

Membership Guidelines – Operational Charter for CiMN

Objective:

These Guidelines establishes the governance and organizational structure of the Compliance in Mining Network (CiMN), setting out the rights and obligation afforded to each member.

1. Purpose

The purpose and aim of CiMN is set out in the network's Founding Charter.

CiMN's mission is to provide a business-to-business forum for sharing experience and reflecting on shared compliance challenges, with a view to enabling best conduct and creating collective value through shared solutions. CiMN thereby reflects the shared commitment of member companies to work together and separately to implement policies against bribery and all forms of corruption.

The following guidelines facilitate meeting the network's goals as set out in the CiMN Founding Charter.

In addition to these foundational principles, the CiMN establishes strategic focus areas every two years, which provide the framework and themes for on-going CiMN meetings. Supporting activities include sharing of best practices and collaborative projects undertaken by CiMN working groups.

2. Governance

CiMN is not a legal entity but an unincorporated association governed by its members, companies operating in the mining industry. Each company (or subsidiary of a larger group where approved by the member base) constitutes one member, retaining the rights and obligations of a single voting entity.

Chair and a Vice Chair positions are assumed by CiMN members and appointed by simple majority for a two-year term. The responsibilities of the Chair, assisted or substituted by the Vice Chair, include:

- Preparation of the meeting agenda.
- Meeting facilitation and minutes.
- Management of new member applications.
- Bi-annual review and update of the CiMN Founding Charter.
- Author CiMN letters for acceptance or removal of member companies.

3. Members

CiMN members span mining companies and companies in their value chains, including businesses working in the engineering, procurement and construction sectors, original equipment manufacturers (OEMs) and other types of suppliers.

All members of CiMN participate on equal terms, with equal voting rights, obligations and responsibilities.

Any company operating in the mining industry can be admitted as a member of CiMN provided they adhere to the following pre-conditions for membership:

- Signature of CiMN's Anti-Trust policy.
- Accession to CiMN's Founding Charter.
- Consent to pay the membership fee as agreed by the CiMN members.
- Consent to attending meetings.

Inherent in adherence to the Founding Charter, is a clear expectation that prospective members have reached a degree of formalisation and professionalism in their compliance set-up. Members must adhere to the following requirements:

- To establish and maintain a compliance program within their business.
- To have representatives of senior management and/or the Board of Directors support the anti-corruption compliance program.
- To develop and disseminate policies such as a Code of Conduct within their organisation. Policies should reflect the corruption risks facing the business and industry.
- To conduct compliance training within their organisation.
- To implement systems and processes appropriate to the size, scope and nature of their business to monitor corruption risks.
- To assess risks associated with business relationships and work together with business partners to achieve higher compliance standards.
- To implement reliable and anonymous reporting channels for compliance concerns such as whistleblowing system.
- To protect corporate whistleblowers from any retaliation and to encourage reporting of improper business practices.
- To abide by all relevant competition law during meetings and other types of CiMN engagement, as well as in their general conduct.

Should there be reasonable doubt among existing CiMN members as to whether a prospective member adheres to the standards set out in the Founding Charter, a new member's accession to the network may be decided by a vote at the next meeting (by simple majority).

Membership is automatically renewed on payment of annual fees unless a member is under consideration for suspension or termination. Members may cancel their membership at any time without penalty (but without refund of annual fees already owing or paid) by written notice to the CiMN Secretariat.

4. Rights and obligations of members

All CiMN members have equal rights and obligations and there is no graduation in membership status or type within the network.

All members have the right to:

- Participate in all in-person and telephone meetings of the network.
- Publicly communicate their membership of CiMN.
- Attend meetings by alternate company representative where the regular representative is unable to attend.

- Submit presentation of intentions and approximate time requirements to the Chair for the agenda no later than seven days prior to the meeting.

Members are obliged to:

- Pay all membership fees in a timely manner.
- Participate in network meetings (see Section 5).
- Provide feedback, comments and decisions as needed within deadlines communicated.

5. Member meetings

The network meets twice yearly in person and twice yearly via teleconference.

CiMN members are required to participate in network meetings and membership is conditional on this requirement being met. ~~Attendance is considered being present for the entirety of a scheduled meeting.~~

To accommodate this requirement, dates of in-person meetings must be announced at least six months in advance, with meeting locations announced at least three months prior to the meeting.

Members are required to participate in at least two out of four meetings over a 12-month period, at least one of which must be an in-person meeting.

Where a member sends an alternate representative or votes by proxy, this does not fulfill the attendance requirement as consistency and commitment is considered essential to making progress on the intractable problems CiMN seeks to tackle.

Travel costs are assumed by each member company individually.

Members must respect the confidentiality of any information discussed at network meetings, which subscribe to the Chatham House Rule for attribution.

Quorum for any meeting is half of the members of the network. This will include members present by alternate representative or votes submitted by proxy. No decisions may be made without a quorum.

6. Voting at member meetings

Members each have one vote on each resolution put to vote which may be exercised in person, by an alternate representative or by proxy. Proxy votes must be put to the Secretariat at least three full working days prior to the meeting during which the vote will take place.

Decisions will be made by a simple majority, unless a resolution put for vote requires members to contribute any additional funds to the network (whether for a specific activity or on a running basis). Such decisions will require at least a two-thirds majority. Similarly, any network activities expected to be carried on for one year or longer will require a two-thirds-majority favourable vote. Such activities may also require the establishment of a subcommittee, a related matter which a simple majority vote will suffice to determine.

In keeping with the attendance requirement (outlined in Section 5), members will only be able to vote by proxy or by alternative company representative twice in every four meetings.

Where the attendance obligation has been breached by a member and continued membership must be voted on by the collective, this member can send an alternate representative to the meeting who will have equal voting rights in the decision. This vote may also be submitted by proxy (see Section 8).

7. Committees

Subcommittees may be established to drive progress on a specific activity of the network or within a specific organisational or administrative area, for which the Secretariat support function is not adequate.

It is envisioned that a Steering Committee will be established at a later stage in the network's development.

8. Secretariat

The members of CiMN agree to jointly share the cost of establishing and maintaining a Secretariat function for the network. The responsibilities of the Secretariat of CiMN include:

- Setting dates for meetings and sending meeting invitations.
- Engaging third parties and issuing requests for proposals.
- Maintaining a list of current and prospective members.
- Drafting and maintenance of CiMN policies, charters and other key documents, including the CiMN website.

9. Membership fee

The membership fee is set by CiMN members on an annual basis, or *ad hoc* in case of any additional or revised expenses. Membership fees are payable within 60 days of the member receiving an invoice from the CiMN Secretariat. Repeated late payment may lead to member suspension or termination (see Section 12).

10. Funding

The network is funded by member contributions through annual membership fees. These fees must be paid in at most two installments. The running activities of the network's Secretariat function will be covered by these fees. An additional expectation of members is occasional support in the form of hosting in-person meetings as requested by the network.

CiMN may also seek financial and other support from government, non-government and private funders for projects and initiatives relevant to the pursuit of CiMN's objectives.

Expenses related to concrete network activities may thereby be met by member as well as external contributions.

11. Communication

Members are encouraged to publicly endorse and promote CiMN and its activities. However, when referring to the network externally they should not disclose or refer to activities of the other members, of which they have become aware through CiMN meetings or activities, unless these members have given their explicit consent.

12. Suspension and Termination of Membership

Membership of CiMN is transferable and assignable. When a company representative engaged in the network on behalf of a member company leaves the compliance role at the member company, a new representative from this company may be found internally within the company.

Membership may be suspended and terminated where a member fails to pay annual membership fees or any other amounts payable in accordance with a decision reached in accordance with the voting procedure of this document. Where a member has not participated in at least 2 out of the preceding 4 network meetings, membership may be suspended and put to a vote (see Section 6).

Where a member has not participated in four meetings over a 12-month period, including participation by proxy or representative, the member will be sent a notification potentially resulting in membership termination which can be decided by the Chair and the Secretariat in agreement. Members whose membership has been terminated on this basis are welcome to reapply for membership at a later date.

Membership may also be terminated in case of a clear violation of the aims and standards set out in the Founding Charter. Termination on this basis will require a simple majority vote by members at a network meeting.

As stated in the network's Founding Charter, CiMN reflects the shared commitment of member companies to comply with all applicable national laws and regulations. All exchange of information within CiMN is subject to strict compliance and limitations to all applicable laws, including, in particular, competition law. CiMN members are strongly committed to ensuring compliance with competition law. To that effect, all members have signed an Anti-Trust Policy.

Membership may also be terminated where a member no longer meets the criteria of operating in the mining and minerals industry, or falls outside of the scope CiMN in another manner. In any such case, the member will be sent a notification potentially resulting in membership termination which can be decided by the Chair and the Secretariat in agreement. Members whose membership has been terminated on this basis are welcome to reapply for membership at a later date.