

CODE OF CONDUCT & ETHICS FOR MEMBERS OF THE CHAMBER OF MINES AND ENERGY OF MALAWI

ALL MEMBERS OF THE CHAMBER OF MINES AND ENERGY OF MALAWI (CMEM) SHALL AUTOMATICALLY, UPON ACCEPTING MEMBERSHIP OF THE CMEM, BECOME SUBJECT TO THIS CODE OF CONDUCT & ETHICS (“COC”), AS A CONDITION OF CMEM MEMBERSHIP

1. MEMBERSHIP FEES

Members shall timeously and fully pay their membership fees to the CMEM.

2. COMPLIANCE

2.1 Members shall at all times comply with such policies, guidelines, standards and directives as the CMEM may issue for its members from time to time.

2.2 Members shall not do, or allow anything to be done that may bring into disrepute, the image of the CMEM or the mining industry of Malawi.

2.3 Members shall at all times fully comply with Malawi legislation in respect of all of its operations within the borders of Malawi.

2.4 Any standards or provisions contained in this COC shall, in so far as it may be in conflict with or in contradiction with any terms and conditions contained in any Malawi legislation, be subject to and if possible in law in addition to such terms and conditions.

2.5 The members shall when deemed in the interest of upholding the rule of law within the mining industry in Malawi, join forces in condemning any party outside of the CMEM who does not comply with Malawi legislation.

2.6 If, in the opinion of the Council of the CMEM, any Malawi legislation effecting the mining industry and which creates an injustice or is morally unacceptable to the members of the CMEM, members, through the CMEM shall engage the relevant Authority/ies to resolve such issue/s. This shall however not members to act illegally and in contravention of such entitle

2.7 For purposes of this paragraph, legislation shall include all Malawi laws, inclusive of acts, regulations, by-laws and all other rules and regulations whether applicable generally, or the mining industry specifically.

3. EMPLOYMENT AND HUMAN RESOURCE DEVELOPMENT

3.1 Members shall, in as far as practicable, provide on-the-job training to its employees in various aspects of mining, mineral processing, mine safety, occupational health, environmental protection and productivity improvement.

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3.2 In as far as practically possible, supervisory and managerial level employees shall be sent to appropriate training and mine visits in order to expand their field of experience with the intention of applying such acquired skills, knowledge and experience within Malawi.

3.3 Members shall provide, in as far as practicable, in-house training for human resources development and skills enhancement.

4 PROCUREMENT AND SUPPLY CHAIN MANAGEMENT

4.1 Members shall give preference to goods and services available in Malawi, provided that same are of comparable quality and competitively priced.

4.2 In respect of such products and services which have, by their nature, to be procured within Malawi, members shall give preference to entities and persons who are Malawi citizens, provided that such products, services are of comparable quality and competitively priced.

4.3 Members shall refrain from transfer pricing practises which will negatively impact on the Malawi fiscus.

5 TECHNOLOGY TRANSFER AND INTELLECTUAL PROPERTY RIGHTS

Members shall, where practicable (and with reservation of their intellectual property rights), collaborate with public and private universities, research institutions and industry associations in the development of mining related technologies with the corresponding manpower training and development .

6 ENVIRONMENTALLY SAFE PRODUCTION, PRODUCTS AND SERVICES

The CMEM shall develop and thereafter keep current an “Environmental Code of Conduct for the CHAMBER OF MINES AND ENERGY of Malawi” which all members will respect and pursue in all phases of mining operations.

7. ENVIRONMENTAL IMPACT ASSESSMENT AND MANAGEMENT

7.1 Members shall continuously and responsibly monitor the environmental impact of all their operations.

7.2 Should the CMEM from time to time require a member to be accredited by such institution/s and in terms of such system as may be prescribed by the COM; members shall comply therewith, within any time limits as may be determined by the CMEM in each instance?

7.3 Members shall, whether through the CMEM or individually actively support and

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where required participate in interaction with the Malawi authorities in the development and enforcement of environmental legislation to ensure effective management of mining activities and related operations on the environment.

8. HEALTH AND SAFETY OF EMPLOYEES

8.1 Members shall comply with applicable mine health and safety regulations and best practices in respect of the health and safety of its employees in order to minimise and where reasonable possible eradicate occupational accidents and diseases.

8.2 Members shall adhere to a vigorous safety and health program covering its areas of operations, which shall include, as a minimum:

8.2.1 Standard operating procedures for mining and mineral processing operations;

8.2.2 Management and employee training;

8.2.3 Good housekeeping;

8.2.4 Health control and services;

8.2.5 Provisions for personnel protective equipment;

8.2.6 Monitoring and reporting;

8.2.7 Environmental risk management including an emergency response program, and;

8.2.8 Occupational health and safety management.

9. LABOUR STANDARDS

9.1 Members shall give preference to Malawians in employing workers for its operations within Malawi.

9.2 Notwithstanding the possible existence of minimum wages, members shall pay their workers a reasonable wage for the work performed and treat their employees with dignity and in due compliance with the workers basic human rights as entrenched in the Malawi Constitution.

9.3 This clause however shall not be interpreted as a condition of employment placing any obligation on a member in respect of its employer/employee relationship with its employees.

10 CORPORATE GOVERNANCE

All members shall exercise acceptable principles of corporate governance, for which the King Report of 2002 shall act as a guideline.

11 INTER-MEMBER RECRUITMENT OF PERSONNEL

No member shall actively directly or indirectly approach a person employed by another member of the CMEM for purposes of recruitment, unless such an

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employee has responded, out of his own accord, to a formal and public advertisement.

12 NON-COMPLIANCE

12.1 Any material non-compliance with the COC will entitle the Council of the CMEM to terminate the membership of the transgressing member.

12.2 Whether a transgression is material, shall be in the sole discretion of the Council.

12.3 If the Council is of the opinion that a material breach of the COC has been committed by a member, it shall inform such member of the facts upon which its suspicion is based and grant such member the opportunity to reply to such allegation, in writing.

12.4 Any decision of the Council relating to any steps to be taken against a member, subsequent to receiving the written representations from the member as provided for in 12.3 above, shall be final.