



SECURITY POLICY

Lydian Commitment to Sustainable Development

Lydian International Ltd and its controlled affiliates (the “company” or “Lydian”), aims for sustainable development outcomes, and is committed to the integration of environment, health, safety, social and security considerations into its procedures for project development and operation at all stages.

As part of its commitment to sustainable development, Lydian has developed a security Policy which is an integral part of the International Finance Corporation (IFC) framework and approach to risk management. The security Policy describes Lydian’s roles, responsibilities and commitment to transparency and good corporate governance.

Lydian Security Policy

Lydian is committed to creating a safe and secure environment within which all personnel can deliver their full potential without hindrance from criminal activity, physical danger or disruption to their operations.

Lydian will strive to ensure that effective security measures are in place and that all personnel contribute to security in order to protect employees, contractors, other stakeholders, company assets including information, its brand and reputation.

Lydian recognizes that conforming to international best practice for security contributes to business performance.

In order to realise Lydian’s commitment to security, Lydian will:

- Seek to identify security risks to personnel, assets, operations and reputation - recognizing that risks may emanate from political, economic or social factors - and take appropriate measures to mitigate those risks.
- Monitor actions of the company and members of its staff to ensure security risk is considered in all aspects for business.
- Ensure that the company is compliant with local and international legislation in all regards. This includes strategic commitment to the IFC’s Performance Standard 4, as well as the European Bank for Reconstruction and Development (EBRD) performance requirements.
- Follow the UN Voluntary Principle guidelines to maintain security while respecting human rights.

- Promote personal accountability by taking corrective and/or disciplinary action with personnel breaking the law or violating their terms of employment.
- Work with local law enforcement authorities to support the security requirements of our projects.
- Investigate security incidents appropriately and take necessary action to minimize the probability of recurrence.
- Investigate and manage expeditiously security related grievances that may be raised by employees, contractors or affected communities.

As part of its commitment to sustainable development outcomes, Lydian will provide adequate resources to meet its security obligations throughout the life of its operations, from exploration through to closure. These obligations will reflect the outcomes of an adaptive management process and the appropriate application to mitigate the security threats, with an emphasis on prevention and training to control risks.

3. Compliance

The Policy applies to all Lydian personnel, including contractors and visitors. Lydian's Security Policy is determined and directed by the Vice President Sustainability and the Board of Directors. It is the responsibility of Lydian security department to ensure that the procedures and measures in the security Policy are implemented as a minimum standard. Failure to comply may be treated as misconduct. The company will adhere to the performance standards and requirements of the IFC and EBRD and all security activities will comply with applicable local and state laws and regulations relating to Lydian security operations.

4. Continuous Improvement

The company will review its Security Policy on a periodic basis and update it as necessary. It will also regularly update or improve its Security Management System, by performing systematic, internal security audits and assessments. It will use the results as a basis for continuous improvement and sustained security performance through an adaptive management process.

5. Communication and Awareness

The company will communicate the Policy through to its employees, contractors and suppliers to ensure that they are aware of the Lydian commitments and their responsibilities. The company will provide staff training to promote good practice as well as awareness of the Policy requirements. The company expects all its contractors to take similar action.

The policy was approved by the Board of Directors on November 8, 2017.