.

- The Procedure does not dictate what “normal” approval processes are, or who within a functional unit may initiate a government support request. That continues to be defined by the site, country, or individual functional unit. It also does not modify delegations of authority, or any other finance and accounting policies, procedures or standards (including the Global Employee Expense Standard, the Global Standard & Procedure for Invoice Processing, and the Global Standard for Petty Cash), but exists in addition to them.

(2) If approved in the normal approval chain, the employee overseeing the request must then seek further approval from an Authorized Approval Employee.

- The requester will need to provide appropriate backup documents. (The documents needed in connection with such requests are discussed in Section III.)
- The Authorized Approval Employees will review the request to ensure its compliance with our anti-corruption requirements. (S)he will not reexamine the request from a business standpoint.
- The Authorized Approval Employee will only approve requests that comply with the Procedure, including the presence of adequate backup documents. If the Authorized Approval Employee has a question, (s)he may seek clarification from the requester.
- If the Authorized Approval Employee approves the request, the requester can then incur the expense and seek reimbursement from finance and accounting.
- If the Authorized Approval Employee believes the request may violate the Procedure, (s)he can deny the request, request additional documentation, or seek further information.

Required Approvals for High-Risk Vendors

Contracts with government officials, state-owned entities, and third party agents or intermediaries have been the basis of numerous prosecutions and investigations and thus entail elevated legal risk for the Company. Under the Procedure, all agreements or contracts in connection with high-risk vendors must be reviewed by corporate legal counsel in Toronto or Head Country In-House Legal Counsel. A detailed explanation of the procedure for contracts with governments, government officials or third party intermediaries can be found in Annex I.

Consequence of Failure to Follow the Procedure:

If an employee fails to follow the Procedure, his/her request for payments or support to government officials, or request for reimbursements, will not be approved. Furthermore, if payments are made to government officials without following the Procedure, the employee may face disciplinary action up to and including termination.

How to Assess Requests for High-Risk Payments:

More in-depth explanation about how to assess each type of payment governed by the Procedure is provided in the annexes to this document. In general terms, an Authorized Approval Employee should consider the following issues, among others:

- Local law, and what it may or may not permit;
- The likelihood of a pass-through by a third party, or to a government official;
- The prospect of “double dipping” for government officials (e.g., a government official may receive support from Barrick, and receive compensation from his own government for the same purpose);
- Payments to legitimate government bank accounts, versus accounts that may benefit government officials individually;
- Ensuring that the support is used as advertised, or that promised work is actually completed;
- The reasonableness of support amounts requested;
- The adequacy of receipts and backup documentation; and
- Specificity on invoices to make clear the nature of the work and how the amounts are being calculated, with no obvious red flags.⁴

Facilitating Payments

Barrick no longer permits facilitating payments.

A “facilitating payment” is a payment made to expedite an administrative act of a routine nature, such as processing government papers, scheduling inspections, or providing phone, water or power service which are performed by a government official but do not involve discretionary action under the law. Facilitating payments expedite actions that should be performed in any event, and do not involve discretionary action by the government official.

Authorities in Canada and most other jurisdictions do not allow facilitating payments under their anti-corruption laws. As such, **Barrick prohibits making facilitating payments.**

III. Documents Required for Approval

Documents to Accompany Payment Requests:

The Authorized Approval Employee will assess whether a request to provide support to a government official complies with the Procedure and whether the necessary backup documentation has been provided. Maintaining such adequate backup documents is part of the overall control environment, and is important in satisfying our legal obligations. The following backup documentation is typically required for review:

- a written request from the government official or, alternatively, an internal note or memo documenting the request from the government official, including the official’s identity and position, details about the nature of the support, and how it will be used;

⁴ A list of red flags regarding third party invoices and requests is attached as Attachment C. Barrick also has prepared a guidance manual for red flags in relation to invoices.

- where applicable, rosters or lists of the individuals receiving the support;
- documents (or receipts, when prior approval is not required) supporting the amounts requested or demonstrating how it was calculated;
- an explanation for why the support is necessary for our business and appropriate for us to provide;
- internal approvals; and
- where applicable, a support agreement (as discussed below).

Support Agreements:

Though all transactions covered by the Procedure are high risk, some present more acute risks than others. In light of that, the Procedure requires that requests for certain higher risk transactions be accompanied by a support agreement.

A support agreement may be a negotiated memorandum of understanding, a countersigned letter, or even a unilateral letter with the government agency itself. To ensure transparency, support agreements typically are not entered into with the officials who will be receiving the support; they typically are entered into with the official's superior, or others in the government agency. **The support agreement must be approved by corporate legal counsel in Toronto or Head Country In-House Legal Counsel.** Sample support agreements are attached at Attachment A.

A support agreement, in whatever form it takes, must appropriately document the nature of the support Barrick will provide to the government official(s), the conditions for such support, and relevant details related to the support. The agreement must adequately identify Barrick's understandings and expectations, and must indicate that the support is provided for a clear and valid business reason and not to improperly influence any act, decision, or function of the government to whom the support is provided.

As will be noted below, the types of transactions which must always be accompanied by a support agreement are:

- international travel for government officials;
- travel support for spouses and family members of government officials;
- all security-related support;
- government support that is anticipated to occur on a regular recurring basis,
- support above certain monetary or value thresholds (as set by sites and countries);
- *per diems* when there are no published rates; and

- support for social, cultural or charitable purposes above certain monetary thresholds (as set by sites and countries).

Why Such Documents are Needed:

Gathering and presenting these documents is important for a variety of reasons:

- the documents allow the person responsible for approving the request to assess whether the payment is consistent with the Policy and Procedure;
- the documents are part of the overall processes/controls required under the law; and
- the documents allow for transparency, auditability, and clear explanation of rationales for need, purpose, and amount.

Annex A

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Procedure Summary Chart (APPENDIX A of the Procedure)

Note: The approvals indicated below are intended to **be in addition to (and not in lieu of)** the existing local processes.

"✓" indicates that the review and approval of Authorized Approval Employee (AAE) and/or Support Agreement as applicable, is required.

Type	AAE Approval Required?	Support Agreement Required?	General and Specific Conditions
Business Travel for Government Officials			<ul style="list-style-type: none"> Wherever possible, Barrick should purchase or arrange If security related, AAE approval and Support Agreement always required <u>regardless of amount</u> AAE approval and Support Agreement (if required) must be obtained <u>in advance</u> of any expense incurred, unless otherwise noted
Domestic Flight or Train Travel	✓		
International Flight	✓	✓	
Spouse/Partner/Family Travel	✓	✓	<ul style="list-style-type: none"> Only for visits where spouse/partner/ family travel is customary and appropriate.
Taxi	✓ (if above USD \$50 per fare/or limit set locally)		<ul style="list-style-type: none"> AAE approval for taxi can be processed after the fact (except if security related) but always prior reimbursement or expense reports. Receipts preferred for all amounts, required for fares of USD \$25 or higher (or limit set locally).
Rental Car	✓		<ul style="list-style-type: none"> AAE approvals can be processed after the fact if Rental Car is for 3 days or less (except if security related) but always prior reimbursement or expense reports.
Hotel and Incidentals	✓		<ul style="list-style-type: none"> AAE approval for the following incidentals can be processed after the fact (except if security related) but always prior reimbursement or expense reports: meals, laundry, or use of business center for less than USD\$50 per person (or limit set locally).
Direct Monetary Government Support			<ul style="list-style-type: none"> Approval by Head Country or Corporate In-House Legal Counsel required (as AAE or otherwise) AAE approval and Support Agreement must be obtained <u>in advance</u> of any expense incurred Payment to an institutional account is strongly preferred; if impossible, payment should be by traceable instrument. If monetary payment is the only option, Barrick employee must witness the payment to each individual, and obtain verification of receipt by having the official sign a roster or receipt prepared by

Type	AAE Approval Required?	Support Agreement Required?	General and Specific Conditions
			Barrick, unit commanders, or other designated individuals
Police/Public Law Enforcement Voluntary Support Allowances	✓	✓	
Other Direct Support to Government Officials	✓	✓	
In-Kind Government Support			<ul style="list-style-type: none"> • If <u>security related</u>, approval in advance by Head Country or Corporate In-House Legal Counsel required (as AAE or otherwise), and Support Agreement in advance is required (regardless of amount) • If not security related, Support Agreement required in advance if the support is valued over USD\$1,000 or limit set locally, or is provided on a regular recurring basis. • Must be sourced through Barrick, whenever possible
Vehicles (usage, gifting, or servicing)	✓	✓	
Food Service	✓	✓	<ul style="list-style-type: none"> • Meals can be integrated in Barrick's food service system.
Accommodations	✓	✓	<ul style="list-style-type: none"> • To the extent police accommodations are unavailable, Barrick may provide barracks accommodations. Hotel accommodations are a last resort. All furniture, equipment, and other goods provided as part of accommodations should be registered and tracked.
Administrative Equipment (including laptops and desktops)	✓	✓	<ul style="list-style-type: none"> • Equipment must be registered and tracked.
Per Diems			<ul style="list-style-type: none"> • If <u>security related</u>, approval in advance by Head Country or Corporate In-House Legal Counsel required (as AAE or otherwise), and Support Agreement in advance is required (regardless of amount) • Wherever possible should be paid to the beneficiary by check or bank transfer. Monetary Per Diems should be avoided. If necessary, they require written receipt and signature by government official. Amounts will be paid only in accordance with applicable government official procedures/rates or as per Support Agreement with the applicable government institution.
Per Diems	✓	✓ (if no published rate exists, or payment exceeds published rate)	
Meals, Gifts, and Entertainment			<ul style="list-style-type: none"> • AAE approval (if required) must be obtained for gifts above USD\$100 or limit set locally, in advance of any expense incurred, unless otherwise noted

Type	AAE Approval Required?	Support Agreement Required?	General and Specific Conditions
Holiday Parcels	✓		<ul style="list-style-type: none"> Only one gift parcel may be given to any government official in a calendar year and only in connection with a significant holiday where such a gift may be customary. Country Executive Director must approve list of recipients each year.
Commemorative Gifts	✓		<ul style="list-style-type: none"> Must commemorate an event.
Business Meals or Entertainment	✓		<ul style="list-style-type: none"> Must be business-related. If pre-approval is impractical or not feasible, approval should be obtained as soon as practicable after, and in any event before reimbursement is provided.
Charitable and Cultural Donations			<ul style="list-style-type: none"> If security related or recipient has direct or indirect government affiliation, approval in advance by Head Country or Corporate In-House Legal Counsel required (as AAE or otherwise), and Support Agreement in advance is required (regardless of amount) In-kind is preferred
Monetary or in-kind charitable or cultural donations to support or sponsor I events or initiatives	✓ (if affiliated with government, <u>or</u> valued over USD \$5,000/or limit set locally)	✓ (if affiliated with government, <u>or</u> valued over USD \$10,000/or limit set locally)	No expense account reimbursements are permitted. If above USD \$10,000 (or limit set locally), approval by Country Executive Director. If above USD \$100,000, also approval by the President (or the Chief Sustainability Officer).
Trainings	✓ (if affiliated with government, <u>or</u> valued over USD \$5,000/or limit set locally)	✓ (if affiliated with government, <u>or</u> valued over USD \$10,000/or limit set locally)	Only if closely related to Barrick operations. However, does not prohibit joint training exercises or planning related to public safety in the mine area. If above USD \$10,000 (or limit set locally), approval by Country Executive Director. If above USD \$100,000, also approval by the President (or the Chief Sustainability Officer).
Political Contributions			<ul style="list-style-type: none"> Always requires advance approval from President or his or her designee, and Head Country or Corporate In-House Legal Counsel (as AAE or otherwise). Employees are permitted to make contributions of money or services in their individual capacity.
Political Contributions	✓		
Agreements with Government-Affiliated Third Parties			<ul style="list-style-type: none"> Approval by Head Country or Corporate In-House Legal Counsel required, in advance Barrick business owner employees must conduct preliminary due diligence, and support additional due diligence by legal.
Agreements with Government-Affiliated Third Parties	✓	✓	

Annex B

MANUAL FOR AUTHORIZED APPROVAL EMPLOYEES

Business Travel and Incidentals for Government Officials

Business travel, accommodations, and incidentals provided by Barrick to government officials must comply with the Procedure (Appendix B to the Procedure).

The following types of travel expenses all require pre-approval from an Authorized Approval Employee:

- Domestic and international air travel;
- Train travel;
- Taxi fares above US\$50 or fare/limit set locally;
- Rental cars (approval can be processed after the fact if is for 3 days or less);
- Hotel accommodations;
- Incidentals (approval can be processed after the fact for laundry, use of business center, and meals below US\$50 per person or limit set locally).
- All security-related government travel (regardless type or amount, which must be approved by In-House Counsel, as an AAE or otherwise).

In addition, the following types of travel require support agreements with the agency, which must be approved by In-House Counsel:

- International government travel;
- Travel by a third party (such as a spouse, partner, relative or friend) with the government official, whether the travel is foreign or domestic.
- All security-related government travel (regardless type or amount).

Timing: Approval from an Authorized Approval Employee for travel related expenses and incidentals should occur before the expense is incurred. However, if necessary, it is permissible to provide approval after the expense is incurred, but always before reimbursement or other payment is made (including under an expense report), for (1) taxis (except if security related), (2) rental cars for 3 days or less (except if security related), or (3) hotel incidentals for \$50 or less (except if security related).

1. Background

Sponsored travel for government officials has been the basis of numerous prosecutions in recent years. These cases have arisen from a variety of activities, though they have typically focused on international travel – part of the reason that a support agreement with the agency (not the official traveling) for international travel is required. Some examples of circumstances in which problems have arisen are: side trips unrelated to the business purpose of the trip, such as to tourist locations; excessive leisure activities; providing government officials with spending money during the trip; providing travel for spouses, family members or other third parties associated with the officials; and first class travel or lavish hotels.

EXAMPLE: In 2015, BHP Billiton settled an FCPA prosecution for \$25 million, related to its providing travel support to government officials. BHP sponsored the Olympics in China. Although no bribery was alleged or identified, BHP invited government officials, and sometimes their spouses, to the games; local BHP business personnel could extend the invitations without compliance oversight, there were no support agreements and the decisions behind the invitations were not appropriately documented, and some invitations were provided to officials who were considering discretionary decisions for the company.

That said, assisting foreign governments with travel support is not *per se* illegal. In appropriate circumstances, Barrick has paid and will continue to pay travel and travel-related expenses for government personnel.

In particular, key questions as to whether support can be provided will be:


- **Whether the purpose of the sponsored travel is appropriate. To be specific, there must be a legitimate business need for the travel.** In a recent FCPA case involving a company in another sector, DOJ advised that: “travel shall be limited to product education and training programs, professional training, and conferences or business meetings.” For Barrick, that might mean travel in connection with contract negotiation or contract execution; travel in connection with a visit to a foreign site in order to demonstrate specific and relevant capabilities or practices; or travel to attend a seminar related to exercising reasonable regulatory oversight of a Barrick operation. As the U.S. government has made clear, **relationship building is not an appropriate purpose for foreign sponsored travel.**
- **The reasonableness of the mode of travel.** The class of travel should be consistent with Barrick’s policies (e.g., the class our own employees are entitled to), and not luxurious or extravagant. Any incidentals must be directly related to the legitimate purpose. DOJ has recently advised that “hospitality must be limited to reasonably priced... accommodations, and incidental expenses that are part of product education and training programs, professional training, and conferences or business meetings.” Ideally, air travel will be on company charters, and

accommodations will be provided at site. Where commercial travel or hotels are required, Barrick should pay the provider directly. However, paying the provider directly does not mean paying a travel agent, and many investigations have arisen from kickbacks through travel agents; it means paying the hotel or airline themselves. If the use of a travel agent is required, Barrick’s travel agent must be used.

- **Whether the appropriate persons are traveling.** Spousal or family travel, or travel provided to third parties associated with the official are rarely appropriate. As DOJ recently stated: “... hospitality and travel shall not include expenses for anyone other than the official.” Where individuals such as spouses, partners or relatives of the government official are traveling, a support agreement with the agency is required.
- **Due diligence.** We must be careful when providing any support to officials who have negative reputations related to fraud, corruption or ethics.
- **Transparency.** It is typically proper for the travel to be transparent to the official’s agency, not just to the officials who are traveling. That can be done in different ways, though normally it involves notifying the official’s superior or the agency itself. Doing so can help avoid double dipping, in which the official has travel paid for by the Company, but also receives funds from a government agency for the same travel. In addition, all documents reflecting the travel must be accurate and contain complete details, including the name of the official and his agency, the purpose of the trip, the location of the travel, the name of the hotel, the name of the airline (and flight information), any incidentals provided, and who at the company requested and approved the travel.

2. Procedure Requirements and Approval Process

For convenience, the following section is copied from the Procedure, setting forth the general requirements and the approval process:

	Procedure for Implementing the Anti-Bribery and Anti-Corruption Policy	Document reference	BGC-LG-RM-00-02

All Sponsored Government Business must be:

- Permitted by local law.
- Approved by an Authorized Approval Employee in advance of any expense incurred, unless otherwise noted. If it is security related, review by Corporate or Head Country In-House Legal Counsel is required (either as the Authorized Approval Employee or otherwise).
- In-kind or with expenses paid directly to the travel provider, and not in cash.
- Generally consistent with Barrick’s Travel Policy in terms of class of travel.

- Reasonable, and not lavish or expensive.
- Not intended predominantly for recreation or entertainment.
- Consistent with the government official's rank or level.
- Directly and immediately related to Barrick operations.
- Not provided in addition to a government per diem or other payment for the same purpose whether by Barrick or the government/agency in question (i.e., no double dipping).
- Made transparent to the government official's supervisor (note that in certain circumstances, the supervisor's consent may be necessary).
- Pursuant to a Support Agreement approved by Corporate or Head Country In-House Legal Counsel, and potentially additional due diligence on the officials themselves, in cases involving support for international travel of government officials, or for the spouses of government officials (domestic or international), or which is security related (regardless of amount).

Sponsored Government Business Travel and Incidental Parameters are as follows:

1. Any employee seeking approval (or reimbursement, when permitted) for business travel or incidentals for a government official must request and obtain approval through his or her existing local process (including global and local Delegations of Authority). This procedure does not dictate who within a functional unit may initiate a Sponsored Government Business Travel request, or the normal travel approval processes; those requirements are determined by the individual functional units, Sites, and/or countries, and contained in the Travel Expense Policy.
2. In addition to the existing local process, the request must be submitted for anti-corruption review to an Authorized Approval Employee. The request should include relevant backup documentation, which should include:
 - a. Either (a) an attached request from the government official, or alternatively, (b) an internal note or memo documenting the request from the government official, including his or her identity and position;
 - b. Documents (or receipts, when prior approval is not required) supporting the amounts requested;
 - c. An explanation for why the support is necessary and appropriate; and
 - d. A Support Agreement in cases involving support for international travel of government officials, for the spouses/partners/family of government officials (domestic or international), or if the support is security related (regardless of amount).
3. The Authorized Approval Employee will review the request, the backup documentation, and the Support Agreement (if required) to determine whether the request complies with this Procedure and the Policy and whether additional due diligence is necessary.
 - a. If the Authorized Approval Employee determines that the request complies with this Procedure and the Policy, he or she shall inform the requester of

the approval. The requester can then incur or authorize the expense and subsequently seek payment or reimbursement from finance and accounting.

- b. If the Authorized Approval Employee determines that the request does not comply with this Procedure or the Policy, he or she may return the material to the requester for completion, deny the request, request additional documentation, or seek further information.

Each payment request must go through this process even if a Support Agreement has been signed.

3. Things to Watch For

- Whether the request requires approval (e.g., domestic flights, international flights, taxis above \$50, rental cars, hotels and incidentals);
- Permissible under local law;
- Appropriate purpose;
- Reasonable mode of travel;
- Travel limited only to necessary officials, not third parties;
- Providing the travel and accommodations, or directly interfacing with the travel provider;
- Transparency to the agency and not just the official (e.g., no double dipping);
- Accurate and detailed documentation;
- Existence of a support agreement for international travel, security-related travel, related third party travel;
- No side trips, limited incidentals;
- Not recurring travel for the same official;
- Use of travel agents to funnel kickbacks or improper benefits;
- Negative reputation of the requesting official.

4. Practical Tips for Authorized Approval Employees to Remember

- Verify that request was first approved **through the normal local process**. The request must otherwise not be approved.
- Verify that **approval is required**, and that it is being **sought before giving support** to the government official. With a few exceptions (, a car rental for 3 days or less, or the following travel incidentals: meals less than USD\$50 per person for meal, laundry, or use of business center) prior approval must be sought for travel

support. If prior approval was not sought, the request must not be approved, and the matter should be transferred to the legal department.

- Verify that the request – both the support and the manner of providing it – is **permitted by written local laws**. If you are unsure about the legality, contact corporate legal counsel in Toronto.
- Verify that travel is being **provided to a government official**, such that the Procedure is implicated.
- Verify that **due diligence** on the official receiving travel support has been conducted.
- Verify that, where possible, Barrick is **purchasing the ticket and paying the travel provider or hotel directly** (not through a travel agent who may be a funnel for improper benefits, which has been seen repeatedly in recent prosecutions).
- Verify that there is **backup documentation** demonstrating that the request was made by the government official, that the request is necessary and appropriate, and that the amount requested is reasonable. (List of backup documentation is below).
- Verify documentation indicating **how the amount requested was calculated**.
- Verify that, if the request involves international travel, spousal or family travel, or security-related travel, the request is **accompanied by a support agreement** and that the support agreement:
 - has been approved by corporate legal counsel in Toronto or Head Country In-House Legal Counsel;
 - appropriately documents the nature of the support Barrick will provide to the government official(s) and the conditions for such support;
 - is entered into with the government agency itself, and is transparent to the support recipient's superiors;
 - adequately identifies Barrick's understandings and expectations; and
 - indicates that the support is provided for a clear and valid business reason and not to improperly influence any act, decision, or function of the government to whom the support is provided.
- Verify that the travel being provided does not, consistent with the local environment and in light of all the circumstances, **appear to create a risk of influencing the public official** in the performance of his or her official duties.

- Verify that there are **no “side trips” or “stop offs”, nor spending money** provided to the traveling government official.
- Verify that travel for this government official is **infrequent** (particularly for international travel), and not done on a recurring basis in such a way that might cause you suspicion.
- Verify that the travel is **consistent with Barrick’s travel policy** or on a Barrick charter flight, and accommodations are at **modest hotels**. Any exceptions should be approved by corporate legal counsel in Toronto or Head Country In-House Legal Counsel.
- Verify that the number of officials provided travel support is **the number strictly necessary** for conducting the Barrick business.
- Particularly in cases involving international travel, **verify that the government agency selected the particular government official** for the travel; if the official selected himself/herself, verify that the agency is aware of and approves the official’s travel.
- Verify that there is a **valid, stated business purpose**. A valid business purpose could be promoting, demonstrating, or explaining some aspect of our business, or executing or performing a contract. It also could be sufficiently educating a regulator to enable him or her to adequately oversee some complex aspect of our operation. A valid business purpose does not include relationship building.
- **Transparency** is of utmost importance. Verify that benefits being provided, and their purpose, are documented and shared with the official’s agency.
- Verify that there are no **patterns** in the payment requests that seem odd or unusual.
- If there are any questions, the Authorized Approval Employee is encouraged to **contact corporate legal counsel in Toronto or site or country in-house counsel**.

5. Documents to Review

Prior to approving any travel support, the Authorized Approval Employee must review the documents below, as applicable:

- a written request for the travel support;
- a request from the government official for travel support (alternatively, an internal note or memo documenting the request from the government official, including his or her identity and position);

- documents supporting the amounts requested and details associated with the support (hotel names, flight numbers, days of travel, names of officials, names of agencies, etc.);
- An explanation for why the support is necessary and appropriate; and
- A support agreement in cases involving support for international travel of government officials, for the spouses of government officials (domestic or international), or for security support.

6. Table from the Procedure

For convenience, the following table is copied from the Procedure, setting forth the types of travel and incidental requests most frequently made, and the conditions that must be satisfied with respect to such support.

Type of Support	Conditions on the Support
Domestic Flight or Train Travel	<ul style="list-style-type: none"> • AAE approval is required • If security related, Support Agreement is also required • AAE approval and Support Agreement (if required) must be obtained in advance of any expense incurred • Barrick should purchase or arrange
International Flight	<ul style="list-style-type: none"> • AAE approval and Support Agreement, obtained in advance, are required • Barrick should purchase or arrange
Spouse/Partner/Family Travel	<ul style="list-style-type: none"> • AAE approval and Support Agreement, obtained in advance, are required • Only for visits where spouse/partner/ family travel is customary and appropriate • Barrick should purchase or arrange
Taxi	<ul style="list-style-type: none"> • AAE approval is required if above USD \$50 per fare/or limit set locally • If security related, AAE approval and Support Agreement are always required regardless amount • AAE approval and Support Agreement (if required) should be obtained in advance of any expense incurred. However, if necessary AAE approval for taxi can be processed after the fact (except if security related) but always prior reimbursement or expense reports • Receipts preferred for all amounts, required for fares of USD \$25 or higher (or limit set locally) • Barrick should purchase or arrange
Rental Car	<ul style="list-style-type: none"> • AAE approval is required • If security related, Support Agreement is also required • AAE approval and Support Agreement (if required) should be obtained in advance of any expense incurred. However, if necessary, AAE approvals can be processed after the fact if Rental Car is for 3 days or less (except if security related) but always prior reimbursement or expense reports.

	<ul style="list-style-type: none"> • Barrick should purchase or arrange.
<p>Hotel and Incidentals</p>	<ul style="list-style-type: none"> • AAE approval is required. • If security related, Support Agreement is also required • AAE approval and Support Agreement (if required) should be obtained in advance of any expense incurred. However, if necessary, AAE approval for the following incidentals can be processed after the fact (except if security related) but always prior reimbursement or expense reports: meals, laundry, or use of business center for less than USD\$50 per person (or limit set locally). • Barrick should purchase or arrange.

Annex C

MANUAL FOR AUTHORIZED APPROVAL EMPLOYEES

Direct Monetary Government Support

“Direct Monetary Government Support” must comply with the Procedure (Appendix C to the Procedure). It includes daily support allowances, hardship allowances and out-of-station allowances that are paid directly to government officials on a regular recurring basis. That support is distinguishable from *per diems*, which contemplate small one time or irregularly recurring payments to government officials in amounts consistent with published tariffs or pursuant to a written agreement. Direct monetary support is considered to be particularly high risk, and some companies prohibit it outright – especially where it involves payments in cash, as opposed to by check or wire, which is considered particularly high risk. Although we permit direct support at Barrick, all direct monetary government support (i.e., monetary support anticipated to occur on a recurring basis) must comply with the Procedure without exception.

Direct Monetary Government Support requires pre-approval from an Authorized Approval Employee before any payment can be made. In addition:

- Security-related support requires approval by corporate legal counsel in Toronto or Head Country In-House Legal Counsel; and
- All direct monetary support requires a support agreement.

1. Background

For Barrick, these payments are most frequently made in the security context but can also be made, among other things, for customs, immigration, and long-term postings. There have been multiple investigations related to recurring monetary support. Some companies prohibit it outright, and those do permit it have a highly considered approach.

To be clear, however, recurring government support is not *per se* illegal. In appropriate circumstances, Barrick has provided and will continue to provide recurring monetary support, directly to government officials, and occasionally through third party agents.

Key questions as to whether support can be provided will be:

- **The mode in which the support is provided.**
 - Payments should be made to an official government account, in the name of the government, through a traceable instrument (e.g., check or wire).
 - Payments should not be made to individuals unless strictly necessary; in other words, only if the government refuses to permit payments to an institutional account. There must be approval by

corporate legal counsel in Toronto or Head Country In-House Legal Counsel.


- Where payments must be made to individuals:
 - payment should be made directly by Barrick to that individual (e.g., not to a third party on the individual's behalf, except in exigent circumstances as approved by an Authorized Approval Employee)
 - payment should be made by check, wire or other traceable instrument
 - there should be verification by the company that the individual in fact is providing the anticipated service for which support is being provided.
- Cash should not be provided, except in emergencies and with the express consent of an Authorized Approval Employee. If cash is provided
 - there must be payment directly to the individual recipient by a Barrick employee who witnesses the support being provided.
 - Custodial cash payments (e.g., payments to a supervisor who will distribute payments) are not permitted except in emergencies.
 - Consent will not be provided where the company is asked to make a deposit into the personal account of a government official, for distribution to other government officials on a custodial basis.
 - there must be signed receipts by the individual recipients, which are retained by the site and available for audit. A "receipt" can include a roster of assigned officials who countersign the roster, if witnessed by a Barrick employee.
 - there must be a support agreement with the government that specifies that support may be provided directly to individuals.
- **Due diligence.** We must be careful when providing any support to officials who have negative reputations related to fraud, corruption or ethics. It is further important to obtain assurances and possible verification that any accounts into

which funds are deposited are official government accounts, and are not private individual accounts, or irregular or *ad hoc* accounts.

- **Verification of the support.** It is important that Barrick verify that the support contemplated is actually provided to the intended officials. For instance, if Barrick is providing five public officials with support for thirty days to assist in clearing a customs backlog, we must be confident that five officials were present for that duration, and that all five received the amounts allocated to them – and retain contemporaneous documents about how we gained that confidence (e.g., through statements of employees working alongside the officials, audits or spot checks, or otherwise). We want to avoid skimming by superiors, ghost employees, or overpaying for days that officials did not work. Likewise, if a hardship or out of station allowance is contemplated, the official must actually be out of station or away from their primary office; performing work at your normal place of business rarely will be considered “out of station.”
- **Appropriate amounts.** The amounts provided must be reasonable in nature, subject to either published government rate or tariff sheets, or derived through negotiation with the relevant agency.
- **Transparency.** The support should be transparent to the requesting official’s agency. That can be done in different ways, such as entering a support agreement with the requesting official’s agency. In addition, all documents reflecting the support must be accurate and contain complete details related to the support being provided, including the purpose of the support, how it is calculated, who is to receive it, and the method in which it is being paid.

2. Procedure Requirements and Approval Process

For convenience, the following section is copied from the Procedure, setting forth the general requirements and the approval process:

	Procedure for Implementing the Anti-Bribery and Anti-Corruption Policy	Document reference	BGC-LG-RM-00-02
All Direct Monetary Government Support must be: <ul style="list-style-type: none"> • Permitted under local law. • Approved by an Authorized Approval Employee in advance of any expense incurred. • Directly and immediately related to Barrick operations. • Used for purposes other than weaponry, ammunition or other related equipment or gear. • Made to an institutional account of the government entity. 			

- To individuals only if strictly necessary, with payment made directly to the individual official through traceable instrument (e.g., not cash) and with appropriate controls.
- Custodial payments (e.g., payments to a supervisor or superior officer for distribution to others) are not permitted except in exigent circumstances, approved by an AAE.
- Cash payments are not permitted except in exigent circumstances; if they are made, Barrick employee must witness the payment to each individual, and obtain verification of receipt by having the official sign a roster or receipt prepared by Barrick, unit commanders, or other designated individuals. No custodial cash payments are permitted without the express consent of an AAE.
- If a hardship our out-of-station allowance is provided, the official must be out-of-station and away from their primary office, unless otherwise approved by an AAE.
- Pursuant to a Support Agreement approved by Corporate or Head Country In-House Legal Counsel, and potentially additional conditions and/or due diligence requirements as specified by such legal counsel.

Direct Monetary Government Support Parameters are as follows:

1. Any employee seeking approval for daily support and out-of-station allowances for a government official must request and obtain approval through his or her existing local process (including global and local Delegations of Authority). This Procedure does not dictate who within a functional unit may initiate a Direct Monetary Government Support request; those requirements are determined by the individual functional units, Sites, and/or countries.
2. In addition to the existing local process, the request must be submitted for anti-corruption review to an Authorized Approval Employee prior to payment. The request should include relevant backup documentation, which should include:
 - a. A Support Agreement, reviewed by legal;
 - b. Either (a) an attached request from the government official, or alternatively, (b) an internal note or memo documenting the request from the government official;
 - c. Rosters or lists of the individuals receiving the support; and
 - d. An explanation of why the support is necessary and appropriate, and how it was calculated.
3. The Authorized Approval Employee will review the request, the backup documentation, and the Support Agreement to determine whether the request complies with this Procedure and the Policy, and whether additional conditions and/or due diligence are required.
 - a. If the Authorized Approval Employee determines that the request complies with this Procedure and the Policy, he or she shall inform the requester of the approval in writing. The requester can then incur or authorize the

expense and subsequently seek payment or reimbursement from finance and accounting.

- b. If the Authorized Approval Employee determines that the request does not comply with this Procedure or the Policy, he or she may return the material to the requester for completion, deny the request, request additional documentation, or seek further information.

Each payment request must go through this process, even if a Support Agreement has been signed.

3. Things to Watch For

- Permissible under local law;
- Appropriate and complete documentation related to the support;
- No ghost employees (e.g., support only being provided for officials that actually provide services);
- No skimming (e.g., no opportunity for senior officials to provide to individuals less than the allocated amounts);
- No double dipping (e.g., support should not be provided if the government official also receives support for the same purpose from a government agency or another Barrick office);
- Transparency to the government agency, no moonlighting by government officials;
- Payments through traceable instruments to a government account that are auditable, or to individuals only with the appropriate controls identified above;
- Negative reputation of the requesting official; and
- Support agreement.

4. Practical Tips for Authorized Approval Employees to Remember

- Verify that request was first approved **through the normal local process**. The request must otherwise not be approved.
- Verify that **approval is required**, and that it is being **sought before giving support** to the government official. If prior approval was not sought, the request must not be approved, and the matter should be transferred to the legal department.
- Verify that the request – both the support and the manner of providing it – is **permitted by written local laws**. If you are unsure about the legality, contact corporate legal counsel in Toronto.
- Verify that the support is provided to the **appropriate individuals or roster of individuals**.

- Verify that **due diligence** on the official requesting support, and if possible those receiving support, has been conducted.
- Verify that there is **backup documentation** demonstrating that the request was made by the government official, that the request is necessary and appropriate, and that the amount requested is reasonable. (List of backup documentation is below).
- Verify documentation indicating **how the amount requested was calculated**.
- Verify that the request is accompanied by a **support agreement** and that the support agreement:
 - has been approved by corporate legal counsel in Toronto or Head Country In-House Legal Counsel,
 - appropriately documents the nature of the support Barrick will provide to the government official(s) and the conditions for such support,
 - is entered into with the government or a government agency,
 - adequately identifies Barrick's understandings and expectations, and
 - indicates that the support is provided for a clear and valid business reason and not to improperly influence any act, decision, or function of the government to whom the support is provided.
- Verify that the support does not, consistent with the local environment and in light of all of the circumstances, **appear to create a risk of influencing the public official** in the performance of his or her official duties.
- Verify that there is a **valid, stated business purpose** for the request.
- Verify that the support is **not intended to be used for weaponry, ammunition** or other related equipment or gear. Such a request must not be approved.
- Verify that payment is to be made to an **institutional bank account** (not an individual's personal account) through **traceable instrument**.
- Verify that if payment is made to **individuals**, it is documented as being necessary, approved by an Authorized Approval Employee, payment is made directly by Barrick via a **traceable instrument**.
- Verify that if **cash** must be paid, it is an **emergency** situation and there has been approval by legal counsel, with payment made directly to the ultimate recipient witnessed by Barrick, with signed receipts and a support agreement with the government specifying the method of payment.

- Verify that **support recipients are not receiving payments from multiple places** in the Company or the government for the same purpose.
- Look for **risks of skimming** by officers, government officials, dual payments through different channels, or kickbacks to Barrick personnel.
- If the payment request is intended for **police/public law enforcement voluntary support allowances**, it must be approved by legal counsel. If the request has not been approved by legal counsel (assuming the Authorized Approval Employee is not legal counsel), the requester must first seek legal counsel approval.
- **Transparency** is of utmost importance. Verify that benefits being provided, and their purpose, are documented and shared with the official's agency.
- Verify that there are no **patterns** in the payment requests that seem odd or unusual.
- If there are any questions, the Authorized Approval Employee is encouraged to **contact corporate legal counsel in Toronto**.

5. Documents to Review

Prior to approving any direct monetary support, the Authorized Approval Employee must review the documents below, as applicable:

- a request from the government official for monetary support (alternatively, an internal note or memo documenting the request from the government official);
- rosters or lists of the individuals receiving the support;
- documents supporting how the amount requested was calculated;
- an explanation for why the support is necessary and appropriate;
- a support agreement with the government agency; and
- any additional due diligence.

6. Table from the Procedure

For convenience, the following table is copied from the Procedure, setting forth the types of direct monetary support requests most frequently made, and the conditions that must be satisfied with respect to such support.

Type of Support	Conditions on Support
Police/Public Law Enforcement Voluntary Support Allowances	<ul style="list-style-type: none"> • AAE approval, review by Head Country or Corporate In-House Legal Counsel (as AAE or otherwise), and Support Agreement are required in advance • Payment to an institutional account is strongly preferred; if impossible, payment should be by traceable instrument directly to the individual official and with appropriate controls, and not made to a third party for distribution (e.g., on a custodial basis). Only in exigent circumstances can payment be made on a custodial basis, and if so, payment must be through traceable instrument and not cash. In a true emergency, and cash payment is the only option, Barrick employee must witness the payment to each individual, and obtain verification of receipt by having the official sign a roster or receipt prepared by Barrick, unit commanders, or other designated individuals.
Other Direct Support to Government Officials	

Annex D

MANUAL FOR AUTHORIZED APPROVAL EMPLOYEES

In-Kind Government Support

All in-Kind Government Support must comply with the Procedure (Appendix D to the Procedure). Anti-Corruption laws typically do not distinguish between cash payments, and goods or services that a company or individual may give. Because of that, all in-kind government support must comply with the Procedure, and thus requires pre-approval from an Authorized Approval Employee before any payment can be made. In addition:

- Support agreements are required for all security-related in-kind support, and support that is valued in excess of US\$1000 (or an amount as set by the sites or countries) or is provided on a regular recurring basis.

1. Background

Throughout its operations, Barrick may be asked to provide in-kind support (support in the form of goods or services) to host governments or individual officials to assist them in performing their official functions, whether through equipment (like computers or printers or automobiles), meals, accommodations, or otherwise. This kind of support is distinguished from a charitable donation, which does not involve the supply of goods to assist the government carry out official government actions, but is for a charitable or philanthropic purpose. There have been multiple investigations related to in-kind government support, as foreign public officials have appropriated the support for their own use and benefit.

To be clear, however, assisting foreign governments with in-kind support is not *per se* illegal. In appropriate circumstances, Barrick has provided and will continue to provide in-kind support to local governments.

In particular, key questions as to whether support can be provided will be:


- **The purpose of the support.** The purpose for which the in-kind support is provided is important. There must be a clear and valid business reason other than relationship building to provide the support. That may include in-kind assistance to facilitate regulatory oversight or assistance (e.g., computers and printers at the local port to for customs agents who must process goods entering the country primarily for our benefit, or desks for a local immigration office that processes many Barrick-related visas). Although the Company may make charitable donations for the public benefit, those have a different purpose; whereas in-kind support is designed to aid the government in providing services or oversight, charitable donations are provided because the company desires to participate in local civic life (charitable donations are discussed in Appendix F).
- **The mode in which the support is provided.** To be specific, to limit the possibility of improper kickbacks, in most instances Barrick should provide the

goods or services itself. If the goods or services are to be provided by a third party, Barrick should be involved in selecting the third party (e.g., through a tender process), interface directly with the third party, and corporate legal counsel in Toronto or Head Country In-House Legal Counsel should be involved. Rarely and only with appropriate additional controls should cash be provided to the government, or to a third party that Barrick did not select or with whom Barrick does not interface. Where a government official suggests a third party to provide the in-kind support, contact corporate legal counsel in Toronto.

- **Verification of the support.** It is imperative that Barrick verify that the support contemplated is actually provided and received. That may be accomplished through planned visits, photographs, or other visual means. For instance, if Barrick agrees to provide a local immigration office with computers and printers to facilitate the processing of visas, verifying that the anticipated equipment was delivered and is being used at the site would be prudent. Likewise, if Barrick agrees to provide food rations to three immigration officers who work at the office, it is important that the individuals are named on a roster or similar documents, that three officials have been assigned to provide service, and that all three are receiving the food rations (e.g., through visual inspection). We want to avoid skimming by superiors, ghost employees, or providing in-kind support for officials who did not work.
- **Due diligence.** We must be careful when providing any support to officials who have negative reputations related to fraud, corruption or ethics.
- **Market rates.** It is also important that where Barrick contracts with a third party to provide support, the costs be verified as reasonable. Often, overcharging (or even dramatically undercharging) are signals of potential government payoffs or kickbacks.
- **Transparency.** It is proper for the support to be transparent to the requesting official's agency. That can be done in different ways, such as ensuring the support agreement – which is required for in-kind support in excess of \$1000 (or as set by the sites or countries) – is entered into with the requesting official's superior or the agency itself. In addition, all documents reflecting the support must be accurate and contain complete details related to the support being provided.

2. Procedure Requirements and Approval Process

For convenience, the following section is copied from the Procedure, setting forth the general requirements and the approval process:

	Procedure for Implementing the Anti-Bribery and Anti-Corruption Policy	Document reference	BGC-LG-RM-00-02

All In-Kind Government Support must be:

- Legitimate, necessary for the government to provide services, reasonable in amount, and permitted under local law.
- Approved by an Authorized Approval Employee in advance of any expense incurred.
- Directly and immediately related to Barrick operations.
- In a form other than weaponry, ammunition or other related equipment or gear.
- Sourced through Barrick (either by purchasing directly from a vendor or otherwise providing the in-kind support). If any material is sourced from an outside vendor or vendors, or a vendor is recommended by a government official, the request must be reviewed by Corporate or Head Country In-House Legal Counsel.
- Returned to Barrick, if non-consumable, upon completion of usage.
- Pursuant to a Support Agreement approved by Corporate or Head Country In-House Legal Counsel if support is related to security (regardless of amount) or is valued above USD \$1,000 (or other limit set locally), and potentially additional conditions and/or due diligence requirements as specified by such legal counsel.

In-Kind Government Support Parameters are as follows:

1. Any employee seeking approval for in-kind government support must request and obtain approval through his or her existing local process (including global and local Delegations of Authority). This Procedure does not dictate who within a functional unit may initiate an In-Kind-Government Support request; those requirements are determined by the individual functional units, Sites, and/or countries.
2. In addition to the existing local process, the request must be submitted for anti-corruption review to an Authorized Approval Employee. The request should include relevant backup documentation, which should include:
 - a. Either (a) an attached request from the government official, or alternatively, (b) an internal note or memo documenting the request from the government official;
 - b. Rosters or a list of the individuals or organizations receiving the support (where support is being provided to individuals or organizations), and receipts or documents supporting the amounts requested, where reimbursement is sought;
 - c. An explanation for why the support is necessary and appropriate, and how it was calculated; and
 - d. A Support Agreement for (a) all in-kind security support (not including weaponry, ammunition or other related equipment or gear, the provision of which is not covered by these Procedures), (b) all in-kind support that is to occur on a regular recurring basis, and (c) all in-kind support valued in excess of USD\$1,000.
3. The Authorized Approval Employee will review the request, the backup documentation, and the Support Agreement (if required) to determine whether the

request complies with this Procedure and the Policy, and whether additional due diligence is required.

- a. If the Authorized Approval Employee determines that the request complies with this Procedure and the Policy, he or she shall inform the requester of the approval in writing. The requester can then incur or authorize the expense and subsequently seek payment or reimbursement from finance and accounting.
- b. If the Authorized Approval Employee determines that the request does not comply with this Procedure or the Policy, he or she may return the material to the requester for completion, deny the request, request additional documentation, or seek further information.

Each provision of In-Kind Government Support must go through this process, even if a Support Agreement has been signed.

3. Things to Watch For

- Permissible under local law;
- Appropriate and complete documentation related to the support;
- No kickbacks to government officials from suppliers, or improper skimming;
- No corruption of any tender or supplier selection process;
- No double dipping (e.g., support should not be provided if the government official also receives support for the same purpose from a government agency or another Barrick office);
- Transparent to the government agency;
- Verification of the support being provided and market rates;
- Negative reputation of the requesting official; and
- Support agreement for amounts over \$1000, or as set by site or country.

4. Practical Tips for Authorized Approval Employees to Remember

- Verify that request was first approved **through the normal local process**. The request must otherwise not be approved.
- Verify that **approval is required**, and is being **sought before giving support** to the government official. If prior approval was not sought, the request must not be approved and the matter should be transferred to the legal department.
- Verify that the request – both the support and the manner of providing it – is **permitted by written local laws**. If you are unsure about the legality, corporate legal counsel in Toronto or Head Country In-House Legal Counsel.
- Verify that the support is provided to the **appropriate individuals or roster of individuals**.

- Verify that **due diligence** on the official requesting support and, if possible, those receiving support has been conducted.
- Verify that there is **backup documentation** demonstrating that the request was made by the government official, that the request is necessary and appropriate, and that the amount requested is reasonable. (List of backup documentation is below).
- Verify documentation indicating **how the amount requested was determined, and whether it is reasonable**. In assessing reasonableness of the request, the following should be noted:
 - in-kind support in the form of meals can be integrated in Barrick's food service system.
 - To the extent police accommodations are unavailable, Barrick may provide barracks accommodation for police.
 - Hotel accommodations are a last resort.
 - All furniture, equipment, other goods provided as part of accommodations, and administrative equipment (e.g. laptops and desktops) must be registered and tracked.
- Verify that a **detailed list of in-kind support to be provided** has been prepared.
- Verify that, if the request is for in-kind support related to security, support to occur on a regular recurring basis, or any support valued above USD \$1000 (or another amount set by site or country), the request is **accompanied by a support agreement**. Verify that, if there is a support agreement, it:
 - has been approved by corporate legal counsel in Toronto or Head Country In-House Legal Counsel;
 - appropriately documents the nature of the support Barrick will provide to the government official(s) and the conditions for such support;
 - is entered into with the government or a government agency;
 - adequately identifies Barrick's understandings and expectations; and
 - indicates that the support is provided for a clear and valid business reason and not to improperly influence any act, decision, or function of the government to whom the support is provided.

- Verify that the support does not, consistent with the local environment and in light of all of the circumstances, **appear to create a risk of influencing the public official** in the performance of his or her official duties.
- Verify that the in-kind support **is sourced through Barrick** (either by purchasing directly from a vendor or otherwise providing the in-kind support). If any material is sourced from an outside vendor, the request must be routed to corporate legal counsel in Toronto or Head Country In-House Legal Counsel.
- Verify that the support is **not intended to be used for weaponry, ammunition** or other related equipment or gear. Such a request must not be approved.
- Look for **risks of kickback** by officers, government officials, dual payments through different channels, or kickbacks to Barrick personnel.
- Verify that **support recipients are not receiving payments from multiple places** in the Company or the government for the same purpose.
- **Transparency** is of utmost importance. Verify that benefits being provided, and their purpose, are documented and shared with the official's agency.
- Verify that there are no **patterns** in the payment requests that seem odd or unusual.
- Verify that there are controls to ensure that the **support provided is used as intended**. Furthermore, ensure that if the in-kind support to be provided to the government is non-consumable, it is **returned upon completion of usage**
- If there are any questions, the Authorized Approval Employee is encouraged to **contact corporate legal counsel in Toronto**.

5. Documents to Review

Prior to approving any in-kind support, the Authorized Approval Employee must review the documents below, as applicable:

- a request from the government official for in-kind support (alternatively, an internal note or memo documenting the request from the government official);
- Rosters or lists of the individuals or organizations receiving the support;
- documents supporting how the amount requested was calculated, or spelling out in some detail what is being requested;
- an explanation for why the support is necessary and appropriate;

- a support agreement in cases involving in-kind support related to security, support that is to occur on a regular recurring basis, or support valued above USD \$1000 (or another amount set by the site or country); and
- any additional due diligence on the officer requesting the support.

6. Table from the Procedure

For convenience, the following table is copied from the Procedure, setting forth the types of in-kind government support requests most frequently made, and the conditions that must be satisfied with respect to such support.

Type of Support	Conditions on Support
Vehicles (Including purchasing, renting, repairs, maintenance or fuel)	<ul style="list-style-type: none"> • AAE approval is required. If security related, review by Head Country or Corporate In-House Legal Counsel is required (as AAE or otherwise) • Support Agreement is required if valued above USD \$1000 (or other limit set locally), if occurring on a regular recurring basis, <u>or</u> if in connection with security regardless amount • AAE approval and Support Agreement (if required) must be obtained in advance of any expense incurred • Must be sourced through Barrick, whenever possible • Examples may include maintenance, fuel/oil, spare parts, and maintenance services
Food Service	<ul style="list-style-type: none"> • AAE approval is required. If security related, review by Head Country or Corporate In-House Legal Counsel is required (as AAE or otherwise) • Support Agreement is required if valued above USD \$1000 (or other limit set locally), if occurring on a regular recurring basis, <u>or</u> if in connection with security regardless amount • AAE approval and Support Agreement (if required) must be obtained in advance of any expense incurred • Must be sourced through Barrick, whenever possible • Meals can be integrated in the Barrick's food service system
Accommodations	<ul style="list-style-type: none"> • AAE approval is required. If security related, review by Head Country or Corporate In-House Legal Counsel is required (as AAE or otherwise) • Support Agreement is required if valued above USD \$1000 (or other limit set locally), if occurring on a regular recurring basis, <u>or</u> if in connection with security regardless amount • AAE approval and Support Agreement (if required) must be obtained in advance of any expense incurred • Must be sourced through Barrick, whenever possible

	<ul style="list-style-type: none"> • To the extent police accommodations are unavailable, Barrick may provide barracks accommodation. Hotel accommodations are a last resort • All furniture, equipment, and other goods provided as part of accommodations must be registered and tracked
<p>Administrative Equipment (e.g. laptops and desktops)</p>	<ul style="list-style-type: none"> • AAE approval is required. If security related, review by Head Country or Corporate In-House Legal Counsel is required (as AAE or otherwise) • Support Agreement is required if valued above USD \$1000 (or other limit set locally), if occurring on a regular recurring basis, <u>or</u> if in connection with security regardless amount • AAE approval and Support Agreement (if required) must be obtained in advance of any expense incurred • Must be sourced through Barrick, whenever possible • Equipment must be registered and tracked

Annex E

MANUAL FOR AUTHORIZED APPROVAL EMPLOYEES

Per Diem for Government Officials

Per Diems for government officials must comply with the Procedure (Appendix E to the Procedure). They are one-time, non-recurring small payments to defray travel expenses, meal costs, out-of-station or hardship allowances, and other such expenses. Typically, *per diem* amounts are set by the government in published rate or tariff sheets. All *per diem* payments to government officials must comply with the Procedure, and require pre-approval from an Authorized Approval Employee before any payment can be made. In addition:

- Support agreements are required for all security-related *per diems*, and *per diem* amounts where no published rate exists or payment exceeds published rates.

1. Background

Because *per diems* involve things of value being provided directly to government officials, they can create elevated risks for companies. That said, *per diems* can be legally permissible, and in some locations, are mandated or contemplated in connection with government travel or visits.


In particular, key questions as to whether *per diems* can be provided will be:

- **The official nature of the payment.** Ideally, *per diem* amounts are established by formal government orders or rate sheets. Where they are not, and are individually negotiated, a support agreement is required.
- **The purpose of the payment.** *Per diem* amounts are only appropriate where the official is engaged in Barrick-related business, out-of station and away from their primary office, and contemplated as appropriate either by a government order/rate sheet or a support agreement. *Per diems* are not contemplated to include overtime expenses, or recurring payments. Any deviations from the key principles must be approved by an Authorized Approval Employee.
- **The mode in which the support is provided.** Ideally, the payments will be provided in traceable instruments, subject to audit (e.g., wire or cheque), and to the government itself and not the individual official. In many locations, however, *per diems* are expected to be paid directly to the official, particularly when the sums are small. If payments must be to an individual, they should be made by traceable instrument (e.g., wire or cheque). *Per diems* paid in cash should be avoided; if there is no other alternative, and cash must be used, payment must be made directly to the recipient, witnessed by a Barrick employee, with a signed receipt. The Petty Cash Standard and other relevant processes should be followed at all times, where relevant.

- **Transparency.** Accurate records should be created reflecting the *per diem*, including the name and agency of the official receiving it, the amount, how the amount was calculated, the reason for the *per diem*, the date of activities for which the *per diem* is being provided, the date of the receipt, and the method of payment. It is typically appropriate to ensure that the official is not also receiving *per diem* amounts from the agency, and that the official certifies as much.
- **Due diligence.** We must be careful when providing any support to officials who have negative reputations related to fraud, corruption or ethics.

2. Procedure Requirements and Approval Process

For convenience, the following section is copied from the Procedure, setting forth the general requirements and the approval process:

	Procedure for Implementing the Anti-Bribery and Anti-Corruption Policy	Document reference	BGC-LG-RM-00-02
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All Per Diems for government officials must be:

- Permitted by local law and consistent with published government rates for per diem payments (or where no published rates exist, or if the payment is above the published rate, pursuant to a Support Agreement approved by Corporate or Head Country In-House Legal Counsel).
- Approved by an Authorized Approval Employee in advance of any expense incurred.
- Directly and immediately related to Barrick operations.
- Modest in amount, and intended to defray legitimate expenses incurred by the government official for an approved purpose where those expenses are not paid directly by Barrick to the vendor.
- Not duplicative of payments the official will receive from his or her agency (i.e., no double dipping).
- If a per diem is provided, the official must be out-of-station and away from their primary office, unless otherwise approved by an AAE.

Per Diems for Government Officials Parameters are as follows:

1. Any employee seeking approval for per diems for a government official must request and obtain approval through his or her existing local process (including global and local Delegations of Authority). This Procedure does not dictate who within a functional unit may initiate a per diem request for government officials; those requirements are determined by the individual functional units, Sites and/or countries.

2. In addition to the existing local process, the request must be submitted for anti-corruption review to an Authorized Approval Employee. The request should include relevant backup documentation, which should include:
 - a. Either (a) an attached request from the government official, or alternatively, (b) an internal note or memo documenting the request from the government official;
 - b. Rosters or a list of individuals receiving the per diem payment; and
 - c. An explanation for why the per diem payment is necessary and appropriate, and how it was calculated.
3. The Authorized Approval Employee will review the request form and the backup documentation to determine whether the request complies with this Procedure and the Policy.
 - a. If the Authorized Approval Employee determines that the request complies with this Procedure and the Policy, he or she shall inform the requester of the approval in writing. The requester can then incur or authorize the expense and subsequently seek payment or reimbursement from finance and accounting.
 - b. If the Authorized Approval Employee determines that the request does not comply with this Procedure or the Policy, he or she may return the material to the requester for completion, deny the request, request additional documentation, or seek further information.

Each payment request must go through this process, even if a Support Agreement has been signed.

3. Things to Watch for

- Permissible under local law;
- Appropriate and complete documentation;
- Appropriate purpose for the *per diem* (including for out-of-station or hardship, and not for overtime);
- Non abuse of petty cash;
- No double dipping (e.g., support should not be provided if the government official also receives support for the same purpose from a government agency or another Barrick unit);
- Transparency to the government agency;
- Payments through traceable instruments that are auditable, or cash with receipts that are witnessed;
- Negative reputation of the requesting official; and
- Support agreement for negotiated or non-published amounts.

4. Practical Tips for Authorized Approval Employees to Remember

- Verify that request was first approved **through the normal local process**. The request must otherwise not be approved.
- Verify that **approval is required**, and that is **being sought before giving support** to the government official. If prior approval was not sought, the request must not be approved and the matter should be transferred to the legal department.
- Verify that the request – both the support and the manner of providing it – is **permitted by written local laws**. If you are unsure about the legality, contact corporate legal counsel in Toronto or Head Country In-House Legal Counsel.
- Verify that the support is provided to the **appropriate individuals or roster of individuals**.
- Verify that there is **backup documentation** demonstrating that the request was made by the government official, that the request is necessary and appropriate, and that the amount requested is reasonable. (List of backup documentation is below).
- Verify documentation indicating **how the amount requested was determined, and whether it is reasonable**. The key for *per diem* payments is formally scheduled amounts. If there is no published rate, there must be a support agreement.
- Verify that the amount requested for *per diem* payments is **not above average market rates**.
- Verify that, if there is no published official *per diem* rate in the jurisdiction, the request is **accompanied by a support agreement** with the government. Verify that, if there is a support agreement, it:
 - has been approved by corporate legal counsel in Toronto or Head Country In-House Legal Counsel;
 - appropriately documents the nature of the support Barrick will provide to the government official(s) and the conditions for such support;
 - is entered into with the government or a government agency;
 - adequately identifies Barrick's understandings and expectations; and
 - indicates that the support is provided for a clear and valid business reason and not to improperly influence any act, decision, or function of the government to whom the support is provided.
- Verify that the support does not, consistent with the local environment and in light of all of the circumstances, **appear to create a risk of influencing the public official** in the performance of his or her official duties.

- Verify that there is a **valid, stated business purpose** for the request. If the expense to be defrayed by the *per diem* payment is not one connected directly to Barrick operations, or if the official is not away from their primary office, the request should not be approved and advice from corporate legal counsel in Toronto should be sought.
- Verify that **support recipients are not receiving payments from multiple places** in the Company or the government for the same purpose.
- **Transparency** is of utmost importance. Verify that benefits being provided, and their purpose, are documented and shared with the official's agency, whenever possible.
- Verify that there are no **patterns** in the payment requests that seem odd or unusual.
- Verify that *per diem* amount will **be paid in accordance with applicable government procedures**. Whenever possible, the payment must be by cheque or bank transfer to the government itself and not an individual. If the individual must be given the *per diem* directly, it should be provided by traceable instrument. *Per diems* paid in cash should be avoided, but if they must be paid, the require payment directly to the recipient, witnessed by a Barrick employee, with a signed receipt.
- If there are any questions, the Authorized Approval Employee is encouraged to **corporate legal counsel in Toronto**.

5. Documents to Review

Prior to approving any *per diem* payments, the Authorized Approval Employee must review the documents below, as applicable:

- a request from the government official for *per diem* support (alternatively, an internal note or memo documenting the request from the government official);
- rosters or lists of the individuals receiving the support;
- documents supporting how the amount requested was calculated (including the government's published *per diem* rates);
- an explanation for why the support is necessary and appropriate;
- a support agreement with the government agency in cases where the government has not published official *per diem* rates.

6. Table from the Procedure

For convenience, the following table is copied from the Procedure regarding *per diems*.

Type of Support	Conditions on Support
Per Diems	<ul style="list-style-type: none"> • AAE approval is required. If security related, review by Head Country or Corporate In-House Legal Counsel is required (as AAE or otherwise) • Support Agreement is required if no published rate exists • AAE approval and Support Agreement (if required) must be obtained in advance of any expense incurred • If payment must be to an individual, it should be paid by check or bank transfer. Cash Per Diems should be avoided. If necessary, they require written receipt and signature by government official • Amounts will be paid only in accordance with applicable government official published procedures/rates, or as per Support Agreement with the applicable government institution

Annex F

MANUAL FOR AUTHORIZED APPROVAL EMPLOYEES

Meals, Gifts and Entertainment for Government Officials

Meals, Gifts and Entertainment for Government Officials must comply with the Procedure (Appendix F to the Procedure). A “gift” is anything that is given and received without the giver receiving or expecting to receive anything in return in the future, or intending to create a sense of obligation on the part of the recipient. “Entertainment” includes such things as shows, sporting events, and visits to bars nightclubs. The mere fact that there is no explicit agreement to convert something given to a third party into an improper advantage does not mean that the relevant authorities will regard the item in question as a gift, rather than a bribe. As such, Barrick prohibits giving government officials any inducements, including meals, gifts and entertainment, on a scale that might be perceived as creating an obligation on the receiving party’s part to misuse their authority.

To meet that requirement, all meals, gifts and entertainment valued more than \$100 per person (or as otherwise set by the sites or countries) must comply with the Procedure. That includes:

- Business meals;
- Commemorative or holiday gifts; and
- Entertainment (such as sporting events, shows or plays, or other performances).

Note that annual lists of holiday gifts must be approved by the legal department. In addition, in calculating the monetary thresholds,

- No officials can receive more than \$100 in gifts per year without approval from an Authorized Approval Employee, and
- For meals and entertainment, the threshold calculation is on a per person basis – e.g., the meal or entertainment must be \$100 or less per person, or Authorized Approval Employee approval is required.

1. Background

EXAMPLE: Qualcomm, the global telecommunications company, was prosecuted in part for providing meals, gifts and entertainment to foreign officials and their family members to influence the officials to adopt Qualcomm developed technology. The gifts included event tickets for spouses of officials, sightseeing for spouses, and luxury goods. The resolution notes that Qualcomm China business personnel gave these gifts “without an adequate process of oversight”

to determine whether the offers were to induce the officials to provide a benefit, and that contrary to company policy, Qualcomm's "internal audit reports found that employees repeatedly failed to request pre-approvals prior to providing things of value to foreign officials and failed to record when things of value had been provided to foreign officials."

Timing

Approval for meals, gifts and entertainment generally require pre-approval from an Authorized Approval Employee before any payment can be made. However, if pre-approval is impractical or infeasible, approval should be obtained as soon as practicable afterwards, and always before reimbursement is provided.

Meals, gifts and entertainment have been the basis for numerous prosecutions in recent years. These cases have arisen from a variety of activities, though gifts have appeared in the greatest number of cases. These include small gifts given on a one time basis (e.g., perfume), large gifts (e.g., a car, or jewelry), small gifts to multiple officials that when aggregated is a large number (e.g., unregulated holiday gifts), and intangible gifts (e.g., golf club fees). In addition, lavish or repeated meals have given rise to investigations, as has excessive entertainment.

Still, not all gifts, meals or entertainment for government officials are prohibited.

In particular, key questions as to whether support can be provided will be:

- **The purpose of the meal, gift or entertainment.** The reason the meal, gift or entertainment is provided is important. For meals and entertainment, there normally must be a valid, stated purpose that is related to the company's business (e.g., a non-lavish meal in which the company's business is discussed, or a seminar or speaker in which the substance relates to our business). A valid business purpose does not typically include relationship building. However, as an exception, modest holiday gifts, provided in the spirit of the occasion, may be appropriate (though they should be assessed by legal counsel beforehand). Personal gifts to public officials with whom employees have a personal relationship also may be appropriate; for instance, if you are a personal friend of a public official, the law does not prohibit you buying him or her lunch, or an appropriate present. In addition, small low-value gifts, where culturally expected, also are not prohibited. Know, however, that these gifts may be scrutinized by regulatory authorities.
- **Whether the official is considering a decision related to the company.** We must be particularly careful in providing gifts, meals and entertainment to government officials who, at the time, have pending before them discretionary decisions related to our operations. When there is a pending discretionary

decision, regulators may view the gift, meal or entertainment as an attempt to induce a favorable decision. Accordingly, when there is a discretionary decision pending before a government official, any gift, meal or entertainment provided to a government official must be cleared with the legal department. That means that due diligence must be done to determine whether a discretionary decision is pending.

- **Due diligence.** We must be careful when providing any support to officials who have negative reputations related to fraud, corruption or ethics.
 - **Whether the gift, meal or entertainment is non-lavish, culturally and factually appropriate, and lawful under local laws.** As DOJ has recently advised, “gifts must be modest in value, appropriate under the circumstances, and given in accordance with the anticorruption laws and regulations, including those of the government official’s home country.” The same is true of meals and entertainment. Ideally, gifts will contain Barrick’s logo, or be consumable or perishable (e.g., flowers). Also preferable is that meals are provided on-site, which present less risks than expensive dinners at restaurants or other forms of entertainment. In no instance should gifts or meals be perceived as lavish or unreasonable in the local context or in the context of the official’s rank. Anything over \$100 (or as set by the site country) must be preapproved. In addition, if small gifts or inexpensive meals are repeatedly provided to the same official, that also can raise concerns. Under our policies and procedures, giving cash or the equivalent to a public official (or any other third party) is not an appropriate gift.
 - **The appropriateness of the recipients.** Gifts, meals and entertainment should be limited to government officials themselves. Again, as DOJ has advised, “gifts ... shall not include expenses for anyone other than the official.” Of particular concern would be gifts to family members or relatives of government officials.
 - **How holiday gifts are considered.** It is not inappropriate to provide reasonable holiday gifts to government officials. Because of concerns related to aggregated gifts, which have led to prosecutions, holiday lists should be provided to Barrick’s legal department for review.
3. **Transparency.** All meals, gifts and entertainment must be accurately documented. Details must include the official receiving the gift, meal or entertainment, other attendees, the amount spent or the nature of any gift, the date it was provided, and any other salient details (e.g., the name of any restaurants). Those documents must be retained and a register of the meals, gifts and entertainment should be created and retained on an annual basis.

2. Procedure Requirements and Approval Process

For convenience, the following section is copied from the Procedure, setting forth the general requirements and the approval process:

	Procedure for Implementing the Anti-Bribery and Anti-Corruption Policy	Document reference	BGC-LG-RM-00-02

All meals, gifts and entertainment must be:

- Permitted by local law and consistent with Company business practices.
- Approved by an Authorized Approval Employee in advance of any expense incurred in cases where the amount is above USD \$100 per person (or other limit set locally). However, if pre-approval is impractical or not feasible, approval should be obtained as soon as practicable after, and in any event before reimbursement is provided.
- Not lavish or unreasonably expensive (in each case or on a cumulative basis), and not greater than the legitimate and customary expenditure for such gifts or activities by private business persons in the recipient's country.
- Directly connected to a legitimate business promotional activity or the performance of an existing contract
- Consistent with the government official's rank, level, and the occasion.
- In kind, not in cash.
- Gifts with Barrick logos, or gifts which cannot be resold or which are consumable (e.g. flowers, fruit baskets), are best.
- Transparent to the recipient's organization (note that it may be appropriate to seek confirmation from the recipient that his or her manager has approved the receipt of hospitality or of a small gift).
- In cases where such benefit (regardless of amount) is offered to an official considering, or deciding on, a matter directly affecting Barrick's business or interests, including potentially additional due diligence, approval must be obtained from the Head Country In-House Legal Counsel

Meals, Gifts and Entertainment Parameters are as follows:

1. Any employee seeking approval (or reimbursement, when permitted) for meals, gifts and entertainment for a government official must request and obtain approval through his or her existing local process (including global and local Delegations of Authority). This Procedure does not dictate who within a functional unit may initiate a meal, gift or entertainment request; those requirements are determined by the individual functional units, Sites, and/or countries. (N.B. If pre-approval is impractical or not feasible, approval should be obtained as soon as practicable after, and in any event before reimbursement is provided.)
2. In addition to the existing local process and if the request relates to an amount above USD\$100 per person (or other limit set locally), it must be submitted for additional anti-corruption review to an Authorized Approval Employee. The request should include relevant backup documentation, which should include:
 - a. A list of individuals receiving the meals, gift or entertainment, and their position, and whether any are considering, or deciding on, a matter directly affecting Barrick's business or interests;

- b. Documents (or receipts, when prior approval is not required) supporting the amounts requested; and
 - c. An explanation for why the meal, gift and entertainment is necessary and appropriate.
3. The Authorized Approval Employee will review the request and the backup documentation to determine whether the request complies with this Procedure and the Policy, and whether additional due diligence is required.
- a. If the Authorized Approval Employee determines that the request complies with this Procedure and the Policy, he or she shall inform the requester of the approval in writing. The requester can then incur or authorize the expense and subsequently seek payment or reimbursement from finance and accounting.
 - b. If the Authorized Approval Employee determines that the request does not comply with this Procedure or the Policy, he or she may return the material to the requester for completion, deny the request, request additional documentation, or seek further information.

Each Meal, Gift and Entertainment -above USD\$100 per person (or other limit set locally) request must go through this process.

3. Things to Watch for

- Permissible under local law;
- Appropriate and complete documentation;
- Reasonableness of amount;
- Culturally appropriate;
- Appropriate as to the official's rank;
- Approval for holiday gifts;
- Repeated gifts, meals or entertainment with the same official;
- Pending discretionary decisions; and
- Negative reputation of the official to whom a gift may be given.

4. Practical Tips for Authorized Approval Employees to Remember

- Verify that request was first approved **through the normal local process**. The request must otherwise not be approved.
- If the request is for an amount over \$100 (or another amount set by site or country), verify that **approval is being sought before providing the meal, gift or entertainment**. If prior approval was not sought, the request must not be approved.

- Verify that the request – both the support and the manner of providing it – is **permitted by written local laws**. If you are unsure about the legality, contact site, Operating Unit, or corporate counsel.
- Verify that there is **backup documentation** demonstrating that the request is necessary and appropriate, and that the amount requested is reasonable. (List of backup documentation is below).
- Verify that the **amount of meal, gift or entertainment is reasonable and consistent with recipient's rank and level**. It should not be lavish or expensive (either in that instance or on a cumulative basis). In assessing the request, the following should be noted:
 - Generally, only one gift parcel may be given to any government official in a calendar year and only in connection with a significant holiday where such gift may be culturally appropriate.
 - Gift parcels of USD\$100 or below (or other limit set by the site or country) do not otherwise require prior approval, but where gifts have been given on multiple occasions, and another gift added to the prior gifts given add up to more than \$100, approval then becomes required.
 - Gifts normally must commemorate an event.
 - Requests from government officials for **gifts must not be approved**.
- Assess whether **the meal is being provided on-site at a Barrick facility**, which poses less risks than dinners at expensive restaurants or other entertainment.
- Verify that the meal, gift, or entertainment is **not provided on a recurring basis**, or if so, it satisfies the conditions of support as noted in the Procedure and this Manual.
- Verify that any gift provided is, in most cases, **of nominal value**.
 - Gifts with Barrick logos, or gifts which cannot be resold or which are consumable (e.g. flowers, fruit baskets), are best.
- In cases where a gift, meal, or entertainment (regardless of amount) is offered to an **official facing a pending decision on a matter directly affecting Barrick's business or interests**, verify that approval was obtained from the corporate legal counsel in Toronto or Head Country In-House Legal Counsel.
- Verify that the meal, gift, or entertainment does not, consistent with the local environment and in light of all of all the circumstances, **appear to create a risk of influencing the public official** in the performance of his or her official duties.

- Verify that all lists of **holiday gifts** for government officials are approved by legal counsel.
- Verify that there is a **valid, stated purpose** related to the company's business. A valid business purpose could be a business meeting, or educating an official on how our business operates. Outside of modest holiday presents or culturally expected souvenirs or gifts, **a valid business purpose does not include relationship building.**
- Verify that the meal, gift, or entertainment is **culturally appropriate**.
- **Transparency** is of utmost importance. Verify that all benefits being provided, and their purpose, are documented and shared with the official's agency, whenever possible.
- Verify that there are no **patterns** in the payment requests that seem odd or unusual.
- If there are any questions, the Authorized Approval Employee is encouraged to **contact corporate legal counsel in Toronto**.

5. Documents to Review

Prior to approving any meal, gift or entertainment, the Authorized Approval Employee must review the documents below, as applicable:

- details about the support (e.g., for meals, name of the restaurant, date of the event, attendees and affiliations, purpose of the support; for gifts, type of gift, value, recipient and affiliation, purpose of the gift; for entertainment, nature of the entertainment, date of the event, location of the event, attendees and affiliations, value);
- site, country or corporate counsel approval of list of holiday gift recipients;
- approval of corporate legal counsel in Toronto or Head Country In-House Legal Counsel for any gift, meal, or entertainment to be provided to an official considering, or deciding on, a discretionary matter directly related to Barrick's business or interests; and
- an explanation for why the support is necessary and appropriate.

6. Table from the Procedure

For convenience, the following table is copied from the Procedure regarding meals, gifts and entertainment.

Type of Support	Conditions on Support
Holiday Parcels	<ul style="list-style-type: none"> • AAE approval is required if above USD \$100 per person/or limit set locally • AAE approval must be obtained in advance of any expense incurred • One gift parcel may be given to any government official in a calendar year, in connection with a significant holiday where such gift may be customary • The Country Executive Director must approve list of recipients each year
Commemorative Gifts	<ul style="list-style-type: none"> • AAE approval is required if above USD \$100 per person/or limit set locally • AAE approval must be obtained in advance of any expense incurred • Gifts must commemorate an event
Business Meals and Entertainment Expenses	<ul style="list-style-type: none"> • AAE approval is required if above USD \$100 per person/or limit set locally • AAE approval must be obtained in advance of any expense incurred. However, if obtaining pre-approval would be impractical or infeasible, it should be obtained as soon as practicable afterwards and in any event before reimbursement is provided • Must be business related

Annex G

MANUAL FOR AUTHORIZED APPROVAL EMPLOYEES, EXECUTIVE DIRECTORS, AND THE PRESIDENT (OR THE CHIEF SUSTAINABILITY OFFICER)

Charitable and Cultural Donations

Charitable and Cultural Donations must comply with the Procedure (Appendix G to the Procedure). Barrick is a charitable company, and is often asked to make charitable or cultural donations to support or sponsor events and initiatives, including the ones organized by local communities, educational institutions, government or private local or international entities. These types of contributions, which are done for charitable or philanthropic purposes, are distinguishable from direct or in-kind support, which are provided to the government to assist it in carrying out its official functions. Unfortunately, charitable or cultural donations, whether or not they have an obvious connection to the government, have been identified as posing certain corruption risks by U.S. and Canadian regulatory authorities. That remains true whether the contribution is cash or in-kind.

However, in recognition of our legitimate desire to continue to contribute to charitable and cultural causes, including sponsoring events and initiatives, the Procedure has a staggered approval process:

- Authorized Approval Employee Review and Approval.
 - Authorized Approval Employee review **is required** for charitable and cultural donations, including to sponsor events and initiatives, related to security or connected to a government official (e.g., requested by a government official, or the recipient is connected to a government, government official or relative of an official).
 - Authorized Approval Employee review **is required** for charitable and cultural donations, including to sponsor events and initiatives, above US\$5000 (or other thresholds set by sites and countries), or if related to security or connected to a government official.
 - Authorized Approval Employee review **is not required** for charitable and cultural donations, including to sponsor events and initiatives, of US\$5000 or less (or other thresholds set by sites and countries), **unless** it is related to security or is known to be connected to a government official
- Additional approvals from management.
 - Executive Director Approval (above US\$10,000).
 - If the contribution is above US\$10,000 (or other amounts set locally), approval by the Country Executive Director is required in addition to Authorized Approval Employee review.

- President Approval (above US\$100,000)
 - If the contribution is above US\$100,000, approval is required by the President (or the Chief Sustainability Officer, as an alternative).
- Support Agreement
 - A support agreement **is required**, regardless of amount, if the contribution has an identified government connection, or is security related.
 - A support agreement **is required** if the request is in excess of US\$10,000.

These approvals are required regardless of whether there is an obvious government connection to the charitable donation.

1. Background

As part of being a good corporate citizen, Barrick actively desires to support charities and cultural events in appropriate circumstances and in an appropriate manner. However, numerous investigations and prosecutions have arisen from requests for charitable donations, social benefits, and cultural events. These have included matters where funds provided to a legitimate charity have been passed through to government officials; where funds were provided to a charity headed by the spouse of a government official to influence official decision-making; where funds were provided to a charity at the request of a government official (and thus where it may reasonably appear that the donation was intended to influence the official); and where funds provided to support a government sponsored cultural event were not properly accounted for or where a reasonable threat of skimming existed.

EXAMPLE: Medical device company Stryker Corp. was prosecuted for making donations to a public university to fund a laboratory, the pet charity of the university professor who established it. Stryker expected the professor, a public official by virtue of his employment at a public hospital, to direct business to Stryker through purchases at the hospital. Of note, Stryker was prosecuted although it earned less in profits than the amount of the donation.

EXAMPLE: Pharmaceutical companies Schering-Plough and Eli Lilly both were prosecuted for making donations to the legitimate, pet charity of a government official who had discretion to make purchasing decisions for public hospitals. Both were deemed to be providing something of value to improperly influence the decision-making of a public official.


In particular, key questions as to whether support can be provided will be:

- **The mode in which the support is provided.** Monetary support should be provided in traceable instruments, subject to audit (e.g., wire or cheque). Where in-kind support is provided, Barrick should provide the goods or services itself to the extent possible. Payments should be made to official accounts; if the government is involved, payments only can be made to official government accounts.
- **Whether the purpose of the support is appropriate.** It is important that the purpose of the support be proper. Barrick may legitimately desire to support charitable and cultural causes and training for government officials. However, Barrick must be careful not to support a charitable cause simply to build a relationship with a government official who makes decisions directly impacting our business, or to influence the government official in the context of discretionary decisions the official may make related to the company.
- **Timing of the support.** We must be mindful of the timing of any charitable donations, or support for cultural events, that have a government connection or affiliation of any sort. In particular, we must be mindful of sponsorships or donations to government officials who at the time have pending before them discretionary decisions related to our operations. Regulators may view a donation or sponsorship as improper if it is connected to a government official responsible for making a discretionary in relation to our operations. That means that due diligence must be done to determine whether a discretionary decision is pending, and if so, the legal department must be alerted to that fact.
- **Consistency with local law.** It is important that the support strictly comply with the written laws of the host country. Local laws may contain certain restrictions regarding government-related charities and cultural events, or training of government officials. For instance, they may prohibit corporate donations to government charities, or may require that sponsorships be provided in a certain specified manner. Verification that the support is lawful, and being provided in a strictly lawful manner, is critical.
- **Transparency and reasonableness of amounts.** It is typically proper for the support to be transparent and formally documented. That normally is done through a written agreement, but for charitable and cultural sponsorships in excess of \$10,000 (or as set by the sites or countries), or if the charity involves the government in any respect, a support agreement is required. In addition, particularly for amounts above \$10,000, it is necessary to have documents containing details about the support being provided. For instance, if Barrick is sponsoring a cultural event, the backup documents should contain a detailed budget, or listing of all contemplated costs and expenses that comprise the request, as well as details about the event itself. It is critical to ascertain that any amounts requested, whether in sum or in individual line items, are reasonable and reflect market rates. It is also preferable that donations are limited to goods that are tangible and visible, and which can be measured, and not intangible costs (such as labour) which can be inflated and are difficult to assess.

- **Due diligence.** Conducting due diligence on relevant charities, and in support of cultural events, is critical. It is imperative that all charities to which we providing funding be reputable and *bona fide*, and not a front for a government official to siphon money, a supporter of terrorism, or have recent allegations of fraud or financial misconduct. It is likewise imperative that we verify that any official associated with a cultural event that we sponsor has a positive ethical reputation. It is further important to obtain assurances that any accounts into which funds are deposited are official government, institutional, or charitable accounts, and are not private individual accounts, or irregular or *ad hoc* accounts.
- **Verification of the support.** It is imperative that Barrick verify that the support contemplated is actually provided and received. Where we sponsor a cultural event or training, we should be confident that the event occurred as advertised. Where we make a charitable donation, we should try to gain some assurance that the donation was used as we anticipated. Verification can be accomplished through visual inspection, photographs, pamphlets, or other means. We want to avoid sponsoring events that do not occur (or which differ materially from the request), or providing donations to charities that are misused.

2. Procedure Requirements and Approval Process

For convenience, the following section is copied from the Procedure, setting forth the general requirements and the approval process:

	Procedure for Implementing the Anti-Bribery and Anti-Corruption Policy	Document reference	BGC-LG-RM-00-02
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All charitable or cultural donations must be:

- Permissible under local law.
- Approved by an Authorized Approval Employee (and where applicable, by a Country Executive Director and the President or his or her designee) in advance of any expense incurred, unless otherwise noted.
- To the Government *per se* or a recognized charity or entity only, not a specific government official.
- Supported, where applicable, by a detailed budget and/or detailed receipts.
- For charities or cultural donations, including initiatives or events, supported or sponsored, where applicable, by documentation indicating that the charity, initiative or event is not connected to, or was not referred by, a government official (or close relative thereof), and where the charity or cultural donation is connected to a government official (or close relative thereof) appropriate due diligence.
- In-kind donations are preferred.

Where applicable, verification must be sought that the support was used as described and intended (such as through visual inspection), that the charity at issue is *bona fide* in nature.

Charitable and cultural donation parameters are as follows:

1. Any employee seeking approval for a charitable or cultural donation, including to sponsor events and initiatives, must first conduct appropriate due diligence to assess, as related to the type of donation, whether the proposed recipient is directly or indirectly affiliated with the government, whether the donation can be expected to be put to the stated use, and whether the proposed recipient's reputation is acceptable to Barrick. Upon completion of due diligence, the employee seeking approval must request and obtain approval through his or her existing local process (including global and local Delegations of Authority). This Procedure does not dictate who within a functional unit may initiate a donation, contribution or cultural event request; those requirements are determined by the individual functional units, Sites, and/or countries.
 - a. Authorized Approval Employee review is not required for charitable or cultural donations, including to sponsor events and initiatives, of USD \$5,000 or less than (or amounts set locally), unless
 - i. it is related to security (which also requires legal approval), or
 - ii. it is connected to the government or government official (e.g., requested by a government official, or the recipient is connected to a government official or relative).
 - b. Authorized Approval Employee review is required for charitable or cultural donations, including to sponsor events and initiatives, above USD \$5,000 (or amounts set locally), or if related to security (regardless of amount, and which also requires legal approval) or connected to the government or a government official (regardless of amount).
 - c. Charitable or cultural donations, including to sponsor events and initiatives, above USD \$10,000 (or limit set locally) requires approval of the Country Executive Director (or his or her designee).
 - d. Charitable or cultural donations, including to sponsor events and initiatives, above USD \$100,000 also require the approval of the President (or the Chief Sustainability Officer, as an alternative).
 - e. A support agreement is required if the request is
 - i. for a monetary or in-kind charitable or cultural donation in excess of USD \$10,000, or
 - ii. a charitable or cultural donation to a recipient that has direct or indirect government affiliation (regardless of amount), or
 - iii. is security related (regardless of amount), which also requires legal approval.
2. The approval request should include relevant backup documentation, which, where relevant, should include:

- i. Either (a) an attached request from the government official or agency, or (b) an internal note or memo documenting the request from the government official or agency;
- ii. A list of the individuals or organizations receiving the donations, contributions or payments in connection with charities or cultural events or initiatives
- iii. A description of the charitable or cultural donation and how the requestor determined it is a *bona fide* charity or cultural initiative or event to support or sponsor, if applicable, unconnected to any government official (as per the above);
- iv. A detailed budget, where applicable;
- v. An explanation for why the payment is appropriate, and how it was calculated;
- vi. Documentation of due diligence on the reputation and prior history of any public officials involved, directly and indirectly; and
- vii. A Support Agreement if required under Paragraph 1(e) above.

3. The Authorized Approval Employee will review the request, the backup documentation, and the Support Agreement (if required) to ensure that the request complies with the Policy and this Procedure.

The requester is responsible for providing written evidence to the Authorized Approval Employee that the required authorizations have been obtained. The Country Executive Director, the President, or their designees, as applicable, may request any documentation necessary to assess the donation.

- i. If the Authorized Approval Employee determines, pursuant to an approval from the Country Executive Director, President or their designees (as applicable), that the support complies with this Procedure and the Policy, he or she shall inform the requester of the approval in writing. The requester can then incur or authorize the expense and subsequently seek payment or reimbursement from finance and accounting.
- ii. If the Authorized Approval Employee determines that the request does not comply with this Procedure or the Policy, he or she may return the material to the requester for completion, deny the request, request additional documentation, or seek further information.

Each payment request must go through this process, even if a Support Agreement has been signed.

3. Things to Watch for: Charities and Cultural Donations

- Permissible under local law;
- Appropriate and complete documentation (e.g., budgets, due diligence, schedules);

- Appropriate purpose;
- Reasonableness of amount;
- No skimming (e.g., no opportunity for official to siphon);
- No double dipping (e.g., support duplicated by support from elsewhere);
- Payments through traceable instruments that are auditable, or cash with receipts that are witnessed;
- Negative reputation of the requesting charity or related official;
- Positive reputation of charity or cultural, initiative or event; and
- Existence of a support agreement for amounts in excess of \$10,000 (or as set by sites or countries).

4. Practical Tips for the Reviewers to Remember

- Verify that request was first approved **through the normal local process**. The request must otherwise not be approved.
- Verify that **approval is being sought before providing the donation**. If prior approval was not sought, the request must not be approved and the matter should be transferred to the legal department.
- Verify that the request – both the support and the manner of providing it – is **permitted by written local laws**. If you are unsure about the legality, contact corporate legal counsel in Toronto or Head Country In-House Counsel.
- Verify that there is **backup documentation** demonstrating that the request was made by the government official or registered charity, that the request is necessary and appropriate, and that the amount requested is reasonable. (List of backup documentation is below).
- Verify that the support is provided **to the government per se or to a recognized charity**. Request for payment to a specific government official must not be approved.
- Verify that **due diligence** on the official requesting support and, where possible, those receiving support, has been conducted.
 - Ensure it is a **legitimate organization** (e.g., it is bona fide charity, does not support terrorism, and is appropriate to receive a contribution);
 - Ensure the recipient has **no connection to a government decision-maker**, or government or political official (or their agent or family member) capable of providing the company with an unfair competitive advantage, and the charity or donation was not suggested by such a party.
- Verify documentation indicating **how the amount requested was calculated**. Obtain a breakdown of expenses and costs or budget, and verify that they are reasonable.

- Verify that, if the request is for donations and contributions over \$10,000 or related to security or government (regardless of amount), the request is accompanied by a **support agreement**. Verify that, if there is a support agreement, it:
 - has been approved by corporate legal counsel in Toronto or Head Country In-House Counsel;
 - appropriately documents the nature of the support Barrick will provide to the government official(s) and the conditions for such support;
 - adequately identifies Barrick's understandings and expectations; and
 - indicates that the support is provided for a clear and valid business reason and not to improperly influence any act, decision, or function of the government to whom the support is provided.
- Verify that the support does not, consistent with the local environment and in light of all of the circumstances, **appear to create a risk of influencing the public official** in the performance of his or her official duties or decision-making.
- Verify that there is a **valid, stated reason** that does not involve influencing a government official.
- Verify that requestor will **obtain a receipt** confirming the donation/contribution, and that it is not benefiting directly or indirectly a government official or political party.
- Look for **risks of skimming** by officers, government officials, dual payments through different channels, or kickbacks to Barrick personnel.
- Where applicable, verify that the **support was used as described** and intended (such as through visual inspection), that the charity at issue is *bona fide* in nature.
- **Transparency** is of utmost importance. Verify that benefits being provided, and their purpose, are documented, and that those documents are shared with the official's agency, whenever possible.
- Verify that there are no **patterns** in the payment requests that seem odd or unusual.
- If there are any questions, the Authorized Approval Employee is encouraged to **contact** corporate legal counsel in Toronto or Head Country In-House Counsel.

5. Documents to Review

Prior to approving donations to support or sponsor charities or cultural events or initiatives, Authorized Approval Employees, Executive Directors, and the President (or Chief Sustainability Officer) should review the documents below, as applicable:

- a list of the individuals or organizations receiving the donations, contributions or payments;
- a detailed budget, where applicable;
- due diligence on the charity or cultural event or initiative and official;
 - o documentation indicating that the charity or cultural event or initiative is not connected to, or was not referred by, a government official (or close relative of the government official);
 - o if the support is for a charity or cultural event or initiative connected to a government official (or close relative of the government official), documentation indicating that due diligence has been conducted on the reputation and prior history of any public officials involved, directly and indirectly;
- a description of the charity or cultural event or initiative and an indication of how the requestor determined it is a *bona fide* charity, event or initiative unconnected to any government official
- an explanation for why the support or sponsorship is necessary and appropriate; and
- a support agreement for all contributions or payments in connection with donations to support or sponsor charities or cultural events or initiatives over \$10,000 or related to security or the government or a government official.

6. Table from the Procedure

For convenience, the following table is copied from the Procedure regarding charitable donations.

Type of Support	Conditions on Support
Monetary or in-kind charitable or cultural donations to support or sponsor events or initiatives directly or indirectly affiliated with government <u>or</u> security related	<ul style="list-style-type: none"> • In addition to existing local processes: <ul style="list-style-type: none"> o Country Executive Director (or his or her designee) must approve donations above USD \$10,000 (or limit set locally) o The President (or the Chief Sustainability Officer) must also approve donations above USD \$100,000 • AAE approval and Support Agreement, obtained in advance, are always required. No expense account reimbursements are allowed.

<p>Monetary or in-kind charitable or cultural donations to support or sponsor events or initiatives <u>not affiliated directly or indirectly</u> with government <u>and</u> not security related</p>	<ul style="list-style-type: none"> • In addition to existing local processes: <ul style="list-style-type: none"> ○ Country Executive Director (or his or her designee) must approve donations above USD \$10,000 (or limit set locally) ○ The President (or the Chief Sustainability Officer) must also approve donations above USD \$100,000 • AAE approval is required for donations above USD \$5000 (or limit set locally) • Support Agreement is required for donations above USD \$10,000 (or limit set locally) • AAE approval (if required) and Support Agreement (if required) must be obtained in advance of any expense incurred. No expense account reimbursements are allowed.
<p>Training provided to charities or cultural events or initiatives directly or indirectly affiliated with government <u>or</u> security related</p>	<ul style="list-style-type: none"> • In addition to existing local processes: <ul style="list-style-type: none"> ○ Country Executive Director (or his or her designee) must approve trainings above USD \$10,000 (or limit set locally) ○ The President (or the Chief Sustainability Officer) must also approve trainings above USD \$100,000 • AAE approval and Support Agreement are always required, obtained in advance of any expense incurred. No expense account reimbursements are allowed • Only if related to Barrick operations • Does not prohibit joint training exercises or planning related to public safety in the mine area.
<p>Training provided to charities or cultural events or initiatives <u>not directly or indirectly affiliated</u> with government</p>	<ul style="list-style-type: none"> • In addition to existing local processes: <ul style="list-style-type: none"> ○ Country Executive Director (or his or her designee) must approve trainings above USD \$10,000 (or limit set locally)

<p><u>and</u> not security related</p>	<ul style="list-style-type: none">○ The President (or the Chief Sustainability Officer) must also approve trainings above USD \$100,000● AAE approval is required for trainings above USD \$5000 (or limit set locally)● Support Agreement is required for trainings above USD \$10,000 (or limit set locally)● AAE approval (if required) and Support Agreement (if required) must be obtained in advance of any expense incurred. No expense account reimbursements are allowed.● Only if related to Barrick operations.● Does not prohibit joint training exercises or planning related to public safety in the mine area.
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Annex H

MANUAL FOR LEGAL COUNSEL AND THE PRESIDENT OVERSEEING CORPORATE AFFAIRS (OR HIS DESIGNEE)

Political Contributions

Political Contributions must comply with the Procedure (Appendix H to the Procedure). As a company, in most locations where it operates, Barrick does not make donations to political parties, government officials or candidates for office. For those locations that do make political contributions, U.S. and Canadian regulatory authorities consider them as high risk. Accordingly, except where exemptions specifically are made, they must comply with the Procedure.

The Procedure has a staggered approval process for Political Contributions:

- Authorized Approval Employee review and approval
 - Head Country or Corporate In-House Legal Counsel (as AAE or otherwise).
- Management Approval
 - Always requires advance approval from President or his or her designee.

Employees are permitted to make contributions of money or services in their individual capacity.

1. Background


Prosecutions and investigations have arisen where companies and individuals have provided political contributions to politicians, and the politicians siphoned the funds for their personal benefit. In particular, key questions as to whether support can be provided will be:

- **Strict adherence to local laws.** Most countries have written laws governing the maximum amounts in which political contributions can be made, the methods in which the donations can be made, sometimes the timing of when donations can be made, and other similar limitations. It is imperative that all political contributions strictly comply with written local laws. For that reason, all political contributions must be approved by corporate legal counsel in Toronto or Head Country In-House Counsel.
- **No quid pro quo.** Individuals and companies can get into trouble where a political contribution is being made in exchange for a specific, identified benefit that an official or candidate is then considering. While political contributions generally are made to support candidates favorably disposed toward our business, that is different from a donation made while there is a specific decision pending, where the donation itself is intended to (or may reasonably be seen as intending to) influence that official decision in our favor.

- **Transparency.** All political contributions should be appropriately documented, and records must be created and retained demonstrating the amount and nature of the donation, along with appropriate approvals. Cash should not be used.
- **Legitimacy.** All political contributions should be to legitimate candidates or political parties.
- **Due diligence.** We must be careful to avoid providing donations to political officials who have negative reputations related to fraud, corruption or ethics.

2. Procedure Requirements and Approval Process

For convenience, the following section is copied from the Procedure, setting forth the general requirements and the approval process:

	Procedure for Implementing the Anti-Bribery and Anti-Corruption Policy	Document reference	BGC-LG-RM-00-02
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All political contributions made by Barrick must be:

- Permissible under local law.
- Approved for compliance with relevant political contribution laws, as well as the Policy and this Procedure, by a Corporate or Head Country In-House Legal Counsel and President (or his or her designee).
- Made to a properly authorized account for a candidate, political party, or other political organization designated to accept contributions.
- Made by traceable instrument, i.e., not cash.

Political contribution parameters are as follows:

1. Any employee seeking approval for a political contribution on behalf of Barrick must first conduct appropriate due diligence to assess whether the proposed recipient's reputation is acceptable to Barrick and whether such donation would give rise to any corruption concerns. Upon completion of due diligence, the employee seeking approval must request and obtain approval through his or her existing local process (including global and local Delegations of Authority). This Procedure does not dictate who within a functional unit may initiate a political contribution. Those requirements are determined by the individual functional units, Sites, and/or countries.
2. In addition to the existing local process, the request must be reviewed by Corporate or Head Country In-House Legal Counsel for compliance with relevant political donation laws, and the Policy and this Procedure. The request should include relevant backup documentation, which should include:
 - i. Documentation of due diligence on the reputation and prior history of the candidate, political party, or political organization.

- ii. Written documentation of the amount and nature of the contribution.
 - iii. Verification that the donation is not in exchange for any specific discretionary action that the official may take.
 - iv. Verification that the donation is being made to an appropriate account (e.g., not a personal account, overseas account, etc.).
3. Corporate or Head Country In-House Legal Counsel will review the request and the backup documentation to ensure that it complies with applicable laws, and the Policy and this Procedure. The relevant functional manager must also seek the written approval of the President (or his or her designee).

The President, or his or her designees, as applicable, may request any documentation necessary to assess the donation.

- i. If Corporate or Head Country In-House Legal Counsel determines that the contribution is lawful and complies with this Procedure and the Policy, he or she shall inform the requester of the approval in writing. The requester can then seek approval from the President (or his or her designee), and incur or authorize the expense and subsequently seek payment or reimbursement from finance and accounting.

If Corporate or Head Country In-House Legal Counsel determines that the request is not lawful, or does not comply with this Procedure or the Policy, he or she may return the material to the requester for completion, deny the request, request additional documentation, or seek further information.

3. Things to Watch for: Political Contributions

- Permissible under local law as to amount, methods of contribution;
- Regularity of accounts where funds are transferred (e.g., no overseas accounts, personal accounts, other unusual features);
- Payments through traceable instruments that are auditable;
- No pending discretionary decision by sitting political officials, where the donation may give rise to a concern that the donation was intended to influence that decision; and
- Negative reputation of the official.

4. Practical Tips to Remember

- Verify that request was first approved **through the normal local process**. The request must otherwise not be approved.

- Verify that **approval is being sought before providing the contribution**. If prior approval was not sought, the request must not be approved and the matter should be transferred to the legal department.
- Verify that the request – both the contribution and the manner of providing it – is **permitted by written local laws**. If you are unsure about the legality, contact corporate legal counsel in Toronto or Head Country In-House Counsel.
- Verify that the contribution is provided **to a valid account legally authorized to accept it**.
- Verify that **due diligence** on the official receiving the donation has been conducted, and that **no pending discretionary decision** exists.
- Verify that requestor will **obtain a receipt** confirming that the contribution was made.
- Look for **risks of skimming** by government officials, or kickbacks to Barrick personnel.
- **Transparency** is of utmost importance. Verify that the contribution is appropriately documented, and the records retained.
- Verify that there are no **patterns** in the payment requests that seem odd or unusual.
- If there are any questions, the Authorized Approval Employee is encouraged to **contact corporate legal counsel in Toronto**.

5. Documents to Review

Prior to approving any donations, corporate legal counsel in Toronto or Head Country In-House Counsel must review the documents below:

- Documentation of due diligence on the reputation and prior history of the candidate, political party, or political organization.
- Written documentation of the amount and nature of the contribution.
- Verification that the donation is not in exchange for any specific discretionary action that the official may take.
- Verification that the donation is being made to an appropriate account (e.g., not a personal account, overseas account, etc.).

6. Table from the Procedure

For convenience, the following table is copied from the Procedure regarding political contributions.

Type of Support	Conditions on Support
Political Contributions (to candidates, political parties, or other political organizations)	<ul style="list-style-type: none"> • AAE approval is always required. AAE must be Head Country or Corporate In-House Legal Counsel • It also requires approval from President or his or her designee • AAE approval must be obtained in advance of any expense incurred • Employees are permitted to make contributions of money or services in their individual capacity

Annex I

MANUAL FOR LEGAL COUNSEL

Support Agreements and Contracts with Third Parties Intermediaries

Support Agreements and Contracts with Third Parties Intermediaries must comply with the Procedure (Appendix I to the Procedure). As defined in section 5.3 of the Procedure, a “Support Agreement” means a document, such as a negotiated memorandum of understanding, a countersigned letter or, if necessary, a unilateral letter from Barrick, outlining the nature and the conditions of the support that Barrick will provide to (i) a government or its officials, or (ii) in the case of charitable and cultural donations, a charity or organizers of a cultural event, and Barrick’s understandings and expectations with respect to such support.


As defined in section 6.5.8 of the Procedure, Contracts with Third Parties Intermediaries are contracts entered into with government affiliated entities or persons. Government-affiliated entities include entities owned or controlled by the government, by government officials or their relatives, or referred by governments or government officials, or third parties who represent Barrick before a government, or interface with the government on Barrick’s behalf or for Barrick’s benefit.

1. Background

Support agreements with the government, and contracts with government officials, state owned entities, and third party agents who interface with the government on a company’s behalf, create elevated legal risks for companies. While support agreements generally are considered a control for elevated corruption risks, numerous prosecutions and investigations involve contractual relationships and agreements between companies and the government.

2. Procedure Requirements and Approval Process

For convenience, the following section is copied from the Procedure, setting forth the general requirements and the approval process:

	Procedure for Implementing the Anti-Bribery and Anti-Corruption Policy	Document reference	BGC-LG-RM-00-02
Regardless of the amount at issue or the nature of the contract at issue, all Support Agreements or contracts with the following individuals or entities must be presented to Corporate or Head Country In-House Legal Counsel for review and approval:			

- a) a government official (or immediate relative of a government official, such as a spouse/partner, parent or parent-in law, child or son/daughter in-law, stepson or stepdaughter, aunt or uncle, niece or nephew, sibling or brother/sister in-law);
- b) a government entity;
- c) any business owned in whole or part by a government, or officially or unofficially controlled by a government, other than instances where such ownership or control relates to less than five percent of the issued shares of a publicly traded company;
- d) any business owned in whole or part by government official (or immediate relative thereof), other than instances where such ownership relates to less than five percent of the issued shares of a publicly traded company;
- e) any contractor referred to Barrick by a government official (or immediate relative thereof); or
- f) any third party that will represent Barrick before a government agency or official, or will interface with the government on Barrick's behalf or benefit.

Barrick employees sponsoring, or proposing to enter into such contracts, must make inquiries and conduct initial appropriate due diligence to determine whether the contract involves any of the above individuals or entities. Guidance on the nature of appropriate initial due diligence may be obtained from Head Country or Corporate In-House Legal Counsel.

As established in section 5.8 of the Procedure, wherever possible, we should strive to have Support Agreements countersigned by an official, both on behalf of the agency and with a higher rank than the official(s) receiving the support.

3. Practical Tips to Remember and Documents to Review

Ascertaining whether a contractor falls into one of the above categories is important, which often will require appropriate due diligence. In addition, agreements related to the above categories will require appropriate contractual language, requirements and controls. Sample contractual provisions are attached as Attachment D. Appropriate requirements and controls will differ depending on the nature of the services provided and the risks posed, but will certainly include completion of a questionnaire as to the company's ownership, background, and profile. In addition, they may include anti-corruption training, anti-corruption certifications, verifying that the contractor is qualified for the work, verifying that that services are provided at market rates, close scrutiny of invoices to determine reasonableness of charges, and a review of any work performed to ensure it matches our expectations.

ATTACHMENT A:
SAMPLE SUPPORT AGREEMENTS & REQUEST LETTERS

SAMPLE REQUEST LETTER

Date

Name
Agency

Dear Sir or Madam:

As you are aware, the Ministry of the Interior intends to assign a full time employee to provide immigration and visa-related services exclusively in connection with the [name] Mine. That assignment has been made in light of the remote location of the mine, the lack of local infrastructure, and the need for numerous mine employees and contractors to obtain immigration-related services.

In connection with that assignment, we hereby request the following support on a voluntary basis from your company:

1 office in which the official may sit

1 computer and 1 printer which the official may use

Daily out-of-station payments, in amounts consistent with applicable government regulations (\$1.30 per day)

Meals (3 per day) and accommodations at the mine site.

Please let us know whether you will agree to provide the requested support.

Sincerely,

[Official title]

cc:

SAMPLE REQUEST LETTER

Date

Name
Agency

Dear Sir or Madam:

We hereby request travel-related support for Director [name], of the Ministry of Energy and Mines. The Director desires to visit the [Name] mine in Australia, to ascertain the methods in which explosives may be used underground. There are no similar mines in country, and gaining a full understanding of the explosives process is important in allowing the Director, and the Ministry, to effectively regulate the [name] Mine owned by Barrick.

The requested support includes air, meals, accommodations, and transportation to and from the Mine. The support is permissible under our regulations, and is connected with the Director's official oversight functions.

Please let us know your position on the requested support.

Sincerely,

[Official title]

cc:

SAMPLE SUPPORT REQUEST

[Date]

[RPC's First and Last Name]
Regional Police Commander (Kagera)
Tanzania Police Force
[Insert Address of RPC]

Pangea Minerals Limited
c/o Barrick Gold Tanzania
Plot 1736 Kahama Road/
Hamza Aziz Road Msasani Peninsula
PO Box 1081 Dar es Salaam
Tanzania
Fax: (+255 22) 2600 210

Attention: Operating Unit Security Manager – Africa
Senior Operating Unit Counsel – Africa

RE: REQUEST FOR [MONETARY OR IN-KIND] SUPPORT

Dear Sirs:

The Tanzania Police Force (the “Police”) is an organ of the United Republic of Tanzania vested with the responsibility of, among other things, ensuring public security, safety, and protection of both the life and property, and is committed to engaging in partnerships and cooperation with stakeholders and community members among the lawful citizenry to achieve peace and order throughout the United Republic of Tanzania.

In accordance with the Memorandum of Understanding, dated _____, 2009, among Pangea Minerals Limited (the “Company”), the Police and the RPC (Kagera Region) (the “MoU”) we are writing to you to request the assistance contained in this letter to assist the Police in providing community policing services and maintaining law and order in and around the mine in the Kagera Region in the United Republic of Tanzania known as Tulawaka Gold Mine (the “Mine Site”).

Given the remoteness and lack of substantial infrastructure in the Kagera Region and for other reasons identified in the MoU, the Tanzania Police Force requests the Company’s cooperation in: [STATE PURPOSE FOR ADDITIONAL SUPPORT, e.g., specific security situation, to maintain law and order, specific community policing initiative, change in type of Mine Site functioning, etc.] in order to help ensure law and order in the Kagera Region. Specifically, the Tanzanian Police Force requests that the Company provide: [SPECIFY THE AMOUNT AND TYPE OF MONETARY OR IN-KIND SUPPORT REQUESTED,

e.g. out-of-station allowances; per diems; meals; accommodations; vehicles; phone cards; equipment such as binoculars, tents, ropes, etc.; administrative expenses related to printing, telephones, computers, etc.]. The support requested in this letter would be subject to the same terms and conditions contained in the MoU.

We appreciate your immediate consideration of this request, and forward to hearing from you soon.

Sincerely,

[Name]
[Title]

SAMPLE IN-KIND SUPPORT AGREEMENT
MEMORANDUM OF UNDERSTANDING
REGARDING THE PROVISION OF IN-KIND SUPPORT

This Agreement is made this ____ day of 2012, by and between the following parties:

Barrick [] (hereinafter “Mine”)

And

[Magisterial Services of []] (hereinafter the “Agency”)

WHEREAS:

- A. The Mine is located in the Province, of [Country] (“the Mine”);
- B. The Mine is located in a remote location, lacking substantial infrastructure;
- C. The Mine has long worked cooperatively with the local community and the Government of [] country to ensure that the rule of law is respected, and that law and order is maintained;
- D. The parties agree that the presence of a Presiding Magistrate is critical to maintaining the rule of law and law and order;
- E. No Presiding Magistrate resides in the vicinity of the Mine;
- F. The Agency has requested that the Mine provide, on a voluntary basis, certain limited in-kind support, consisting of fuel, limited automotive maintenance and repairs, the expense of a yearly vehicle certificate of roadworthiness, and costs associated with travel to the area;
- G. The Agency represents that such support shall facilitate the ability of a Presiding Magistrate to travel to, and in and around, the community, and to and from his home; and

- H. The Mine has agreed to provide limited in-kind support consistent with the terms and conditions set forth below,

IT IS AGREED AS FOLLOWS.

1. The Mine shall provide, on a voluntary basis, the following support to a Presiding Magistrate to be assigned by the Agency to the [Province]:
 - a. Fuel, consisting of 80 (eighty) liters of diesel, every fortnight, on an in-kind basis, to be supplied by the mine directly into the Presiding Magistrate's automotive vehicle. Such fuel only shall be transferred into the gasoline tank of vehicle of the Presiding Magistrate, and not to any other vehicle, container, or individual. The Presiding Magistrate shall personally be present to request such support, which shall be provided on Wednesdays or Thursdays.
 - b. One round trip air ticket per month, to be supplied directly to the Presiding Magistrate, on the Mine charter between the Mine and the [name] Airport. Such tickets shall not be transferrable to any other individual, and may not be resold. Such tickets will be subject to availability. The Presiding Magistrate may, in seeking such tickets, directly contact the Travel Department of the Mine. The parties agree that the Mine shall have no liability if seats are unavailable, or it is otherwise unable to provide seats in any given month. If the Presiding Magistrate arranges a ticket and is unable to then use it, because the Mine shall bear the costs of such tickets, the Presiding Magistrate shall be obligated to reimburse the Mine the cost of such ticket or otherwise may not obtain another ticket for another calendar month.
 - c. Normal automotive vehicle service, provided once every 6 (six) months by the Mine, specifically fuel filters, oil filter replacements, and all lubricants, including the labor cost with such a service, and no other parts or services other than those noted herein. Such normal vehicle service shall be provided by [name] Automotive Services, and the Mine shall pay [name] Automotive Services directly for all such costs that may actually be borne.
 - d. Every 2 (two) years the Mine shall provide 1 (one) set of four commercial tires for the automotive vehicle driven by the Presiding Magistrate. Such tires shall be provided by [name] Automotive Services, and the Mine shall pay [name] Automotive Services directly for all such costs that may actually be borne.

- e. The cost of obtaining a roadworthy certificate each year for the Presiding Magistrate's automotive vehicle, though not the cost of replacing any parts or performing such repairs, other than those noted above, that may be necessary to obtain such certificate.
2. The Agency agrees, on behalf of the Presiding Magistrate, to obtain at all times insurance for the vehicle he is using, to operate the vehicle in a safe and responsible manner, to keep the vehicle in a secure area, and to regularly have the vehicle serviced.
3. The Agency represents that the Presiding Magistrate is not receiving any funds intended to cover the support noted in Paragraph 1, above. If the Presiding Magistrate is provided such funds in the future, the Agency will promptly advise the Mine, and the Mine shall cease providing the relevant voluntary support.
4. The Agency expressly warrants that the Presiding Magistrate is legally authorized to directly accept the support identified in Paragraph 1. All requests for support in addition to that set forth in Paragraph 1 must be approved in writing by the Barrick Office of the General Counsel, Toronto, Canada.
5. The Agency and the Mine agree that the Mine has no authority at any time to supervise, direct, or control any assignment or function of the Presiding Magistrate. The support identified in Paragraph 1 is not conditioned on the outcome of any function the Presiding Magistrate may perform, or finding he may make. The Presiding Magistrate shall not be constrained or influenced by the support identified in Paragraph 1 in performing his official functions, but shall retain his full and complete independence at all times. The Presiding Magistrate is not, and shall not be, beholden in any respect to the Mine, or any of its employees or affiliates, in any respect. Neither the Agency, nor the Presiding Magistrate in accepting the support identified in Paragraph 1, is aware of any other issue that might reasonably create the appearance of a conflict of interest or otherwise cause doubts about the Presiding Magistrate's genuine independence or the integrity of his findings.
6. The Agency and the Mine agree that the Mine is not providing the support identified in Paragraph 1 to influence, in any manner, any act, decision, or function that the Presiding Magistrate may take while acting in the capacity of Presiding Magistrate, and that such support shall not so influence any act, decision or function. The Agency and the Mine further agree that the support identified in Paragraph 1 is not being provided by the Mine to influence, in any manner, any act, decision, or function of the Agency, or any employee or agent thereof. No portion of the support identified in Paragraph 1 shall be provided to any third party, including in particular any other official, employee, agent, or representative of the []Government or any agency or instrumentality thereof, or

any family member thereof, or to influence any action by the [] Government, any agency or instrumentality thereof, or any official, employee, agent, or representative thereof.

7. The Mine may terminate its voluntary support under this Agreement, in whole or in part, at any time with a prior notice of three working days. In particular, the Mine shall automatically and immediately terminate support if it is determined to be in violation of any applicable law or that such support subjects it to any sanction or penalty under any law.
8. In the event of death or injury to the Presiding Magistrate, or to any third parties alleged to have been caused by the Presiding Magistrate in connection with the support identified in Paragraph 1, the Agency shall indemnify and hold the Mine harmless from and against any and all claims.
9. All support provided under this Agreement shall be recorded by the Mine in writing. The Mine intends to maintain all records relating to any support it provides, and to make such records available to any relevant and duly authorized public authority, which may review them at the registered office of the Mine, upon reasonable notice.
10. All support provided shall be open and transparent, and the Mine may disclose information regarding such support and this Agreement to third parties. The Agency shall provide reasonable assistance to Mine to ensure that all support provided in connection with this Agreement is accurately recorded in Mine's books and records, including by signing receipts and providing certifications verifying that the terms and conditions of this Agreement have been complied with.
11. Neither this Agreement nor the support identified in Paragraph 1 shall create any kind of employment, agency or joint venture relationship between the Mine, the Agency, or the Presiding Magistrate, whether under government tax laws, employment laws, or any other applicable law.
12. If any of the aforementioned conditions are determined to be invalid, illegal or unenforceable in any respect under any applicable law, the validity, legality and enforceability of the remaining terms and conditions shall not be affected or impaired by reason thereof.

SAMPLE TRAVEL SUPPORT AGREEMENT AND MEMORIALIZING REQUEST

[Letterhead]

Date

**[addressee
Ministry of Foreign Affairs
Government of []
Address]**

Re: Response to Request for Voluntary Support

A delegation organized by the Ministry of Foreign Affairs the Government of [] (“MFA”) has requested that Barrick Gold Corporation (“BGC”) provide certain voluntary support in connection with upcoming travel by a delegation of officials. A list of the individual members of the MFA delegation is attached.

MFA officials have arranged a visit to [] in connection with the development of mine training schools. A member of the delegation asked BGC whether a visit to a mine site could be arranged. Specifically, BGC has been asked to voluntarily assist in providing (1) transportation to the site for the delegation, (2) meals for the delegation while on site, and (3) accommodations for members of the delegation for [one] night.

Accordingly, BGC has played no role in the selection of the personnel to participate in the delegation, nor in planning or suggesting the delegation’s trip. The idea for the visit emanated from the government itself, not BGC.

BGC is pleased to be able to agree to provide such voluntary support, subject to the following important conditions and understandings, as dictated by the laws of various countries that may reasonably be deemed to govern BGC and its operations.

1. All support provided shall be in-kind. BGC will arrange all necessary transportation to and from the site for the delegation. That transportation may consist of economy class or charter air travel, and/or ground travel. Any costs associated with that travel will be paid directly to the provider. BGC also will arrange for meals and accommodations to be provided to the delegation. Such support may be provided in-kind at the mine site. Otherwise, all meals shall be reasonable in nature, non-lavish, and related to the delegation’s visit, and all accommodations likewise shall be modest and non-lavish in nature, and provided at a hotel in close proximity to the mine. All costs for such meals or accommodations, to the extent not provided at the mine site, shall be paid directly to the provider by BGC.
2. BGC shall not provide any financial support to members of the delegation, or support in any side trips to any location other than the mine. BGC will not

provide any gifts outside of possible small mementos. To the extent any other support is requested by the MFA or members of the delegation beyond that identified herein, it must be made in writing, with approval by BGC's Office of the General Counsel in Toronto, Canada.

3. BGC is providing support on the condition that it shall be used only for its intended purpose as set forth herein. BGC understands from the MFA that it and any officials that are part of the delegation are legally authorized to directly accept the support contemplated herein.
4. At no time will BGC have authority at any time to supervise, direct, or control any assignment or function of the MFA or any members of the delegation. The voluntary support identified herein is not conditioned on the outcome of any function the MFA, its employees, or members of the delegation, may perform, or any decision the Ministry, the Government, or any of its employees may render. The MFA and members of the delegation shall not be constrained or influenced by the voluntary support identified herein in performing any official functions, but shall retain full and complete independence at all times. The MFA and members of the delegation are not, and shall not be, beholden in any respect to BGC or TCC, or any of their employees or affiliates, in any respect. Neither the MFA, nor the delegation members, in accepting the voluntary support identified herein, are aware of any other issue that might reasonably create the appearance of a conflict of interest or otherwise cause doubts about the MFA's genuine independence or the integrity of any decisions it or members of the delegation may make.
5. BGC is providing the voluntary support identified herein for educational purposes only, to further the capacity of the MFA and members of the delegation regarding modern mining, and is not providing the voluntary support to unduly or improperly influence, in any manner, any act, decision, or function that the MFA, its employees, or members of the delegation may take while acting in their official capacities, and that such support shall not so influence any act, decision or function. No portion of the voluntary support identified herein shall be provided to any third party, including in particular any other official, employee, agent, or representative of the Government or any agency or instrumentality thereof, or any family member thereof, or to influence any action by the Government, any Ministry or instrumentality thereof, or any official, employee, agent, or representative thereof.
6. BGC may terminate its voluntary support, in whole or in part, at any time with a prior notice of three working days. In particular, BGC shall automatically and immediately terminate support if it is determined to be in violation of any applicable law or that such support subjects it to any sanction or penalty under any law.

7. In the event of death or injury to any member of the delegation, or to any third parties, related in any way to the provision of the voluntary support contemplated herein, the MFA shall indemnify and hold BGC harmless from and against any and all claims. All members of the delegation shall abide by BGC policies while at the mine.
8. All support being provided by BGC shall be recorded by BGC in writing. For any transportation, meals, or accommodations, or other support being provided, BGC shall retain receipts and relevant documentation establishing the nature of the support being provided. BGC intends to maintain all records relating to any support it provides, and to make such records available to any relevant and duly authorized public authority, which may review them at a registered office of BGC, upon reasonable notice.
9. All support provided shall be open and transparent, and BGC and TCC may disclose information regarding such support and this Agreement to third parties. The MFA shall provide reasonable assistance to BFC to ensure that all support being provided is accurately recorded in BGC's books and records.
10. Neither this Agreement nor the voluntary support identified herein shall create any kind of employment, agency, or joint venture relationship between BGC, the MFA or any members of the delegation, whether under tax laws, employment laws, or any other applicable law. If any of the aforementioned conditions are determined to be invalid, illegal or unenforceable in any respect under any applicable law, the validity, legality and enforceability of the remaining terms and conditions shall not be affected or impaired by reason thereof.

We are pleased to be able to assist the delegation in its visit, and look forward to receiving its members. Please do let us know whether these understandings and terms are incorrect or unacceptable in any respect, as we are relying upon them in providing the support to ensure compliance with the laws of the multiple countries that may claim jurisdiction over BGC.

SAMPLE SUPPORT AGREEMENT
MEMORANDUM OF UNDERSTANDING
REGARDING VOLUNTARY SUPPORT

This Agreement is made this ____ day of August 2011, by and between the following parties:

[Barrick [] Inc. (hereinafter “Barrick”)]

And

[Ministry of Interior] (hereinafter the “Ministry”)]

WHEREAS:

- A. Barrick operates the [] Mine in [Country] (“Mine”);
- B. The development and mining of the Mine requires extensive use of explosives, including usages that heretofore have not commonly been employed in the [Country] by large-scale mining projects;
- C. The Ministry maintains responsibility to monitor, oversee, and supervise the use of explosives at the Mine, for security, safety and other purposes;
- D. The parties agree that to effectively carry out its responsibilities, the Ministry and certain of its employees require additional technical training and understandings in the use of explosives in the manner contemplated at the Mine;
- E. The Ministry has requested that Barrick provide, on a voluntary basis, support to assist in that training and understandings; and
- F. Barrick has agreed to voluntarily provide support consistent with the Ministry’s request, and subject to the terms and conditions set forth below.

IT IS AGREED AS FOLLOWS.

- 1. Barrick shall provide, on a voluntary basis, [\$____] to the Ministry to assist in offering additional specific training associated with the use of explosives at the Mine.

2. It is contemplated that, as part of that training, Barrick shall provide certain technical information and instruction in relation to the use of explosives as contemplated at the Mine.
3. It also is contemplated that, as part of the training, the Ministry shall authorize the travel of certain selected employees to travel to a mine site in which explosives are used in a manner similar to that contemplated at the Mine. The Ministry shall maintain full and complete discretion to select the employees for that travel, the means of travel, and the class of travel. In connection with such travel, Barrick shall assist in providing necessary arrangements, meals, and accommodations, as requested by the Ministry. All such meals and accommodations shall be reasonable in class of service, provided on an in kind basis, and shall be directly related to any official travel as determined by the Ministry. The parties agree that, in connection with such travel, Barrick will not provide any financial support to the officials selected by the Ministry, or arrange any side trips unrelated to the training contemplated by the terms of this Agreement.
4. Other uses of the voluntary support being provided herein shall be agreed upon by the parties, in writing, and appended to this Agreement.
5. The Ministry agrees that the voluntary support being provided herein by Barrick only shall be used as contemplated for training and education in explosives as being used at the Mine, and for no other purpose.
6. The Ministry expressly warrants that it and any officials it designates for receipt of the voluntary support being provided by Barrick, including training or travel, are legally authorized to directly accept the support contemplated herein. All requests for voluntary support in addition to that set forth in this Agreement must be approved in writing by the Barrick Office of the General Counsel, Toronto, Canada.
7. The Ministry and Barrick agree that Barrick has no authority at any time to supervise, direct, or control any assignment or function of the Ministry or any of its employees. The voluntary support identified herein is not conditioned on the outcome of any function the Ministry or its employees may perform, or any decision the Ministry or its employees may render. The Ministry and its employees shall not be constrained or influenced by the voluntary support identified herein in performing any official functions, but shall retain full and complete independence at all times. The Ministry and its employees are not, and shall not be, beholden in any respect to Barrick, or any of its employees or affiliates, in any respect. Neither the Ministry, nor its employees, in accepting the voluntary support identified herein, are aware of any other issue that might reasonably create the appearance of a conflict of interest or otherwise cause

doubts about the Ministry's genuine independence or the integrity of any decisions it may make. At present, there are no discretionary determinations pending before the Ministry or its employees.

8. The Ministry and Barrick agree that Barrick is providing the voluntary support identified herein for educational and training purposes only, to further the capacity of the Ministry and certain of its employees in overseeing and supervising the use of explosives, and is not providing the voluntary support to unduly or improperly influence, in any manner, any act, decision, or function that the Ministry or its employees may take while acting in their official capacities, and that such support shall not so influence any act, decision or function. No portion of the voluntary support identified herein shall be provided to any third party, including in particular any other official, employee, agent, or representative of the Kingdom of Saudi Arabia or any Ministry or instrumentality thereof, or any family member thereof, or to influence any action by the Government of the Kingdom of Saudi Arabia, any Ministry or instrumentality thereof, or any official, employee, agent, or representative thereof.
9. Barrick may terminate its voluntary support under this Agreement, in whole or in part, at any time with a prior notice of three working days. In particular, Barrick shall automatically and immediately terminate support if it is determined to be in violation of any applicable law or that such support subjects it to any sanction or penalty under any law.
10. In the event of death or injury to any employee of the Ministry, or to any third parties, related in any way to the provision of the voluntary support contemplated herein, the Ministry shall indemnify and hold Barrick harmless from and against any and all claims.
11. All support provided under this Agreement shall be recorded by Barrick in writing. Barrick intends to maintain all records relating to any support it provides, and to make such records available to any relevant and duly authorized public authority, which may review them at the registered office of Barrick, upon reasonable notice.
12. All support provided shall be open and transparent, and Barrick may disclose information regarding such support and this Agreement to third parties. The Ministry shall provide reasonable assistance to Barrick to ensure that all support provided in connection with this Agreement is accurately recorded in Barrick's books and records, including by signing receipts and providing certifications verifying that the terms and conditions of this Agreement have been complied with. The Ministry also shall provide reasonable assistance to Barrick, upon its

request, to obtain certifications of compliance with the terms of this Agreement from individual employees who may receive support as provided under this Agreement.

13. Neither this Agreement nor the voluntary support identified herein shall create any kind of employment, Ministry or joint venture relationship between Barrick, the Ministry or any of its employees, whether under tax laws, employment laws, or any other applicable law in [Country] or elsewhere.
14. If any of the aforementioned conditions are determined to be invalid, illegal or unenforceable in any respect under any applicable law, the validity, legality and enforceability of the remaining terms and conditions shall not be affected or impaired by reason thereof.

ATTACHMENT B

FCPA Due Diligence and Red Flags

The purpose of conducting Due Diligence on a third party is to identify suspicious circumstances or red flags that create a greater risk of a violation. Corruption or bribery red flags include the following:

- ✓ A reputation for corruption in the country where the work will occur, or where the contractor normally operates
- ✓ Contractor has reputation for, media reports of, allegations of, or past involvement in corruption or fraud matters
- ✓ The nature of the services involves interaction with officials, or often involves local corruption in the country
- ✓ Contractor refuses to accept anti-corruption training, or sign contractual language regarding bribery
- ✓ Contractor refuses to certify compliance, or does not have a Code of Conduct addressing bribery and corruption
- ✓ Contractor refuses to provide complete information or required disclosures, or provides inaccurate information
- ✓ Contractor refuses to retain receipts or keep accurate books and records
- ✓ Contractor requires payment to be made to a third party, or in a different country or currency, or to a personal account
- ✓ Contractor requests an unusually large commission
- ✓ Contractor has a vague description of services, and poorly explained invoices
- ✓ Contractor requests for reimbursement are poorly-documented, or there are questionable expenses
- ✓ Contractor makes large or frequent political contributions
- ✓ Contractor has business ties to relevant foreign officials, or is related to relevant foreign officials
- ✓ Contractor uses use a shell or holding company or blind trust (i.e. unusual corporate structure)
- ✓ Financial difficulties (e.g. prior bankruptcy, negative reference, reported net loss or qualified auditor's statement)

- ✓ Contractor has an apparent lack of qualifications in his industry, or inadequate staffing for the project
- ✓ Contractor owned in part by government entity or government official
- ✓ Contractor discloses intention to work with a non-vetted third party contractor
- ✓ Compensation inconsistent with market rates for like services (high or low)
- ✓ Contractor approaches you near an official decision time, says he has a good relationship with the official
- ✓ Contractor worked in same government office in the last few years

Questions to consider to identify red flags:

- Does the agent seek payment in cash, to a foreign account, in a foreign currency, the account of a third-party, or a personal account?
- Does the agent request broken up payments that could be paid in lump sum?
- Does the agent emerge shortly before a government decision is to be made?
- Does the agent request payment in advance or partial-payment soon before a procurement decision?
- Does the agent request reimbursement for extraordinary, ill-defined or last-minute expenses?
- Does the agent present a vague description of services in the contract or invoice?
- Does the agent have a family member in a government position, especially one who works in a procurement or decision-making position or is a high-ranking official in the department that is the target of the agent's efforts?
- Does the agent refuse to disclose owners, partners or principles?
- Has anyone at the agent been accused and/or convicted of a crime?
- Does the agent use shell or holding companies that obscure ownership without credible explanation?
- Has the agent been specifically requested by a customer or referred by a government official?
- Has the agent been recommended by an employee with enthusiasm out of proportion to qualification?

- Does the agent have a business that seems understaffed, ill-equipped or inconveniently located to support the proposed undertaking?
- Does the agent have little to no expertise in the industry in which it seeks to represent Barrick?
- Is the agent insolvent or have significant financial difficulties (both current and historical)?
- Is the agent ignorant or indifferent to the local laws and regulations governing the region in question and the agent's proposed activities/services in particular?
- Has the agent identified a business reference who declines to respond or is evasive in responses?
- Does the agent use subcontractors that are not closely trained, managed or vetted?
- Are the agent's prices very high or low, as compared to what is typical?
- Is the agent subject to credible rumors or media reports of inappropriate payments or behaviors?
- Does the agent refuse to agree anti-bribery provisions, or to retain accurate books and records and receipts?

ATTACHMENT C

FCPA Invoice and Suspicious Payment Red Flags

I. Invoice characteristics

- Odd appearance (e.g., strange font/spacing, misspelling) or unusual notation/marks (e.g., cross-outs, white-outs, handwritten changes)
- Questionable authenticity (e.g., invoice is illegible, incomplete, cut-off)
- Potential variances compared to previous invoices
- Potential duplicates (e.g., exact or overlapping dates between invoices, splitting of invoices)
- Unusual sequence of invoice numbers or dates (e.g., sequential numbers over a period of time)

II. Third party relationships and activities

- Frequency, regularity, and/or volume of activity with the third-party, taking into account
 - relationship with the third party (e.g., new vs. established vendor, active vs. dormant vendor)
 - location of the third party (e.g., in a country with a low corruption perception index score)
 - goods/services provided by the third party (e.g., office supply provider vs. consultant)
 - value of the transaction(s)
- Incomplete or unusual third party information (e.g., no physical address, no phone number, third party information coincides with employee information)
- Potential variances in the information between the invoice and the vendor master file

III. Description of goods/services

- Characteristics of the goods/services rendered, taking into account
 - type of goods/services (e.g., immigration, visas, permits or licenses may require more scrutiny than office supplies)
 - type of goods/services compared to the value
 - location where goods/services were rendered compared to where payment is being made
- Level of transparency provided by the descriptions, taking into account
 - use of terms such as “miscellaneous”, “other”, “services”, “commissions”, “consulting”, and others that do not provide transparency about the goods/services rendered (i.e., the business purpose is unclear)
 - use of vague descriptions with high-risk keywords (e.g., government, gift, clearance, facilitate/facilitation, fine, fix, payoff, inside, reward, award, benefit, special, sponsor, support, political/ician, kickback, incentive, premium, bonus, perk)
- Potential variances between invoice description and the supporting documentation

IV. Amount

- Anomalous changes in compensation (e.g., increase despite consistent quantity/type of goods/services rendered)
- Questionable rate(s) or value(s) for goods/services (e.g., excessive rate for the type of service, round dollar values, a dollar below/above approval thresholds)

V. Currency

- Potential variances in the payment currency between the invoice and the contract
- Atypical payment currency compared to the location where goods/services were delivered (e.g., services performed in the U.S., but payment requested in Euros)
- Unusual payment requests (e.g., payment requested in multiple currencies)
- Change(s) in payment currency compared to previous transactions

VI. Payment instructions

- "Urgent" requests for payment
- Unusual or unexpected high-level management interest or involvement in processing payments (e.g., executive "push" or "override")
- Atypical payment instructions (e.g., split single invoice into multiple payments, payment to a different country than the country where goods/services were delivered)
- Change in payment format (e.g., from wire to cheque payments)
- Frequency and/or timing (e.g., last minute requests) of changes in payment instructions
- Questionable authenticity of changes in payment processing (e.g., wire instructions on an invoice is different from the instructions in the vendor master file)

VII. Payee

- Location of the payee bank (e.g., located in a country with a low corruption perception index score, located in a different country than the country where the goods/services were delivered)
- Use of an intermediary to process payment – payment to a party other than the invoicing party
- Use of a personal account
- Payee appears to be an individual government official/employee

VIII. G/L account code

- Account codes and sub-codes to classify higher risk activity (e.g., entertainment involving government employees)
- Frequency and/or amount of variances between budget/estimate and actual activity
- Atypical or unexpected changes to the G/L account code taking into account

- third party involved
- type of goods/services rendered
- requestor/initiator or approver of the expenditure
- country where goods/services were provided
- frequency, regularity, volume and/or value of the transaction(s)

IX. Supporting documentation (e.g., receipts, certifications, timesheets, memoranda)

- Completeness of the supporting documentation, taking into account the level of effort required to collect supporting documentation (e.g., provided in piecemeal, provided only after specific requests, not provided at all)
- Consistency of supporting documentation compared to type of documentation previously provided
- Consistency between the supporting documentation and the invoice in regards to the various transactional elements (e.g., date, type of goods/services delivered, location, etc)
- Format of the supporting documentation (e.g., photocopy when an original is expected)
- Questionable authenticity (e.g., supporting documentation is illegible, incomplete, cut-off, altered)
- Unusual notation/marks (e.g., cross-outs, white-outs, handwritten changes)
- Pattern of missing documentation
- Same supporting documentation provided across different third parties or across transactions
- Resubmission of previously flagged documentation

ATTACHMENT D

Sample Anti-Corruption Contractual Provision

When entering into a contract with a government entity or with a supplier of goods and services that may interact with a government entity on Barrick's behalf, you should include an anti-corruption provision in the contract to protect Barrick from potential liability from the government entity or supplier engaging in corrupt practices. The language that should be included in this provision depends on the party involved.

1. Contracts with Government Entities

If you are entering into a contract with a government entity, the contract should have an anti-corruption provision that includes the following:

- the parties agree to comply with applicable anti-corruption language, including the FCPA, CFPOA and the laws of the local jurisdiction of the government entity;
- the parties agree that no government official shall receive a personal benefit from the agreement;
- the parties agree that no representative of the Company is authorized to make or direct payments that violate anti-corruption laws; and
- the details of the agreement, including payments to the government entity shall be transparent to third parties.

Below is a suggested sample provision that includes these elements. You should consult an in-house counsel in negotiating an agreement with a government entity to ensure a sufficient anti-corruption provision is included in the agreement.

Section • Anti-Corruption

The Government and the Company agree to comply with all applicable anti-corruption laws, including the United States Foreign Corrupt Practices Act and Canada's Corruption of Foreign Public Officials Act and applicable local laws ("Anti-Corruption Laws"). The parties further agree that no Government Official is receiving or shall receive any financial or other benefit in their individual or personal capacity, directly or indirectly, through this Agreement or any of the arrangements contemplated herein. The parties further agree that the Company, its employees, directors, officers, and any other representatives have not been and are not authorized to make or promise any payment, either directly or indirectly, of money or other assets, to Government Officials, or the immediate family members of a Government Official, in order to secure any improper advantage for the Company or influence the decision of a Government Official.

Section • Transparency

The Government and the Company acknowledge that this Agreement is not intended to remain confidential, and the Government and the Company may disclose to third parties this Agreement, in whole or in part, as well as any payments made or in-kind benefits provided to the Government in connection with this Agreement.

2. Contracts with Suppliers in High Risk jurisdictions

If you are entering into a contract with a supplier in a high risk jurisdiction that may interact with government officials on Barrick's behalf or with a supplier engaging with the government in high risk activities, the contract should have an anti-corruption provision that includes the following:

- the parties agree to comply with applicable anti-corruption language, including the FCPA, CFPOA and the laws of the local jurisdiction of the government entity;
- warranty that the supplier and its subcontractors will not make or offer payments to government officials that violate anti-corruption laws or are otherwise for the purpose of influencing the decisions of government officials;
- warranty that the supplier is not a government official nor are its directors, officers, key employees or more than 5% of its shareholders;
- breach of the provision entitles immediate termination upon notice;
- if the provision is breached, Barrick can withhold, suspend or recover payments;
- Barrick may request the supplier to undergo training;
- Barrick may audit the company's records to ensure compliance; and
- Barrick may request certification of compliance with the anti-corruption provision.

For particularly high risk suppliers, Barrick may request certification of compliance with each invoice submitted. Below is a suggested sample provision that includes these elements. You should consult an in-house counsel in negotiating an agreement with a high risk supplier to ensure a sufficient anti-corruption provision is included in the agreement.

Section • Anti-Corruption

(a) The Parties recognize that [the Company] desires to comply with all applicable anti-corruption laws, including the United States Foreign Corrupt Practices Act and Canada's Corruption of Foreign Public Officials Act and applicable local laws ("Anti-Corruption Laws"). Consistent with this, [Supplier/Consultant] hereby warranty that, in connection with the provision of services under this Agreement, it, its employees, directors, officers, and any other representatives of [Supplier/Consultant] shall not offer,

make or promise any payment, either directly or indirectly, of anything of value, to any government, political party or international organization official, candidate or person acting on behalf of any of the foregoing (hereinafter collectively referred to as "Government Officials"), or the immediate family members of such Government Officials (hereinafter collectively referred to as a "Payment"), in order to secure any improper advantage for [Supplier/Consultant] or [the Company] or any other such Payment prohibited under Anti-Corruption Laws (a "Prohibited Payment"). In addition, regardless of legality, [Supplier/Consultant] shall make no Payment to a Government Official, either directly or indirectly, if such Payment is for the purpose of influencing decisions or actions with respect to the subject matter of this Agreement or [the Company]'s business activities. [Supplier/Consultant] further warrants that none of its directors, officers, shareholders holding more than 5% of its shares, or senior managers responsible for the provision of services under this Agreement are Government Officials or immediate family members of such Government Officials. [Supplier/Consultant] acknowledges that no employee of [the Company] shall have authority to give any direction to [Supplier/Consultant] or its agents, either written or oral, to make or promise any Payment prohibited by the foregoing. The foregoing warranty shall be continuing in effect throughout the term of this Agreement and [Supplier/Consultant] shall immediately notify [the Company] should any aspect of such warranties cease to be complete and accurate.

(b) [Supplier/Consultant]'s failure to abide by this provision shall be deemed a material breach of this Agreement entitling [the Company] to terminate the Agreement immediately upon written notice. Without prejudice to any other remedies that may be available to [the Company] under applicable law, [the Company] shall have the right to withhold or recover funds reasonably believed to be used for a Prohibited Payment from [Supplier/Consultant]. [The Company] shall also be entitled to suspend payments to [Supplier/Consultant] based on credible evidence that [Supplier/Consultant] has breached the warranty set forth in the above paragraph, and to offset or withhold payments to the extent [the Company] determines, in its reasonable discretion, that the making of such payments could subject [the Company] to liability of penalty under applicable law. [The Company] shall have the right to request that [Supplier/Consultant]'s employees and the employees of its agents or sub-contractors performing services under this Agreement receive training (by [Supplier/Consultant], [the Company] or a third party and at [the Company]'s cost) in Anti-Corruption Laws applicable to the activities being performed by [Supplier/Consultant] under this Agreement. [The Company] shall have the right upon reasonable written notice to audit [Supplier/Consultant]'s books and records with respect to the provision of services to [the Company] for the limited purpose of confirming that [Supplier/Consultant] is in compliance with this provision. [Supplier/Consultant] will provide, and will require that its personnel, agents and subcontractors provide, such periodic certificates of compliance with the above paragraph, upon request by [the Company] and will provide such information as [the Company] may reasonably request in order to verify such compliance.

3. Contracts with Suppliers in other jurisdictions

If you are entering into a contract with a supplier in a low risk jurisdiction that may interact with government officials on Barrick's behalf, the contract should still have an anti-corruption provision. That is fundamentally consistent with the first paragraph of the sample provision for high risk jurisdictions above. It should include:

- the parties agree to comply with applicable anti-corruption language, including the FCPA, CFPOA and the laws of the local jurisdiction of the government entity;
- warranty that the supplier and its subcontractors will not make or offer payments to government officials that violate anti-corruption laws or are otherwise for the purpose of influencing the decisions of government officials;
- warranty that the supplier is not a government official nor are its directors, officers, key employees or more than 5% of its shareholders;
- Barrick may audit the company's records to ensure compliance; and
- Barrick may request certification of compliance with the anti-corruption provision.

Below is a suggested sample provision that includes these elements. You should consult an in-house counsel in negotiating an agreement with a supplier to ensure a sufficient anti-corruption provision is included in the agreement.

Section • Anti-Corruption

The Parties recognize that [the Company] desires to comply with all applicable anti-corruption laws, including the United States Foreign Corrupt Practices Act and Canada's Corruption of Foreign Public Officials Act and applicable local laws ("Anti-Corruption Laws"). Consistent with this, [Supplier/Consultant] hereby warranty that, in connection with the provision of services under this Agreement, it, its employees, directors, officers, and any other representatives of [Supplier/Consultant] shall not offer, make or promise any payment, either directly or indirectly, of anything of value, to any government, political party or international organization official, candidate or person acting on behalf of any of the foregoing (hereinafter collectively referred to as "Government Officials"), or the immediate family members of such Government Officials (hereinafter collectively referred to as a "Payment"), in order to secure any improper advantage for [Supplier/Consultant] or [the Company] or any other such Payment prohibited under Anti-Corruption Laws (a "Prohibited Payment"). [The Company] shall have the right upon reasonable written notice to audit [Supplier/Consultant]'s books and records with respect to the provision of services to [the Company] for the limited purpose of confirming that [Supplier/Consultant] is in compliance with this provision. [Supplier/Consultant] will provide, and will require that its personnel, agents and subcontractors provide, such periodic certificates of compliance with the above paragraph, upon request by [the Company] and will provide such information as [the Company] may reasonably request in order to verify such compliance.

ATTACHMENT E

The U.S. Department of Justice “Lay Person’s Guide to the Foreign Corrupt Practices Act Antibribery Provisions”

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Fraud Section, Criminal Division
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Washington, D.C. 20530
phone: (202) 514-7023
fax: (202) 514-7021
internet: www.usdoj.gov/criminal/fraud/fcpa
email: FCPA.fraud@usdoj.gov

United States Department of Commerce
Office of the Chief Counsel for International Commerce
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INTRODUCTION

The 1988 Trade Act directed the Attorney General to provide guidance concerning the Department of Justice's enforcement policy with respect to the Foreign Corrupt Practices Act of 1977 ("FCPA"), 15 U.S.C. §§ 78dd-1, *et seq.*, to potential exporters and small businesses that are unable to obtain specialized counsel on issues related to the FCPA. The guidance is limited to responses to requests under the Department of Justice's Foreign Corrupt Practices Act Opinion Procedure (described below at p. 10) and to general explanations of compliance responsibilities and potential liabilities under the FCPA. This brochure constitutes the Department of Justice's general explanation of the FCPA.

U.S. firms seeking to do business in foreign markets must be familiar with the FCPA. In general, the FCPA prohibits corrupt payments to foreign officials for the purpose of obtaining or keeping business. In addition, other statutes such as the mail and wire fraud statutes, 18 U.S.C. § 1341, 1343, and the Travel Act, 18 U.S.C. § 1952, which provides for federal prosecution of violations of state commercial bribery statutes, may also apply to such conduct.

The Department of Justice is the chief enforcement agency, with a coordinate role played by the Securities and Exchange Commission (SEC). The Office of General Counsel of the Department of Commerce also answers general questions from U.S. exporters concerning the FCPA's basic requirements and constraints.

This brochure is intended to provide a general description of the FCPA and is not intended to substitute for the advice of private counsel on specific issues related to the

FCPA. Moreover, material in this brochure is not intended to set forth the present enforcement intentions of the Department of Justice or the SEC with respect to particular fact situations.

BACKGROUND

As a result of SEC investigations in the mid-1970's, over 400 U.S. companies admitted making questionable or illegal payments in excess of \$300 million to foreign government officials, politicians, and political parties. The abuses ran the gamut from bribery of high foreign officials to secure some type of favorable action by a foreign government to so-called facilitating payments that allegedly were made to ensure that government functionaries discharged certain ministerial or clerical duties. Congress enacted the FCPA to bring a halt to the bribery of foreign officials and to restore public confidence in the integrity of the American business system.

The FCPA was intended to have and has had an enormous impact on the way American firms do business. Several firms that paid bribes to foreign officials have been the subject of criminal and civil enforcement actions, resulting in large fines and suspension and debarment from federal procurement contracting, and their employees and officers have gone to jail. To avoid such consequences, many firms have implemented detailed compliance programs intended to prevent and to detect any improper payments by employees and agents.

Following the passage of the FCPA, the Congress became concerned that American companies were operating at a disadvantage compared to foreign companies who routinely paid bribes and, in some countries, were permitted to deduct the cost of such bribes as business expenses on their taxes. Accordingly, in 1988, the Congress directed the Executive Branch to commence negotiations in the Organization of Economic Cooperation and Development (OECD) to obtain the agreement of the United States' major trading partners to enact legislation similar to the FCPA. In 1997, almost ten years later, the United States and thirty-three other countries signed the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions. The United States ratified this Convention and enacted implementing legislation in 1998. See Convention and Commentaries on the DOJ web site.

The antibribery provisions of the FCPA make it unlawful for a U.S. person, and certain foreign issuers of securities, to make a corrupt payment to a foreign official for the purpose of obtaining or retaining business for or with, or directing business to, any person. Since 1998, they also apply to foreign firms and persons who take any act in furtherance of such a corrupt payment while in the United States.

The FCPA also requires companies whose securities are listed in the United States to meet its accounting provisions. See 15 U.S.C. § 78m. These accounting provisions, which were designed to operate in tandem with the antibribery provisions of the FCPA, require corporations covered by the provisions to make and keep books and records that accurately and fairly reflect the transactions of the corporation and to devise and

maintain an adequate system of internal accounting controls. This brochure discusses only the antibribery provisions.

ENFORCEMENT

The Department of Justice is responsible for all criminal enforcement and for civil enforcement of the antibribery provisions with respect to domestic concerns and foreign companies and nationals. The SEC is responsible for civil enforcement of the antibribery provisions with respect to issuers.

ANTIBRIBERY PROVISIONS

BASIC PROHIBITION

The FCPA makes it unlawful to bribe foreign government officials to obtain or retain business. With respect to the basic prohibition, there are five elements which must be met to constitute a violation of the Act:

A. Who -- The FCPA potentially applies to *any* individual, firm, officer, director, employee, or agent of a firm and any stockholder acting on behalf of a firm. Individuals and firms may also be penalized if they order, authorize, or assist someone else to violate the antibribery provisions or if they conspire to violate those provisions.

Under the FCPA, U.S. jurisdiction over corrupt payments to foreign officials depends upon whether the violator is an "issuer," a "domestic concern," or a foreign national or business.

An "issuer" is a corporation that has issued securities that have been registered in the United States or who is required to file periodic reports with the SEC. A "domestic concern" is any individual who is a citizen, national, or resident of the United States, or any corporation, partnership, association, joint-stock company, business trust, unincorporated organization, or sole proprietorship which has its principal place of business in the United States, or which is organized under the laws of a State of the United States, or a territory, possession, or commonwealth of the United States.

Issuers and domestic concerns may be held liable under the FCPA under *either* territorial or nationality jurisdiction principles. For acts taken within the territory of the United States, issuers and domestic concerns are liable if they take an act in furtherance of a corrupt payment to a foreign official using the U.S. mails or other means or instrumentalities of interstate commerce. Such means or instrumentalities include telephone calls, facsimile transmissions, wire transfers, and interstate or international travel. In addition, issuers and domestic concerns may be held liable for any act in furtherance of a corrupt payment taken *outside* the United States. Thus, a U.S. company or national may be held liable for a corrupt payment authorized by employees or agents operating entirely outside the

United States, using money from foreign bank accounts, and without any involvement by personnel located within the United States.

Prior to 1998, foreign companies, with the exception of those who qualified as "issuers," and foreign nationals were not covered by the FCPA. The 1998 amendments expanded the FCPA to assert territorial jurisdiction over foreign companies and nationals. A foreign company or person is now subject to the FCPA if it causes, directly or through agents, an act in furtherance of the corrupt payment to take place within the territory of the United States. There is, however, no requirement that such act make use of the U.S. mails or other means or instrumentalities of interstate commerce.

Finally, U.S. parent corporations may be held liable for the acts of foreign subsidiaries where they authorized, directed, or controlled the activity in question, as can U.S. citizens or residents, themselves "domestic concerns," who were employed by or acting on behalf of such foreign-incorporated subsidiaries.

B. Corrupt intent -- The person making or authorizing the payment must have a corrupt intent, and the payment must be intended to induce the recipient to misuse his official position to direct business wrongfully to the payer or to any other person. You should note that the FCPA does not require that a corrupt act succeed in its purpose. The *offer* or *promise* of a corrupt payment can constitute a violation of the statute. The FCPA prohibits any corrupt payment intended to *influence* any act or decision of a foreign official in his or her official capacity, to induce the official to do or omit to do any act in violation of his or her lawful duty, to *obtain* any improper advantage, or to *induce* a foreign official to use his or her influence improperly to affect or influence any act or decision.

C. Payment -- The FCPA prohibits paying, offering, promising to pay (or authorizing to pay or offer) money or anything of value.

D. Recipient -- The prohibition extends only to corrupt payments to a *foreign official*, a *foreign political party* or *party official*, or any *candidate* for foreign political office. A "foreign official" means any officer or employee of a foreign government, a public international organization, or any department or agency thereof, or any person acting in an official capacity. You should consider utilizing the Department of Justice's Foreign Corrupt Practices Act Opinion Procedure for particular questions as to the definition of a "foreign official," such as whether a member of a royal family, a member of a legislative body, or an official of a state-owned business enterprise would be considered a "foreign official."

The FCPA applies to payments to *any* public official, regardless of rank or position. The FCPA focuses on the *purpose* of the payment instead of the particular duties of the official receiving the payment, offer, or promise of payment, and there are exceptions to the antibribery provision for "facilitating payments for routine governmental action" (see below).

E. Business Purpose Test -- The FCPA prohibits payments made in order to assist the firm in *obtaining or retaining business* for or with, or *directing business* to, any person. The Department of Justice interprets "obtaining or retaining business" broadly, such that the term encompasses more than the mere award or renewal of a contract. It should be noted that the business to be obtained or retained does *not* need to be with a foreign government or foreign government instrumentality.

THIRD PARTY PAYMENTS

The FCPA prohibits corrupt payments through intermediaries. It is unlawful to make a payment to a third party, while knowing that all or a portion of the payment will go directly or indirectly to a foreign official. *The term "knowing" includes conscious disregard and deliberate ignorance.* The elements of an offense are essentially the same as described above, except that in this case the "recipient" is the intermediary who is making the payment to the requisite "foreign official."

Intermediaries may include joint venture partners or agents. To avoid being held liable for corrupt third party payments, U.S. companies are encouraged to exercise due diligence and to take all necessary precautions to ensure that they have formed a business relationship with reputable and qualified partners and representatives. Such due diligence may include investigating potential foreign representatives and joint venture partners to determine if they are in fact qualified for the position, whether they have personal or professional ties to the government, the number and reputation of their clientele, and their reputation with the U.S. Embassy or Consulate and with local bankers, clients, and other business associates. In addition, in negotiating a business relationship, the U.S. firm should be aware of so-called "red flags," *i.e.*, unusual payment patterns or financial arrangements, a history of corruption in the country, a refusal by the foreign joint venture partner or representative to provide a certification that it will not take any action in furtherance of an unlawful offer, promise, or payment to a foreign public official and not take any act that would cause the U.S. firm to be in violation of the FCPA, unusually high commissions, lack of transparency in expenses and accounting records, apparent lack of qualifications or resources on the part of the joint venture partner or representative to perform the services offered, and whether the joint venture partner or representative has been recommended by an official of the potential governmental customer.

You should seek the advice of counsel and consider utilizing the Department of Justice's Foreign Corrupt Practices Act Opinion Procedure for particular questions relating to third party payments.

PERMISSIBLE PAYMENTS AND AFFIRMATIVE DEFENSES

The FCPA contains an explicit exception to the bribery prohibition for "facilitating payments" for "routine governmental action" and provides affirmative defenses which can be used to defend against alleged violations of the FCPA.

FACILITATING PAYMENTS FOR ROUTINE GOVERNMENTAL ACTIONS

There is an exception to the antibribery prohibition for payments to facilitate or expedite performance of a "routine governmental action." The statute lists the following examples: obtaining permits, licenses, or other official documents; processing governmental papers, such as visas and work orders; providing police protection, mail pick-up and delivery; providing phone service, power and water supply, loading and unloading cargo, or protecting perishable products; and scheduling inspections associated with contract performance or transit of goods across country.

Actions "similar" to these are also covered by this exception. If you have a question about whether a payment falls within the exception, you should consult with counsel. You should also consider whether to utilize the Justice Department's Foreign Corrupt Practices Opinion Procedure, described below on p. 10.

"Routine governmental action" does *not* include any decision by a foreign official to award new business or to continue business with a particular party.

AFFIRMATIVE DEFENSES

A person charged with a violation of the FCPA's antibribery provisions may assert as a defense that the payment was lawful under the written laws of the foreign country or that the money was spent as part of demonstrating a product or performing a contractual obligation.

Whether a payment was lawful under the written laws of the foreign country may be difficult to determine. You should consider seeking the advice of counsel or utilizing the Department of Justice's Foreign Corrupt Practices Act Opinion Procedure when faced with an issue of the legality of such a payment.

Moreover, because these defenses are "affirmative defenses," the defendant is required to show in the first instance that the payment met these requirements. The prosecution does not bear the burden of demonstrating in the first instance that the payments did not constitute this type of payment.

SANCTIONS AGAINST BRIBERY

CRIMINAL

The following criminal penalties may be imposed for violations of the FCPA's antibribery provisions: corporations and other business entities are subject to a fine of up to \$2,000,000; officers, directors, stockholders, employees, and agents are subject to a fine of up to \$100,000 and imprisonment for up to five years. Moreover, under the Alternative Fines Act, these fines may be actually quite higher -- the actual fine may be up to twice the benefit that the defendant sought to obtain by making the corrupt payment. You should also be aware that fines imposed on individuals may *not* be paid by their employer or principal.

CIVIL

The Attorney General or the SEC, as appropriate, may bring a civil action for a fine of up to \$10,000 against any firm *as well as* any officer, director, employee, or agent of a firm, or stockholder acting on behalf of the firm, who violates the antibribery provisions. In addition, in an SEC enforcement action, the court may impose an additional fine not to exceed the greater of (i) the gross amount of the pecuniary gain to the defendant as a result of the violation, or (ii) a specified dollar limitation. The specified dollar limitations are based on the egregiousness of the violation, ranging from \$5,000 to \$100,000 for a natural person and \$50,000 to \$500,000 for any other person.

The Attorney General or the SEC, as appropriate, may also bring a civil action to enjoin any act or practice of a firm whenever it appears that the firm (or an officer, director, employee, agent, or stockholder acting on behalf of the firm) is in violation (or about to be) of the antibribery provisions.

OTHER GOVERNMENTAL ACTION

Under guidelines issued by the Office of Management and Budget, a person or firm found in violation of the FCPA may be barred from doing business with the Federal government. *Indictment alone can lead to suspension of the right to do business with the government.* The President has directed that no executive agency shall allow any party to participate in any procurement or nonprocurement activity if any agency has debarred, suspended, or otherwise excluded that party from participation in a procurement or nonprocurement activity.

In addition, a person or firm found guilty of violating the FCPA may be ruled ineligible to receive export licenses; the SEC may suspend or bar persons from the securities business and impose civil penalties on persons in the securities business for violations of the FCPA; the Commodity Futures Trading Commission and the Overseas Private Investment Corporation both provide for possible suspension or debarment from agency programs for violation of the FCPA; and a

payment made to a foreign government official that is unlawful under the FCPA cannot be deducted under the tax laws as a business expense.

PRIVATE CAUSE OF ACTION

Conduct that violates the antibribery provisions of the FCPA may also give rise to a private cause of action for treble damages under the Racketeer Influenced and Corrupt Organizations Act (RICO), or to actions under other federal or state laws. For example, an action might be brought under RICO by a competitor who alleges that the bribery caused the defendant to win a foreign contract.

GUIDANCE FROM THE GOVERNMENT

The Department of Justice has established a Foreign Corrupt Practices Act Opinion Procedure by which any U.S. company or national may request a statement of the Justice Department's present enforcement intentions under the antibribery provisions of the FCPA regarding any proposed business conduct. The details of the opinion procedure may be found at 28 CFR Part 80. Under this procedure, the Attorney General will issue an opinion in response to a specific inquiry from a person or firm within thirty days of the request. (The thirty-day period does not run until the Department of Justice has received all the information it requires to issue the opinion.) Conduct for which the Department of Justice has issued an opinion stating that the conduct conforms with current enforcement policy will be entitled to a presumption, in any subsequent enforcement action, of conformity with the FCPA. Copies of releases issued regarding previous opinions are available on the Department of Justice's FCPA web site.

For further information from the Department of Justice about the FCPA and the Foreign Corrupt Practices Act Opinion Procedure, contact Mark F. Mendelsohn, Deputy Chief, Fraud Section, at (202) 514-1721; Charles Duross, Assistant Chief, Fraud Section, at (202) 353-7691; or Hank Walther, Assistant Chief, Fraud Section, at (202) 307-2538.

Although the Department of Commerce has no enforcement role with respect to the FCPA, it supplies general guidance to U.S. exporters who have questions about the FCPA and about international developments concerning the FCPA. For further information from the Department of Commerce about the FCPA contact Eleanor Roberts Lewis, Chief Counsel for International Commerce, or Arthur Aronoff, Senior Counsel, Office of the Chief Counsel for International Commerce, U.S. Department of Commerce, Room 5882, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230, (202) 482-0937.