



## Anti-Bribery and Anti-Corruption Policy

New Gold Inc. and its subsidiaries (together, “**New Gold**,” the “**Company**,” or “**we**”) are committed to honest and ethical conduct. This theme is emphasized in our Code of Business Conduct and Ethics. We are committed to interacting with government officials, business partners, third parties and community stakeholders with integrity and in compliance with applicable anti-bribery and anti-corruption laws. This Anti-Bribery and Anti-Corruption Policy (this “**Policy**”) embodies this commitment, and we expect all Company directors, officers, and employees (“**New Gold Personnel**” or “**you**”) to adhere to the Policy in all of their activities related to their work with the Company.

As a company headquartered in Canada, with listings on stock exchanges in Canada and the U.S. and operations in a number of countries, we are subject to a variety of local and international anti-bribery and anti-corruption laws. These include the Canadian Corruption of Foreign Public Officials Act (“**CFPOA**”) and Criminal Code, as well as the U.S. Foreign Corrupt Practices Act (“**FCPA**”) and other U.S. laws. Violations of these statutes can result in criminal and/or civil penalties for the Company and involved individuals, in addition to damaging New Gold’s reputation. In addition, violations of this Policy by New Gold Personnel may result in disciplinary action.

### **Dealings with Government Officials: No Bribes, Kickbacks or Improper Payments**

You are prohibited from offering, promising, providing or authorizing the transfer of anything of value to any government official (whether directly or indirectly through third parties) to get or keep business or otherwise to secure any improper advantage for New Gold. Your belief that “that’s the way business is done” in some part of the world will not protect you or the Company from severe legal penalties that can apply to such conduct, nor will it protect you from disciplinary measures resulting from violations of this Policy.

You must be alert to bribery-related issues across the full range of ways in which our business interacts with government officials. This includes, but is not limited to: (i) granting any permit, license, approval or concession needed to acquire mineral rights or operate our business; (ii) acting on tax, customs and similar matters; (iii) dealings with the military, the police and, in many cases, aboriginal leaders; and (iv) dealings with the judiciary in connection with any court proceedings.

### Government Official: Understanding the Scope

For purposes of this Policy, “government officials” should be considered to include:

- Officials or employees of government departments or agencies at any level (such as legislators, environmental regulators, permitting and licensing personnel, tax authorities, police officials, members of the military, judges, etc.), whether federal, provincial, territorial, regional, municipal or otherwise, including U.S., Canadian and foreign officials or employees and officials or employees of tribal, aboriginal or First Nations governments or groups;
- Employees of state-owned/controlled enterprises (*e.g.*, state-owned contractors, vendors, or suppliers);
- Candidates for public office and officials of political parties;

- Employees of public international organizations like the World Bank, the International Monetary Fund, the World Health Organization, the United Nations, and the World Trade Organization; and
- Other people who act in an official capacity on behalf of any of the above.

In addition, offering, promising, or providing money or anything of value to a close family member or household member of a government official can constitute a bribe of the official.

Recognizing who is a government official can sometimes be challenging. Many wholly or partially state-owned or state-affiliated enterprises appear to be private rather than public in nature. It is your responsibility to know enough about the people we are doing business or dealing with to determine whether they are government officials under this Policy. When in doubt, consult with Legal.

#### Anything of Value: Even Small Payments and Non-Cash Items Are Covered

You should assume that “anything of value” will be interpreted broadly by enforcement officials, and it is interpreted broadly by the Company. It will include gifts, loans, rewards or an advantage or benefit of any kind, among other things. Even small payments or non-monetary gifts or favors can be considered a bribe. Depending on the value and the context, a gift, meal or entertainment; a contribution to an official’s favorite charity; use of an apartment, car or equipment; an internship; or a promise of future employment or business can each be a bribe. This Policy does not contain an exception for so-called “grease” or “facilitating” payments. They are prohibited.

#### **Gifts, Meals and Entertainment, and Sponsored Travel or Lodging for Government Officials**

Gift-giving, meals and entertainment, and sponsored travel or lodging can pose special challenges in dealing with government officials. While you cannot give anything of value to a government official to get or keep business or to otherwise gain an improper advantage, you may follow New Gold’s Gifts & Promotional Items, Meals & Entertainment, and Sponsored Travel & Lodging Procedure in providing reasonable gifts and promotional items, meals and entertainment, and sponsored travel or lodging to government officials where there is a legitimate business purpose and the thing of value is not being provided in exchange for any action or inaction by the official. If you have any questions about whether a proposed gift or business entertainment is appropriate, you should consult your manager or Legal.

#### **Dealings with Private Parties: No Bribes, Kickbacks, or Other Inappropriate Payments**

Although significant portions of this Policy are focused on improper payments to government officials, it is important to understand that commercial or private sector bribery is also illegal in many jurisdictions, including Canada and the United States. Commercial bribery means providing a financial or other advantage to anyone (including a current or future business partner) to induce, obligate, reward or cause that person to behave improperly. It includes things like winning business as a result of having provided lavish entertainment or trips to individuals at the business partner with whom we are trying to do business. Engaging in commercial bribery, including giving or receiving kickbacks, is prohibited under this Policy.

While you cannot provide improper financial or other advantages to individuals in the private sector, you may follow New Gold’s Gifts & Promotional Items, Meals & Entertainment, and Sponsored Travel & Lodging Procedure in providing legitimate and reasonable gifts, meals and entertainment, and sponsored travel and lodging to current or future business partners. If you have

any questions about whether a proposed gift or business entertainment event is appropriate, you should consult your manager or Legal.

### **Emergency Exception**

This Policy does not prohibit payments to avoid a serious and imminent threat to your life or your physical safety. If at all possible, you should consult with Legal in advance of making any such payment. If that is not possible, you should report to Legal concerning the incident as soon as possible.

### **Political Contributions**

Contributions to political parties and to candidates for public office are prohibited or tightly restricted in many countries, and, where not prohibited outright, can raise corruption concerns. Accordingly, you cannot make a political or campaign contribution in the name of or on behalf of New Gold, or where the contribution will be associated with New Gold, without advance approval from Legal. Guidelines concerning political or campaign contributions may be found in New Gold's Political and Campaign Contributions Procedure.

### **Charitable Contributions Involving Government Officials**

Any charitable contributions made by or on behalf of New Gold must be based on legitimate philanthropic objectives. While it can be appropriate to make a donation to a community organization or a particular cause with the hope of generating generalized goodwill in the community or among a particular constituency, making a donation to a government official's favored charity in exchange for favorable action by that official can constitute a bribe.

You should obtain advance approval from the relevant internal donations committee and Legal prior to making any donation for or on behalf of New Gold to a charitable or community development organization in which a government official or a close family member of a government official has a prominent role (for example, as a board member or trustee); where the donation is at the request of a government official; or where the organization is known or believed to be closely associated with a government official. Guidelines concerning charitable contributions may be found in New Gold's Charitable Contributions and Sponsorships Procedure.

### **Dealings with, Agents, Consultants, and Third-Party Representatives Acting on Behalf of New Gold**

All of our agents, consultants, contractors, vendors, suppliers, advisors, and anyone else who acts on behalf of New Gold, or who interacts with government agencies, government officials or state-owned enterprises on behalf of New Gold (together, "**External Contractors**"), must be willing to conduct business on the basis of the principles set forth in this Policy.

External Contractors must undergo appropriate review and, as applicable, pre-approval as determined by Legal before being engaged. Guidelines concerning engaging an External Contractor, as well as additional requirements that may be imposed on an External Contractor, may be found in New Gold's External Contractors Due Diligence Procedure.

### **Acquiring Other Companies or Businesses or Participating in Joint Ventures**

Before acquiring another company or business, investing in another company or business, or participating in a joint venture, consortium or similar business arrangement, New Gold will

conduct appropriate due diligence, as determined by Legal, with respect to the other participants, including regarding compliance with anti-bribery and anti-corruption laws. Acquisitions and joint venture and similar agreements also should include contractual provisions regarding compliance with anti-bribery and anti-corruption laws and the principles in this Policy, as determined by Legal.

### **Addressing “Red Flags”**

It is important not only to avoid bribery and corruption, but also to avoid ignoring signs of bribery and corruption. Ignoring “red flags” can create significant legal and business risks for New Gold and you, and, depending on the nature and seriousness of what was ignored, can lead to legal liability for you and New Gold and may result in disciplinary measures being imposed on you by the Company.

If something about a transaction, business arrangement, or request from a government official or private party “looks bad” or “smells funny,” you are expected to ask questions and, where reassuring answers are not forthcoming, promptly refer the matter to Legal for review and guidance. For a non-exhaustive list of examples of “red flags,” please refer to Appendix A.

### **Accurate Books and Records and Effective Internal Controls**

As with receipts and expenditures generally, any expenditure of New Gold funds or other use of Company resources must be accurately described in supporting documents and accurately entered in the Company’s books and records. You will not cause or permit any expenditure covered by this Policy to be handled “off the books,” mischaracterized or buried in some nondescript account like “miscellaneous expenses.”

You will help New Gold maintain a system of internal controls sufficient to ensure that our books and records accurately and fairly reflect, in reasonable detail, the Company’s transactions and dispositions of assets; that the Company’s resources and assets are used only in accordance with directives and authorizations by the Board of Directors and management; and that checks and balances are employed so as to prevent the by-passing or overriding of these controls.

### **Violations of This Policy**

This Policy applies to all New Gold Personnel. Anyone who violates this Policy can subject both himself or herself and New Gold to severe criminal and civil penalties. In a case where money or other things of value are provided or offered to a government official, the consequences can include liability under various anti-bribery and anti-corruption laws, potentially leading to substantial fines and even imprisonment. In addition, depending on the circumstances, violations of this Policy can cause substantial collateral harm to New Gold in other areas, including the Company’s ability to obtain government licenses and permits and to conduct future business. Any violation of this Policy will be taken seriously and will lead to the imposition of appropriate disciplinary measures, including potential termination of employment or business relationship.

## **Reporting Violations and Asking Questions**

If you know of or suspect a violation of this Policy, you must report it without delay, either directly to Legal, Internal Audit or through the New Gold Whistleblower Hotline. Questions concerning the application of this Policy should be directed to Legal. You are also encouraged to discuss questions and concerns about New Gold's business practices or policies with your management.

## **Amendments and Waivers**

The Audit Committee will review this Policy on a periodic basis, evaluate its effectiveness, and update or amend this Policy as necessary. Under limited and exceptional circumstances, and for legitimate reasons, Legal may approve proposed conduct or conduct that has occurred that deviates from this Policy. If you would like to discuss such an approval, please contact Legal.

## **Periodic Anti-Corruption Certification**

New Gold Personnel are required to certify periodically that they have read, understand and are complying with this Policy (and, as applicable, other New Gold policies and procedures) and are not aware generally of any violations of this Policy or any applicable anti-bribery or anti-corruption laws, and certain External Contractors may be required to certify periodically that they are conducting business on the basis of the principles set forth in this Policy and are not aware generally of any violations of this Policy or any applicable anti-bribery or anti-corruption laws.

Reviewed and approved by the Board on February 17, 2016.

## **Appendix A**

### **Examples of “Red Flags”**

Transactions and other business arrangements generally may not proceed if there are any “red flags” that have not been resolved and/or properly evaluated by Legal. Where you wish to proceed with a transaction or business arrangement that raises any “red flags,” you must resolve the “red flags” and/or refer the transaction or business arrangement to Legal for review and guidance, as appropriate under New Gold’s policies and procedures.

- The other party has a reputation for bribery and/or corruption.
- The other party has refused to promise that it will comply with anti-bribery laws and/or anti-corruption laws.
- The other party has refused to warrant that it has not paid bribes or engaged in corruption.
- The other party seeks a commission that is excessive, is paid in cash, or is otherwise irregular.
- The other party seeks payment to an account in the name of another party or at a location unrelated to the transaction (for example, an offshore account).
- The other party is owned in part by a government official or his or her family member or otherwise has close ties to a government official.
- A government official suggests hiring a particular adviser to help obtain a government contract or address an issue that is within the jurisdiction of that official.
- The other party has requested that we prepare false invoices or any other type of false documentation.
- The other party is related to a government official who is in a position to grant a business advantage, or is involved in a business in which such official owns an interest.
- The other party insists that his or her identity not be disclosed to a government agency or enterprise.
- The other party refuses to identify its owners, partners, or principals.
- We are informed that a donation to a specific charity is needed to generate or facilitate government action.
- The justification for hiring a new agent or other intermediary is that he/she can obtain preferential treatment from a government official.
- The hiring of an agent or other intermediary is suggested to perform tasks that require no special knowledge or skills, or could easily be performed by our employees.
- There is substantial or extravagant “wining and dining” of government officials.

- There is sponsored travel for government officials and/or family members where there is no clear and legitimate business purpose.
- Relatives of important government officials are on the payroll of the other party.
- The other party has relevant expenses that cannot be explained or that lack supporting documentation.
- The other party has “off the books” receipts or expenses that are relevant to the contemplated transaction.
- The other party has poor internal controls or record-keeping practices that are relevant to the contemplated transaction.