



**Social Media Policy – March 2019**

## **1 Herencia Resources plc**

Herencia Resources plc ("Company") is a multi-commodity resources company listed on the Alternative Investment Market ('AIM') of the London Stock Exchange with a primary focus on developing its high quality Projects in Chile. Herencia has been operating in Chile for many years and is a well-established company in the Chilean resources sector with its main office in Santiago.

## **2 About this policy**

- 2.1 This policy is in place to minimise the risks to the Company through use of social media.
- 2.2 This policy deals with the use of all forms of social media, including Facebook, LinkedIn, Twitter, Google+, Wikipedia, Whisper, Instagram, Vine, Tumblr and all other social networking sites, internet postings, the Company's website, non-regulatory news feeds and blogs. It applies to use of social media for business purposes as well as personal use that may affect the Company in any way.
- 2.3 This policy covers all employees, officers, consultants, contractors, interns, casual workers and agency workers.
- 2.4 This policy does not form part of any employee's contract of employment and we may amend it at any time.

## **3 Personnel responsible for implementing the policy**

- 3.1 The board of directors (the "**Board**") has overall responsibility for the effective operation of this policy, but has delegated day-to-day responsibility for its operation to the Chief Executive Officer ("CEO").
- 3.2 Responsibility for monitoring and reviewing the operation of this policy and making recommendations for change to minimise risks lies with the CEO who will review this policy at least annually to ensure that it meets legal requirements and reflects best practice.
- 3.3 Managers have a specific responsibility for operating within the boundaries of this policy, ensuring that all staff understand the standards of behaviour expected of them and acting when behaviour falls below its requirements. If necessary managers will be given training in order to do this.
- 3.4 All staff are responsible for the success of this policy and should ensure that they take the time to read and understand it. Any misuse of social media should be reported to the CEO. Questions regarding the content or application of this policy should be directed to the CEO.
- 3.5 If the London Stock Exchange considers that the Company has breached the AIM Rules for Companies (the "**AIM Rules**"), it will investigate and take such disciplinary action as it considers appropriate.
- 3.6 The Board may be required to issue a clarification notification where comments made via social media by directors, or persons on behalf of the Company are inconsistent with notifications made via a RIS.
- 3.7 If the Board or CEO are unsure regarding any posts they wish to publish via non-regulatory news feeds, on the Company's website or via any other form of social media, the Company shall take advice from its legal advisers and nominated adviser before approving any such public communication

## **4 Compliance with related policies and agreements**

- 4.1 Social media should never be used in a way that breaches any of the Company's other policies, including the AIM Compliance Code, MAR Compliance Code and Share Dealing Policy. If an internet post would breach any of the Company's policies in another forum, it will also breach them in an online forum. For example, members of staff are prohibited from using social media to:
  - (a) breach the Company's obligations with respect to the rules of relevant regulatory bodies, in particular the AIM Rules and/or the Market Abuse Regulation (Regulation 596/2014) ("**MAR**"), further details of which are set out at paragraph 5 below;

- (b) breach any obligations contained in those policies relating to confidentiality;
- (c) breach the Disciplinary Policy or procedures;
- (d) harass or bully other staff in any way;
- (e) unlawfully discriminate against other staff or third parties;
- (f) breach the Data Protection Policy (for example, never disclose personal information about a colleague online); or
- (g) breach any other laws or regulatory requirements.

4.2 Staff should never provide references for other individuals on social or professional networking sites, as such references, positive and negative, can be attributed to the organisation and create legal liability for both the author of the reference and the organisation.

4.3 Staff who breach any of the above policies will be subject to disciplinary action up to and including termination of employment.

## **5 Prohibited use**

5.1 The Company shall implement the necessary processes and procedures which seek to prevent:

- (a) members of staff from disclosing any information relating to the Company or its business, including but not limited to the Company's clients, the operation of its business or any business opportunities, without prior approval of the CEO;
- (b) members of staff from making any social media communications that could damage the Company's business interests or reputation, even indirectly;
- (c) members of staff from using social media to defame or disparage the Company, staff or any third party; to harass, bully or unlawfully discriminate against staff or third parties; to make false or misleading statements; or to impersonate colleagues or third parties;
- (d) members of staff from expressing opinions on the Company's behalf via social media, unless expressly authorised to do so by their manager. The Company shall implement training, if required, for members of staff in order to obtain such authorisation;
- (e) members of staff from posting comments about sensitive business-related topics, such as the Company's performance, or do anything to jeopardise the Company's trade secrets, confidential information and intellectual property. Members of staff must not include the Company's logos or other trademarks in any social media posting or in your profile on any social media;
- (f) the contact details of business contacts made during the course of a member of staff's employment are the Company's confidential information and members of staff are not permitted to add business contacts made during the course of their employment to personal social networking accounts;
- (g) any misuse of social media should be reported to the CEO.

## **6 Regulatory requirements**

6.1 The AIM Rules, as published by the London Stock Exchange, provide that a company must make an announcement to the public via an approved regulatory information service ("**RIS**") without delay of any developments which are not public knowledge and which, if made public, would be likely to lead to a significant movement in the company's share price. This may include matters concerning a change in the company's financial condition, sphere of activity, performance of business or its expectation of its performance.

- 6.2 Where the company is required to make a RIS notification, the notification must be made no later than the information is published elsewhere. The fact that information released through other outlets is or may become publically available is not a substitute for making a notification under the AIM Rules. Consequently the requirement to make a notification under the AIM Rules will not be satisfied by disclosure via social media and the company must make RIS announcements.
- 6.3 All regulatory information must be disclosed to the market in a fair and timely manner and the formal channels of disclosure must be adhered to. A company's securities can be suspended from trading where there has been an unusual share price movement because of an inequality of information provided to the market. The London Stock Exchange can investigate and take such disciplinary action as it considers appropriate in such an instance.
- 6.4 It is also an offence under MAR to unlawfully disclose such information, and premature or selective disclosures or disclosures designed to cause volatility in the company's share price (e.g. a leak of confidential information), which may constitute market abuse under MAR, falling under the regulation of the Financial Conduct Authority, who may impose penalties (including unlimited fines) on both the Company and its directors for market abuse.

## **7 Business use of social media**

- 7.1 If a member of staff's duties require them to speak on behalf of the organisation in a social media environment, that individual must still seek approval for such communication from their manager who may require them to undergo training before they do so and impose certain requirements and restrictions with regard to their activities.
- 7.2 Likewise, if you are contacted for comments about the organisation for publication anywhere, including in any social media outlet, direct the enquiry to the CEO and do not respond without written approval.
- 7.3 The use of social media for business purposes is subject to the remainder of this policy.

## **8 Guidelines for responsible use of social media**

- 8.1 The Company should make members of staff aware that:
- (a) they should make it clear in social media postings, or in their personal profile, that they are speaking on their own behalf, including writing in the first person and use a personal e-mail address.
  - (b) they should be respectful to others when making any statement on social media and be aware that you are personally responsible for all communications which will be published on the internet for anyone to see.
  - (c) if they disclose their affiliation with the Company on their profile or in any social media postings, they must state that their views do not represent the Company's views (unless they are authorised to speak on the Company's behalf as set out in paragraph 4.1(d)). Members of staff should be made aware that their profile and any content they post is consistent with the professional image the Company present to clients and colleagues.
  - (d) if members of staff are uncertain or concerned about the appropriateness of any statement or posting, they should refrain from posting it until they have discussed it with their manager. As noted above, all posts relating directly to the Company and its business must be approved by the CEO before publication.
  - (e) if they see social media content that disparages or reflects poorly on the Company, you should contact the CEO.

## **9 Monitoring**

The Company reserves the right to monitor, intercept and review, without further notice, staff activities using its IT resources and communications systems, including but not limited to social media postings and activities, to ensure that its rules are being complied with and for legitimate business purposes and that staff consent to such monitoring by their use of such resources and systems.

Employees and Directors will report to the Company, and the Company will maintain, details of those registered with share or financial bulletin boards, including a list of individuals subject to the media and their usernames.

## **10 Recruitment**

The Company may use internet searches to perform due diligence on candidates in the course of recruitment. Where this is carried out, it will act in accordance with the Company's data protection and equal opportunities obligations.

## **11 Breach of this policy**

11.1 The Company should make staff aware that:

- (a) breach of this policy may result in disciplinary action up to and including dismissal. Any member of staff suspected of committing a breach of this policy will be required to co-operate with the Company's investigation, or any investigation undertaken by the London Stock Exchange or regulatory body, which may involve handing over relevant passwords and login details.
- (b) Members of staff may be required to remove any social media content that the Company considers to constitute a breach of this policy. Failure to comply with such a request may in itself result in disciplinary action.