

Fremada
Gold Inc

2017

Employee
Handbook

Fremada Gold Inc. Code of Practices

Responsible Supply Chains and Human Rights

Business Partners

5.1 Fremada Gold, Inc. shall use their best endeavours, commensurate with their ability to influence, to promote responsible business practices among their significant Business Partners.

6 *Human Rights*

6.1 Fremada Gold, Inc. shall respect Human Rights and observe the UN Guiding Principles on Business and Human Rights in ways

appropriate to their size and circumstances, including as a minimum:

- a. A policy commitment to respect Human Rights;
- b. A Human Rights due diligence process that seeks to identify, prevent, mitigate and account for how they address their impacts on Human Rights;
- c. Where Fremada Gold, Inc. identify that they have caused or contributed to adverse Human Rights impacts, they shall provide for or cooperate in legitimate processes to enable the remediation of those impacts.

8 *Community Development*

8.1 Fremada Gold, Inc. shall seek to support the development of the communities in which they operate through the support of community initiatives.

9 *Bribery and Facilitation Payments*

9.1 Fremada Gold, Inc. shall establish policy/ies that:

- a. Prohibit Bribery in all business practices and transactions carried out by the Member and by agents acting on behalf of the Member.
- b. Protect Employees from any penalty or adverse consequences for identifying in good faith concerns related to suspected Bribery, for refusing to participate in Bribery, or refusing to pay a Facilitation Payment where Facilitation Payments are prohibited, even if this action may result in the enterprise losing business.
- c. Set the criteria and approval procedures to be followed by Employees in respect of the offer and/or acceptance of gifts with third parties.

9.2 Fremada Gold, Inc. shall have systems in place to manage Bribery Risk in their organization. The systems shall include:

- a. Identification and monitoring of those parts of the Member's business that pose high Risks of participation in Bribery.
- b. Training relevant managers and employees on policies and procedures.
- c. Recording of relevant gifts to and from third parties in a gift register, as per the Member's policy.
- d. Investigation of any incidences of suspected Bribery within their organisation.
- e. Sanctions for Bribery and attempted Bribery.

9.3 Where Facilitation Payments are permitted by Applicable Law, Fremada Gold, Inc. shall:

- a. Undertake actions to eliminate all Facilitation Payments, or to reduce the size and frequency of Facilitation Payments over time.
- b. Ensure that any Facilitation Payments are of limited nature and scope.
- c. Implement controls to monitor, oversee and fully account for any Facilitation Payments made by or on behalf of the Member.

10 *Money Laundering and Finance of Terrorism*

10.1 Fremada Gold, Inc. shall apply Know Your Customer principles for Business Partners that are suppliers or customers of Diamonds,

Gold and Platinum Group Metals or Jewellery Products containing these, including:

- a. Establishing the identity, and where triggered by a Risk Assessment or Applicable Law, the beneficial ownership and principals of the supplier or customer;
- b. Maintaining an understanding of the nature of their business;
- c. Monitoring transactions for unusual or suspicious activity and reporting suspicions of money laundering or finance of terrorism to the relevant designated authority.

10.2 Fremada Gold, Inc. shall maintain records of all cash or cash-like transactions which occur above the relevant defined financial

threshold under Applicable Law and, where required, report these to the relevant designated authority. Where no Applicable Law exists, Fremada Gold, Inc. shall monitor and maintain records of all cash transactions equal to or above 15,000 Euro / US Dollars,

where the transaction is carried out in a single operation or in several operations that appear to be linked

Labour Rights and Working Conditions

13 *General Employment Terms*

13.1 Fremada Gold, Inc. shall ensure that Employees understand their current employment terms with regards to wages, working hours and other employment conditions.

13.2 Fremada Gold, Inc. shall not avoid fulfilling obligations to Employees relating to labour and social security under Applicable Law

through the use of labour-only contracting arrangements, false apprenticeship schemes, excessive consecutive short-term employment contracts, and/or sub-contracting or home-working arrangements.

13.3 Fremada Gold, Inc. shall maintain appropriate Employee records, including records of piece rate and wage payments as well as working hours, for all Employees, whether on a full time, part time or seasonal basis.

14 *Working Hours*

14.1 Fremada Gold, Inc. shall comply with Applicable Law on working hours. The normal work week, not including overtime, shall not

exceed 48 hours unless higher limits have been set by Applicable Law for the sector in which the Member operates.

14.2 If overtime work is required for business needs, Fremada Gold, Inc. shall ensure that:

- a. Overtime work is requested by the Member under a voluntary overtime system. Required overtime is permitted only where it is within the limits allowed under Applicable Law or Collective Bargaining Agreements.
- b. The sum of the normal work week and overtime hours shall not exceed 60 hours in a week unless defined otherwise by Applicable Law or permitted under a Collective Bargaining Agreement.

14.3 Fremada Gold, Inc. shall provide all Employees with at least one rest day in seven consecutive working days in accordance with ILO

Convention 14. Work time exceeding this limit is permitted only under a Collective Bargaining Agreement or Applicable Law that allows for work time averaging including adequate rest periods.

14.4 Fremada Gold, Inc. shall provide Employees with all legally mandated public holidays and leave, including maternity and paternity, compassionate and paid annual leave. Where no Applicable Law exists, paid annual leave shall be provided in accordance with ILO Convention 132.

15 *Remuneration*

15.1 Fremada Gold, Inc. shall pay all Employees a wage for a normal work week, not including overtime, based on the higher of either the

applicable legal minimum wage plus associated statutory benefits, or the prevailing industry standards. Wages paid on a performance-related basis shall not be less than the legal minimum wage for a normal work week.

15.2 Fremada Gold, Inc. shall reimburse overtime work at a rate at least equal to that required by Applicable Law or a Collective Bargaining

Agreement, or where unregulated by either, at a premium rate at least equal to the prevailing industry standards.

15.3 Fremada Gold, Inc. shall make wage payments to Employees that are:

- a. on a regular and pre-determined basis, and not delayed or deferred;
- b. by bank transfer or in cash or cheque form, in a manner and location convenient to the Employees, and not in the form of vouchers, coupons or promissory notes;
- c. accompanied by a wage slip which clearly details wage rates, benefits and deductions where applicable.

15.4 Fremada Gold, Inc. shall only make deductions from wages where:

- a. deductions are determined and calculated following a documented due process that is clearly communicated to Employees;
- b. employer-determined deductions do not result in an Employee making less than the minimum wage;
- c. any deductions for disciplinary purposes are governed by a Collective Bargaining Agreement or are otherwise permitted under Applicable Law.

15.5 Fremada Gold, Inc. shall not force Employees to buy provisions from the Member's own business or Facilities.

15.6 Fremada Gold, Inc. that provide wage advances or loans shall ensure that the interest and repayment terms are transparent and fair, and not deceptive to the Employee.

16 *Discipline and Grievance Procedures*

16.1 Fremada Gold, Inc. shall ensure that Employees are not subjected to corporal punishment, harsh or degrading treatment, sexual or physical harassment, mental, physical or verbal abuse, coercion or intimidation, or threats of these towards themselves, family or colleagues.

16.2 Fremada Gold, Inc. shall clearly communicate the business' disciplinary process, and related standards on appropriate disciplinary procedures and Employee treatment, and apply these equally to all management and staff.

16.3 Fremada Gold, Inc. shall provide clear grievance procedures and investigation processes and clearly explain these to all Employees.

- a. Employees acting individually or with other workers shall be free to submit a grievance without suffering any penalty or retaliation.
- b. Grievance procedures shall be designed to function effectively and reach a timely outcome.
- c. Records of Employee grievances raised, investigation processes and outcome shall be maintained.

17 *Child Labour*

17.1 Fremada Gold, Inc. shall not engage in or support Child Labour, as defined in ILO Convention 138 and Recommendation 146, which

sets the following minimum ages for work:

- a. A basic minimum working age of 15 years, to enable Children to complete compulsory schooling.
- b. Fremada Gold, Inc. operating in developing countries where compulsory schooling ends earlier than 15 years, may initially permit a minimum working age of 14 subject to Applicable Law, but should achieve a minimum working age in Facilities of 15 years by the end of the Member's first Certification Period.

17.2 Fremada Gold, Inc. shall not engage in or support Worst Forms of Child Labour, as defined in ILO Convention 182 and Recommendation 190, which includes:

- a. Hazardous Child Labour, which by its nature or circumstances is likely to jeopardise the Health, Safety or morals of persons

younger than 18 years. Where allowed by Applicable Law and supported by assessment of Risks and implementation of controls under COP 21.3 Health and Safety, a minimum age of 16 is permitted on condition that the health, safety and morals of the Children concerned are fully protected, and that the children have received adequate specific instruction or vocational training in the relevant branch of activity.

b. All forms of child slavery and practices similar to slavery, including debt bondage, the trafficking of children, forced child labour and the use of children in armed conflict.

17.3 Notwithstanding 17.1, where Child Labour is found at a Facility, Fremada Gold, Inc. shall develop documented Child Labour Remediation processes that include steps for the continued welfare of the Child and consider the financial situation of the Child's family. Remediation shall include:

a. Immediately withdrawing any Children engaged in Child Labour.

b. For a Child not still subject to compulsory education laws or attending school, finding alternative income generation and/or vocational training opportunities which can include decent and permissible employment.

c. For a Child still subject to compulsory education laws or attending school, offering adequate support to enable the Child to attend and remain in school until the completion of compulsory education.

d. A systemic review of the Member's approach to avoiding Child Labour, to identify root causes of non-conformances and implement controls to avoid any recurrence.

18 *Forced Labour*

18.1 Fremada Gold, Inc. shall not use Forced Labour as defined in ILO Convention 29, including bonded, indentured or involuntary prison labour.

18.2 Fremada Gold, Inc. shall not:

a. Unreasonably restrict the freedom of movement of Employees in the workplace nor in on-site housing.

b. Retain original copies of Employee personal documentation, such as identity papers.

c. Require any form of deposit, recruitment fee, or equipment advance from Employees either directly or through recruitment agencies.

d. Prevent Employees from terminating their employment after reasonable notice or as established by Applicable Law.

18.3 Fremada Gold, Inc., and any entity supplying labour to a Member, shall not engage in or support Human Trafficking. Fremada Gold, Inc. shall

monitor relationships with recruitment agencies for Risks of Human Trafficking.

19 *Freedom of Association and Collective Bargaining*

19.1 Fremada Gold, Inc. shall respect the right of Employees to associate freely in Workers Organisations of their choice, without

interference or negative consequences to them from the Member.

19.2 Fremada Gold, Inc. shall respect the right of Employees to collective bargaining, and shall adhere to Collective Bargaining Agreements,

where such agreements exist. Fremada Gold, Inc. shall, subject to Applicable Law, participate in any collective bargaining processes in good faith.

19.3 Where Applicable Law restricts the right to freedom of association and collective bargaining, Fremada Gold, Inc. shall not obstruct

alternative means of association for Employees that are permitted under Applicable Law.

20 *Non-Discrimination*

20.1 Fremada Gold, Inc. shall not practice or condone any form of discrimination in the workplace in terms of hiring, remuneration,

overtime, access to training, promotion, termination or retirement based on race, ethnicity, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, marital status, pregnancy status, physical appearance, HIV status, or age, or any other applicable prohibited basis, such that all individuals who are "Fit for Work" are accorded equal opportunities and are not discriminated against on the basis of factors unrelated to their ability to perform their job.

Health, Safety and Environment

21 *Health & Safety*

21.1 Fremada Gold, Inc. shall ensure that safe and healthy working conditions are provided for all Employees and on-site Contractors in accordance with Applicable Law and other relevant industry standards.

21.2 Fremada Gold, Inc. shall provide and maintain workplaces, and on-site housing where provided, that have:

- a. safe and accessible potable drinking water;
- b. sanitary facilities for food consumption and storage;
- c. clean and hygienic washing and toilet facilities commensurate with the number and gender of staff employed;
- d. fire safety equipment and alarms;
- e. clearly marked, unlocked and unblocked emergency exits and escape routes;
- f. access to adequate power supply and emergency lighting.

21.3 Fremada Gold, Inc. shall assess the Risks of workplace Hazards and implement controls to minimise the Risks of accidents and injury to

Employees and on-site Contractors. The Risk Assessment shall consider Hazards associated with the Member's activities and products which shall include, where relevant: use of machinery and mobile equipment; storage and handling of chemicals including cleaning materials; exposure to excessive fumes, airborne particles, noise and temperature levels, and/or inadequate lighting and ventilation; repetitive strain activities; considerations for any workers under 18 years of age and expectant mothers; and general hygiene and housekeeping issues.

21.4 Fremada Gold, Inc. shall provide Employees and on-site Contractors with a mechanism, such as a joint Health and Safety committee,

by which they can raise and discuss Health and Safety issues with management.

21.5 Fremada Gold, Inc. shall provide training and information about Health and Safety to Employees and on-site Contractors in an

understandable form and in an appropriate language. This will include:

- a. Specific role-related Health and Safety Hazards and controls;
- b. Appropriate action to take in the event of an accident or emergency;
- c. Appropriate training in fire safety and emergency procedures;
- d. First-aid training to designated Employee representatives;
- e. Employee and Contractor awareness that they have the right and responsibility to stop work or refuse to work in situations that have Uncontrolled Hazards, and to immediately bring these situations to the attention of those at imminent Risk and to management.

21.6 Fremada Gold, Inc. shall ensure that appropriate Personal Protective Equipment (PPE) is provided free of charge and verify that it is

current, worn and used correctly.

21.7 Fremada Gold, Inc. shall provide access to adequate on-site Health and medical facilities, including clearly marked first-aid provisions

and trained first-aid personnel, and have appropriate procedures in place for transportation to local medical facilities in the case of a medical emergency.

21.8 Fremada Gold, Inc. shall establish emergency procedures and evacuation plans for all reasonably foreseeable emergencies, which are

accessible or clearly displayed, regularly tested (including evacuation drills), and periodically updated.

21.9 Fremada Gold, Inc. shall investigate Health and Safety incidents and feed the results into reviews of the controls of related Hazards to

identify opportunities for improvement.

21.10 All Fremada Gold Employees shall adhere to our strict policy of no food or drink in any area where product is handled.

21.11 All Fremada Gold employees are prohibited from wearing personal jewelry in areas where product is handled.