

GIFTS & HOSPITALITY POLICY

1 INTRODUCTION

- 1.1 The Board of Directors of Largo Inc.¹ ("Largo") has determined that, on the recommendation of the Corporate Governance Committee, Largo should formalise its policy on the provision and receipt of gifts and hospitality during the course of its business.

2 OBJECTIVES OF THE POLICY

- 2.1 Largo recognises that gifts and hospitality can be an important part of developing business relationships. However, caution should be taken in accepting or providing gifts or hospitality that could raise suggestions of impropriety or create a position of obligation on the part of the recipient.
- 2.2 The objective of this Gifts & Hospitality Policy (the "Policy") is to provide a procedure to ensure that Largo, together with its directors, officers, employees, consultants and contractors, may provide or receive gifts and/or hospitality, in compliance with high standards of integrity and all relevant laws and regulations applicable.

3 APPLICATION OF THE POLICY

- 3.1 The Policy applies to all directors, officers, employees, consultants and contractors of Largo and compliance with this Policy for each director constitutes terms of service, for each officer and employee constitutes conditions of employment, and for each consultant and contractor constitutes conditions of providing services to Largo. Each such person agrees to be bound by the provisions of this Policy upon notification of the most recent copy being given to them or upon notification that an updated version has been placed on Largo's website for review.

¹ This Policy applies to Largo Inc. and all of its subsidiaries. Accordingly, this Policy will refer to Largo and its subsidiaries as "Largo".

4 COMMUNICATION OF THIS POLICY

4.1 To ensure that all directors, officers, employees, consultants and contractors of Largo are aware of this Policy, a copy of the Policy will be provided to them. Each Largo location will be responsible for determining the most appropriate method of communicating this Policy. All directors, officers, employees, consultants and contractors of Largo will be informed whenever significant changes are made. New directors, officers, employees, consultants and contractors will be subject to this Policy and educated about its importance.

5 COMPLIANCE

5.1 All directors, officers, employees, consultants and contractors, in discharging their duties on behalf of Largo, will comply with the laws, rules and regulations of the location in which Largo is performing business activities, and in particular with respect to any applicable anti-corruption laws, rules and regulations.

5.2 As the anti-corruption laws of the US and Canada have extraterritorial application, Largo, its employees and associated persons will be bound by the most stringent requirements of these laws in respect of its conduct in all jurisdictions they operate, even if such conduct would otherwise be permitted by the local law of a particular jurisdiction. Where uncertainty or ambiguity exists, please contact the Anti-Corruption Compliance Officer who may seek further legal advice.

6 STANDARDS IN PROVIDING OR ACCEPTING GIFTS OR HOSPITALITY

6.1 Directors, officers, employees, consultants and contractors, and their families will not give or accept gifts, gratuities or entertainment in relation to Largo or its business that may conflict with the provisions of this Policy. For clarity, all directors, employees, consultants and contractors of Largo must ensure that:

- (1) the gift / hospitality is not given or accepted with the intention or expectation of influencing a party to obtain or retain business or a business advantage², or as a reward for the provision or retention of

² A business advantage means that Largo is placed in a better position financially, economically, reputationally or in any other beneficial way either than its competitors or than it would otherwise have been had the gift or hospitality (which could constitute bribery or corruption) not taken place.

business or a business advantage, or in explicit or implicit exchange for favours or benefits;

- (2) the gift or hospitality is customary to the industry;
- (3) the gift or hospitality does not violate any local laws;
- (4) the gift or hospitality given is provided in the name of the Company and not in the name of the individual;
- (5) the gift or hospitality does not include cash or a cash equivalent (e.g. vouchers, gifts certificates);
- (6) the gift or hospitality does not include non-cash benefits of a personal nature (e.g. golf memberships, vacations);
- (7) the gift or hospitality is not provided to the family members of contractors, government officials or other business associates;
- (8) the gift or hospitality is of an appropriate type and value and given or accepted at an appropriate time, taking into account the business relationship with the counterparty, any pending action expected of the counterparty and the reason for the gifts / hospitality;
- (9) the gift or hospitality would be considered as being appropriate by an independent third-party bystander in all the circumstances and in hindsight; and
- (10) the gift / hospitality is given or accepted openly and not secretly.

6.2 Refer to Schedule "A" of this Policy for examples illustrating appropriate conduct in accepting or declining gifts, entertainment or travel.

7 GIFTS & HOSPITALITY TO PUBLIC OFFICIALS

- 7.1 Largo requires all directors, officers, employees, consultants and contractors to exercise great care when interacting with public officials and demands that they act with the highest level of integrity.
- 7.2 Prior approval must be obtained from the Chief Executive Officer for the making of any gift or the provision of any hospitality to a public official. Gifts or hospitality of an insignificant value such as promotional items (e.g. pens, notepads, diaries and calendars) or refreshments offered during a meeting are not covered by this rule.

8 APPROVAL FOR OTHER GIFTS & HOSPITALITY

- 8.1 Gifts or hospitality to those other than public officials should never be offered or accepted without the prior approval of the Chief Executive Officer where the value of the gift or the hospitality per person is more than US\$500. Gifts or hospitality of an insignificant value such as promotional items (e.g. pens, notepads, diaries and calendars) or refreshments offered during a meeting are not covered by this rule.
- 8.2 Care should also be taken that several smaller gifts or lower levels of hospitality are not provided to the same recipient thereby breaching the overall limit of US\$500. Recovery of the reasonable cost of a gift or hospitality provided may be claimed in accordance with Largo's group expenses policies. When providing hospitality, a host from Largo should always be in attendance at the event.
- 8.3 Where a gift is received of a value in excess of the amount established by the CEO of US\$500 (with the approval of the Corporate Governance Committee) and it would be impractical or offensive to return it (e.g. due to local customs), the Chief Executive Officer will decide whether it is appropriate to keep the gift or whether it should be donated to charity.
- 8.4 Further, there may be occasions where directors, officers, employees, consultants and contractors of Largo and their families are provided with more generous hospitality and it will be necessary to obtain approval from the Chief Executive Officer before accepting. If acceptance of the hospitality would leave any director, officer, employee,

consultant or contractor of Largo in a position of obligation, it should be politely declined.

9 GIFTS & HOSPITALITY REGISTER

- 9.1 All gifts and hospitality provided, received or declined must be recorded in Largo's Gifts Register which is maintained by the HR and Administrative Manager in Brazil.

10 REPORTING VIOLATIONS OF THIS POLICY – WHISTLEBLOWER POLICY

- 10.1 All directors, officers, employees, consultants and contractors will adhere to Largo's commitment to conduct its business and affairs in a lawful and ethical manner. All directors, officers, employees, consultants and contractors are encouraged to raise any queries with the Compliance Officer.
- 10.2 In addition, any director, officer, employee, consultant and contractor of Largo who becomes aware of any information suggesting that a violation of the Policy has occurred or is about to occur is required to report it through the *Ethics Hotline*.
- 10.3 Persons who refuse to accept or offer a bribe, or those who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. Largo aims to encourage openness and will support anyone who raises genuine concerns in good faith under this Policy, even if they turn out to be mistaken. No directors, officers, employees, consultants and contractors of Largo will suffer demotion, penalty or other adverse consequences for raising legal or ethical concerns or for reporting possible wrongdoing, even if it may result in the Company losing business or otherwise suffering a disadvantage.
- 10.4 Largo also has adopted a Whistleblower Policy which provides procedures for reporting violations of laws, rules, regulations or Largo's corporate policies, including a procedure for anonymous reporting. For completeness, the contact information for the *Ethics Hotline*, which enables matters to be reported anonymously, is provided below.

www.clearviewconnects.com (search Largo Inc.)

North America Toll-Free (Dedicated line): 1 866 790 3021

Brazil (Identify Largo Inc. when calling): 0800 591 2083

Ireland (Identify Largo Inc. when calling): 1800 903 368

Postal mail: P.O. Box 11017, Toronto, Ontario, M1E 1N0

10.5 Largo prohibits retaliatory action against any person who raises a concern in good faith.

11 CONSEQUENCES OF NON-COMPLIANCE WITH THE POLICY

11.1 Failure to comply with this Policy may result in severe consequences, which could include internal disciplinary action or termination of employment or consulting arrangements without notice. Violation of this Policy may also violate or constitute a criminal offence under US Brazilian and Canadian laws. If it appears that any director, officer, employee, consultant or contractor of Largo may have violated such laws, then Largo may refer the matter to the appropriate regulatory authorities, which could lead to penalties, fines or imprisonment for Largo and/or the responsible person.

12 REVIEW OF THE POLICY

12.1 The Compliance Officer and the Board of Directors of Largo will review and evaluate this Policy on an annual basis to determine whether it is effective in ensuring compliance by Largo, its directors, officers, employees, consultants or contractors with all relevant anti-corruption laws, rules and regulations.

13 QUERIES

If you have any questions about how this Policy should be followed in a particular case, please contact the Compliance Officer of Largo in the first instance on +1 416 861 1836 or by email to david.harris@largoinc.com.

Schedule "A"

The following are only examples and are designed to help directors, employees, consultants and contractors make informed decisions about the appropriateness of accepting or declining gifts, entertainment or travel but they are not definitive answers in any particular situation. Reference must always be made to this policy when making any specific determination and any fact scenario resulting in any ambiguity requires sign-off from the CEO.

Example 1

Generally Acceptable Behaviour: An employee of Largo is invited to a poker tournament at a mining industry event in Brazil and wins US\$1,000. Not wanting to offend the host of the event, the employee publicly accepts the money, but arranges to return the winnings later that evening.

Unacceptable Behaviour: In the scenario above, the employee retains the money.

Example 2

Generally Acceptable Behaviour: Largo currently procures temporary labour services in Brazil under a contract with LabourCo, Inc. that is set to expire in two months. The President of LabourCo, Inc. invites Largo's President of Largo Brazil to a trade association reception at which the Brazilian Minister of Labour will be discussing changes to local labour laws. The event is open to members of the trade association, with tickets priced at approximately US\$1,000. Largo's President of Largo Brazil accepts the invitation and discloses attendance at the reception to the CEO.

Unacceptable Behaviour: In the scenario above the facts are slightly different and the event is a private dinner for ten individuals. Largo's President of Largo Brazil learns that LabourCo, Inc. paid a speaker's fee to the Brazilian Minister of Labour in excess of US\$50,000 for the event, but attends the event anyway without notifying the CEO.

Example 3

Generally Acceptable Behaviour: After touring Largo's mine in Brazil, a machinery supplier is invited to attend an evening performance of the local orchestra.

Unacceptable Behaviour: In the scenario above, instead of attending the local orchestra, employees of Largo take representatives of the machinery supplier for a night on the town, including the local men's clubs.

Example 4

Generally Acceptable Behaviour: Largo closed a significant offtake agreement with a commodity trading company. During the signing ceremony, Largo's Vice-President of Exploration presents the President of the commodity trading company with a local hand carved chess set valued at US\$200.

Unacceptable Behaviour: in the scenario above, instead of providing a hand carved chess set, the President of the commodity trading company is provided with a one-week all-inclusive trip to the Caribbean.