

**CODE OF BUSINESS CONDUCT, ETHICS AND ANTI-BRIBERY POLICY**

**Caledonia Mining Corporation Plc**

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## **1. Preface and approval**

### **1.1 Basics regarding the Business Code of Conduct, Ethics and Anti-Bribery Policy**

The Code of Business Conduct, Ethics and Anti-Bribery Policy (the “Code”) of Caledonia Mining Corporation Plc and its group of companies (“Caledonia” or the “Corporation”) is to commit the Corporation, its boards of directors (each “the Board”) and employees to the highest standards of business and ethical conduct. All employees, directors and contractors (collectively referred to as “Employees” in this code) must follow and abide by this code.

### **1.2 Code Fundamentals**

The fundamentals represent the basic beliefs that the Corporation aspires to and they should be reflected in actions of all Employees at all times. The Corporation’s fundamentals are:

#### **1.2.1 Complying with Laws**

All Employees should respect and comply with all of the laws, rules and regulations of the countries and jurisdictions in which the Corporation conducts its business.

#### **1.2.2 Conflicts of Interest**

All Employees should be scrupulous in avoiding conflicts of interest with regard to the Corporation's interests. A "conflict of interest" exists whenever an individual's private interests interfere or conflict in any way (or even appear to interfere or conflict) with the interests of the Corporation.

#### **1.2.3 Hospitality/Gifts**

No gift or entertainment should be offered, given, provided or accepted by any Employee, family member of an Employee or agent. Gifts above US\$50 outside the Corporation’s regular practices should be recorded in the Corporate Hospitality and Gift Log maintained at the Corporation’s office in the jurisdiction where the gift or entertainment is received or that is most relevant to the gift or entertainment.

#### **1.2.4 Bribery**

Bribery is a criminal offence. Never offer, give, request or accept a bribe. Bribery includes giving anything (even of low value) to influence a third party to perform their job improperly or to influence their decision, or as a reward for doing any of the above. Never authorise nor allow any third party working with or for the Corporation, such as a contractor or joint venture partner, to pay bribes on the Corporation’s behalf. Never pay a “facilitation payment” (usually a small payment of say US\$50 or US\$100 to a local government official to facilitate a routine action - e.g. speeding up unloading of goods, getting a visa, customs clearance). These are bribes if they are not official fees. The only exception is if you have a genuine and immediate concern for your own safety. Employees must report any facilitation payment that they are requested to

make or that they have made to the Anti-Bribery Officer (currently the general counsel of the Corporation) as soon as possible.

#### 1.2.5 Contracts

Only persons at management level (management being, for these purposes and throughout this Code, chief executive officer, chief financial officer, chief operating officer, technical services manager, general manager of Blanket Mine and, in limited circumstances and relating to their field of expertise, general counsel and the vice president investor relations and corporate development) may enter into contracts with third parties on the Corporation's behalf. All contracts must be reviewed and approved in advance by the Corporation's general counsel. Never make an agreement on behalf of the Corporation with a third party verbally. All contracts must be referred to the Anti-Bribery Officer for approval prior to signature and copies of all signed contracts must be sent to the Anti-Bribery Officer within 7 days of signature.

#### 1.2.6 Corporate Opportunity

Employees are prohibited from taking for themselves personally opportunities that properly belong to the Corporation.

#### 1.2.7 Confidentiality

Employees must maintain the confidentiality of confidential information entrusted to them by the Corporation or its suppliers or customers, except when disclosure is authorized by or required by applicable laws, regulations or legal proceedings.

#### 1.2.8 Fair Dealing

Each Employee should endeavour to deal fairly with the Corporation's customers, suppliers, competitors, officers and employees and with all the various regulatory authorities with which the Corporation deals.

#### 1.2.9 Protection and Proper Use of the Corporation Assets

All Employees should protect the Corporation's assets and ensure their efficient use.

#### 1.2.10 Financial Reporting

The Corporation's policy is to comply with all applicable financial reporting and accounting regulations applicable to the Corporation.

#### 1.2.11 Tax Evasion

The Corporation pays all relevant taxes in the jurisdictions in which it operates. All Employees should ensure that the Corporation complies with its taxation obligations.

In addition, it is strictly prohibited for any Employee to assist or facilitate a third party to commit tax evasion. Assisting others to evade taxes is a criminal offence in many jurisdictions and could give rise to criminal liability for both the Employee and the Corporation.

#### 1.2.12 Reporting Any Illegal or Unethical Behaviour

Employees are encouraged to talk to supervisors, managers or other appropriate personnel about observed illegal or unethical behaviour and, when in doubt, about the best course of action in a particular situation.

Employees aware of illegal or unethical behaviour should report this behaviour to superiors or the Whistleblowing Hotline that is available (see below).

Furthermore, it is the responsibility of all Employees to report any actual or presumed misconduct or violations of the ethics standards.

#### 1.2.13 No Retaliation

The Corporation will not permit retaliation of any kind by or on behalf of the Corporation and its Employees against good faith reports or complaints of apparent violations of this Code or other illegal or unethical conduct.

#### 1.2.14 Public Reporting

As a public Corporation, it is of critical importance that the Corporation's public filings be accurate and timely. Depending on their position within the Corporation, an Employee may be called upon to provide necessary information to assure that the Corporation's public reports are complete, fair and understandable.

#### 1.2.15 Harassment

The Corporation does not tolerate any form of harassment or bullying in the workplace.

#### 1.2.16 Health, Safety, Environment and Social Performance

The Corporation's commitment to sustainable development requires us to balance our short and long term interests and to integrate economic, health, safety, security, environmental and social considerations into business decisions.

### **1.3 Conclusion and Approval**

This Code will be reviewed on a two yearly basis or earlier if any significant changes occur, and notification of revisions on this document will be communicated to users. A copy of this document will be available from all the Corporation's offices and on its website [www.caledoniamining.com](http://www.caledoniamining.com).

This Code supersedes any previous Business Code of Conduct, Ethics and Anti-Bribery policies.

I hereby approve and authorise this Code on behalf of the Board of Caledonia Mining Corporation Plc.

Name and position: Steven Curtis (CEO)

Signed: /s/ *Steve Curtis*

Date: 7 August 2018

## **2. Complying with Laws**

All Employees should respect and comply with all of the laws, rules and regulations of the countries and jurisdictions in which the Corporation conducts its business. Such legal compliance should include, without limitation, compliance with the "insider trading" prohibitions applicable to the Corporation and its Employees. Generally, Employees who have access to or knowledge of confidential or non-public information from or about the Corporation are not permitted to buy, sell or otherwise trade in the Corporation's securities, whether or not they are using or relying upon that information. This restriction extends to sharing or tipping others about such information, especially since the individuals receiving such information might utilize such information to trade in the Corporation's securities. This Code does not summarize all laws, rules and regulations applicable to the Corporation and its Employees.

## **3. Conflicts of Interest**

All Employees should be scrupulous in avoiding a conflict of interest with regard to the Corporation's interests. A "conflict of interest" exists whenever an individual's private interests interfere or conflict in any way (or even appear to interfere or conflict) with the interests of the Corporation. A conflict situation can arise when an Employee takes actions or has interests that may make it difficult to perform his or her work objectively and effectively. Conflicts of interest may also arise when an Employee, or members of his or her family, receives improper personal benefits as a result of his or her position in the Corporation, whether received from the Corporation or a third party. Loans to Employees and their respective family members are prohibited. Conflicts of interest are prohibited as a matter of Corporation policy, except under guidelines that may be approved by the relevant Board or Committees of that Board. Any Employee who becomes aware of a conflict or potential conflict should bring it to the attention of a supervisor, manager or other appropriate person or officer.

The following examples may be used to determine possible conflict in a particular situation:

- if a director is a representative of a shareholder who has the ability to control or significantly influence management or the Board;
- if an Employee has a direct or indirect interest in the Corporation which exceeds 5% of total number of relevant shares in issue;
- if an Employee has a direct or indirect interest in the Corporation which is less than 5% of the total number of shares in issue, but is material to his/her personal wealth;
- if an Employee is a member of a board of directors of a company in the same or a similar industry as the Corporation in any executive capacity, or is or was appointed as the designated auditor or partner in the Corporation's external audit firm, or a senior legal advisor to the Corporation for the preceding 3 financial years;

- if a director is a member of the immediate family of an individual who is, or has during the preceding 3 financial years, been employed by the Corporation in an executive capacity;
- if a director is or was a professional advisor to the Corporation, other than as a director;
- if an Employee is involved in any business or other relationship (contractual or statutory) which could be seen by an objective outsider to interfere materially with the individual's capacity to act in an independent manner, such as being a director or part of the management of a material customer or supplier to the Corporation; and
- if a director receives remuneration contingent upon the performance of the Corporation, except to the extent that the long term incentive plan has been approved by a compensation committee of the relevant Board.

#### **4. Hospitality/Gifts**

The purpose of business entertainment and gifts in a commercial setting is to create goodwill and sound working relationships, not to gain unfair advantage with customers or others. No gift or entertainment should be offered, given, provided or accepted by any Employee, family member of an Employee or agent unless it:

- is not a cash gift;
- is consistent with customary business practices;
- is not excessive in value;
- cannot be construed as a bribe or payoff; and
- does not violate any laws or regulations.

Gift registers must be kept at the Corporation's head office and at its divisional offices in accordance with this policy on receiving gifts above \$50.

Hospitality (also referred to as entertainment) covers (but is not limited to) invitations to lunch, dinner, sporting events, trips abroad, payment for hotel accommodation, flights and similar activities.

A gift is something given for which no payment is made - e.g. tickets to a football game, food, a branded item, wine, plane tickets and similar.

The Corporation totally prohibits any hospitality given with the intention of improperly influencing a third party to give the Corporation business or to do the Corporation a favour. Likewise, hospitality given after the event, as a reward for business or a favour, is prohibited.

Giving or receiving gifts is discouraged by the Corporation. However, if you do receive or give a gift, the same rules apply as for hospitality. Employees should never offer hospitality to a

public official or accept the same from a public official without prior authorisation from the Anti-Bribery Officer.

Any hospitality (or gifts) given or received must be:

- given to establish or improve good business relations, promote the Corporation's business or image, or for some other bona fide reason;
- reasonable and proportionate in value to the status and seniority of both the persons giving and receiving them;
- not to a public official, in which case the prior consent of the Anti-Bribery Officer is required; and within the financial limits set out below;
- in compliance with the local laws of the country in question; and
- not involving insalubrious premises or illegal substances or excessive consumption of alcohol.

Refer to the Corporate Hospitality and Gift Log at Appendix A (Item 1) and Maximum Monetary Value for Hospitality/Gift (Item 2). Employees should report by email all hospitality or gifts given or received to the Anti-Bribery officer within 3 working days of giving or receiving them.

## **5. Bribery**

A bribe is where money or anything of value (even token value) is offered or given to influence the making of a decision by a third party/persuade them to perform their job improperly, or as a reward for having done so.

It is also bribery to receive or ask for a bribe, not just to offer or give one. It also includes offering bribes and asking for bribes, regardless of whether the bribe is actually paid, and paying bribes via third parties.

It is also bribery under the Canadian Corruption of Foreign Public Officials Act S.C.1998, c.34 and the US Foreign Corrupt Practices Act 1977 to directly or indirectly give, offer, agree to give or agree to offer, a loan, reward, advantage or benefit of any kind to a foreign public official (or any person for the benefit of a foreign public official) to induce the official to do/ not to do something in order to help the Corporation obtain/retain business or a business advantage.

In addition, doing any of the above so that the official uses his/her position to influence any acts or decisions of the government/body they work for is a bribe. Similar offences exist under the UK Bribery Act 2010 and the Corruption (Jersey) Law 2006.

It should be understood that the Corporation's anti-bribery policy is not just limited to bribes paid to government officials and includes bribes paid to or from any third parties, including employees of private companies.

"Facilitation payments" are non-official payments made to government officials anywhere in the world which the official (usually low level) may ask for to speed up/perform routine governmental action (such as processing visas, granting licences, providing mail delivery, unloading cargo, providing police protection, provision of telephone services or utilities etc.).



Typically, the amount requested is fairly low - e.g. US\$50, 100, 200. These are not official fees. They are fees the official is pocketing for himself.

If an Employee is ever genuinely concerned for their immediate safety, they should make the payment and then immediately report it to the Anti-Bribery Officer giving details of the amount paid, where and to whom and the reasons why they were concerned for their safety. There are no other circumstances in which facilitation payments should be made.

Employees should report any possible or actual breaches of this Code relating to bribery to the Anti-Bribery Officer.

Refer to Appendix A (Item 3) for examples and indicators of bribery.

## **6. Contracts**

Only persons at management level (see above) may sign contracts with third parties. Contracts should not be made verbally with a third party. All contracts must be reviewed and approved in advance by the Corporation's general counsel.

A third party is anyone working with or for the benefit of the Corporation who is not an Employee. This includes but is not limited to:

- consultants, agents and intermediaries - e.g. local in country agents retained to represent the Corporation or to fulfil certain tasks;
- contractors - e.g. drilling contractors, logistics/transport companies, seismic contractors and all other types of contractors;
- joint venture partners; and
- suppliers who provide services on behalf of the Corporation.

All contracts must be referred to the Anti-Bribery Officer before signature for approval. Depending on the value of the contract (see threshold value below), the Anti-Bribery Officer may decide to carry out due diligence on the counterparty and will ordinarily seek to ensure that anti-bribery and anti-tax evasion provisions are contained in the contract with the counterparty, which may include an undertaking that such counterparty will comply with the Corporation's anti-bribery and anti-tax evasion policy as contained in this Code.

Refer to Appendix A (Item 4) for the Due Diligence Checklist for Third Party Contracts that are above a threshold value of US\$300,000.

## **7. Corporate Opportunity**

Employees are prohibited from engaging in the following:

- taking for themselves personal opportunities that properly belong to the Corporation or are discovered through the use of the Corporation's property, information or position;
- using the Corporation's property, information or position for personal gain; and

- competing with the Corporation. Employees owe a duty to the Corporation to advance its legitimate interests when the opportunity to do so arises in preference to their own personal interests.

## **8. Confidentiality**

Employees must maintain the confidentiality of confidential information entrusted to them by the Corporation, its supplier's, advisors or customers, except when disclosure is authorized by or required by applicable laws, regulations or legal proceedings. Confidential information includes all non-public information that might be of use to competitors of the Corporation, or harmful to the Corporation or its customers if disclosed. The interests of the Corporation must not be advanced through unethical or illegal business practices. Stealing proprietary information, possessing trade secret information that was obtained without the owner's consent or inducing such disclosures by past or present employees of other companies is prohibited.

## **9. Fair Dealing/Charitable Activities**

Each Employee should endeavour to deal fairly with the Corporation's customers, suppliers, competitors, officers and employees and various regulatory authorities with which the Corporation deals. No one should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practice.

Furthermore, the Corporation prohibits all payments to political parties whether directly or indirectly unless the Board has given prior approval. This includes:

- donations, loans, pledges (conditional or otherwise), gifts and subscriptions;
- payment for dinners, conferences, purchase of publications and similar where a significant fundraising element for a political party is involved; and
- any payments to lobbying firms, other organisations or charities which are fronts for or which channel funds to political parties or individual politicians.

No charitable donations above US\$500 should be made on behalf of the Corporation without the prior approval of the relevant Board.

No individual or firm shall be engaged to carry out lobbying activities on behalf of the Corporation without the prior approval of the relevant Board.

## **10. Protection and Proper Use of Corporation Assets**

All Employees should protect the Corporation's assets and ensure their efficient use. Theft, carelessness, and waste have a direct impact on the Corporation's profitability. All Corporation assets should be used only for legitimate business purposes.

## **11. Financial Reporting/ Records**

The Corporation's policy is to comply with all applicable financial reporting and accounting regulations applicable to the Corporation. If any Employee has concerns or complaints regarding questionable accounting or auditing matters of the Corporation, then he or she is encouraged to submit those concerns or complaints (anonymously, confidentially or otherwise) to any member of the Audit Committee of the relevant Board, which will, subject to its duties arising under applicable law, regulations and legal proceedings, treat such submissions confidentially.

For financial recording purposes the following must be observed:

- never allow documents to be issued e.g. invoices or receipts which do not accurately record the transaction to which they relate. This includes : a) the value; b) the parties and c) the goods or services supplied.
- always ensure all receipts and expenditures are fully recorded in the books and records of the Corporation.

Refer to Appendix A (Item 5) for Financial Recording Scenarios.

## **12. Tax Evasion**

The Corporation pays all relevant taxes in the jurisdictions in which it operates. All Employees should ensure that the Corporation complies at all times with all tax laws in the jurisdictions in which it operates. Additionally, Employees are strictly prohibited from assisting or enabling third parties to evade taxes.

Tax evasion is a criminal offence in many jurisdictions which could lead to prosecution of the Corporation and those involved in it as well as substantial damage to the Corporation's reputation.

UK legislation has widened companies' obligations to ensure that they do not assist third parties in committing tax evasion. It is a criminal offence by the Corporation under the UK Criminal Finances Act 2017 if anyone associated with the Corporation assists a third party to evade taxes (wherever in the world such taxes are payable).

Associated persons include Employees of the Corporation and its subsidiaries as well as consultants, agents and contractors. The list is not exhaustive but includes anyone carrying out services on behalf of the Corporation or its subsidiaries.

Therefore it is vital that all Employees are vigilant to ensure that they are not assisting third parties who are seeking to evade taxes. The basic principle is that all documentation generated and received by the Corporation must accurately reflect the underlying transaction (as set out at 11 above). This applies particularly to invoices and payment records but also contracts and other documentation. Additionally there must be no "off the books" transactions i.e. transactions which are not recorded in the company's books and records.

Examples

A consultant to the Corporation asks an Employee to render an invoice for a lower sum than the value of services supplied but still to pay the full value for the services to them. Such a situation clearly suggests they are seeking to evade taxes. Employees must refuse such requests.

Other situations where tax evasion may be in issue include an invoice being rendered by a contractor from an offshore company which is different to the one which provided the services. This should not be permitted.

Demands for substantial payments in cash should also be scrutinised.

Other situations may be more ambiguous but Employees must not turn a blind eye to such situations. The possible indicators of bribery at Appendix A (item 3) (below) are equally relevant and should be considered when there is a suspicion of tax evasion.

If Employees have a concern that any person is seeking to evade taxes (whether on behalf of the Corporation itself) or a third party, they should speak to their line manager or the ethics officer (currently the General Counsel) or report it to the Whistleblowing Hotline (details below).

### **13. Reporting Any Illegal or Unethical Behaviour**

Employees are encouraged to talk to supervisors, managers or other appropriate personnel about observed illegal or unethical behaviour and, when in doubt, about the best course of action in a particular situation. Employees who are concerned that violations of this Code or that other illegal or unethical conduct by Employees have occurred or may occur should either contact their supervisor or superiors. If their concerns or complaints require confidentiality, including keeping their identity anonymous, then this confidentiality will be protected, subject to applicable law, regulation or legal proceedings.

### **14. No Retaliation**

The Corporation will not permit retaliation of any kind by or on behalf of the Corporation and its Employees against good faith reports or complaints of apparent violations of this Code or other illegal or unethical conduct.

### **15. Public Reporting**

As a public Corporation, it is of critical importance that the Corporation's public filings be accurate and timely. Depending on their position with the Corporation, an Employee may be called upon to provide necessary information to assure that the Corporation's public reports are complete, fair and understandable. The Corporation expects Employees to provide prompt accurate answers to inquiries related to the Corporation's public disclosure requirements. All of the Corporation's books, records, accounts and financial statements must be maintained in reasonable detail, must appropriately reflect the Corporation's transactions and must conform both to applicable legal requirements and to the Corporation's system of internal controls. Unrecorded or "off the books" funds or assets should not be maintained unless permitted by applicable law or regulation and approved by a person in a superior position.

## **16. Harassment**

The Corporation does not tolerate any form of harassment or bullying in the workplace. All people should be treated fairly with respect, equality and dignity. Harassment is an unwelcome action, conduct or behaviour that a reasonable person would find unwelcome, humiliating, intimidating or offensive. A few key principles to follow:

- do not physically or verbally intimidate or humiliate others;
- do not make inappropriate jokes or comments;
- do not distribute or display offensive or derogatory material; and
- do not be afraid to challenge someone if you find their behaviour hostile, intimidating or humiliating.

## **17. Health, Safety, Environment and Social Performance**

The Corporation's commitment to sustainable development requires us to balance our short and long term interests and to integrate economic, health, safety, security, environmental and social considerations into business decisions.

The Corporation is committed to taking every reasonable precaution to ensure a safe and healthy work environment for all Employees. Proper use and management of the world's limited resources and the environment is the responsibility of the industry and the Corporation itself. Employees should refer to the Corporation's environmental policy.

## **18. Misconduct and Violations of Ethics Standards**

It is the responsibility of all Employees to report any actual or presumed misconduct or violations of ethics standards.

If in doubt ask for advice from your manager or ethics officer (the Corporation's General Counsel). Also make use of the anonymous Whistleblowing Hotline, the details of which are as follows:

Telephone: 0800 00 71 39

SMS: 33490

Where any Employee is in any doubt about the meaning of any of the provisions of this Code or of how he or she should handle or report any apparent violations of this Code or any apparent violations by the Corporation or any of its Employees of any of the applicable laws, rules or regulations, such person should consult the ethics officer.

## **19. Amendment, Modification and Waiver**

This Code may be amended, modified or waived by the Board of Caledonia Mining Corporation Plc, subject to the disclosure and other provisions of the Securities Exchange Act of 1934, and the rules thereunder, and the applicable rules of the Toronto Stock Exchange and AIM Market of the London Stock Exchange plc.

## 20. Policy Enforcement

Any Employee found to have violated this Code may be subject to disciplinary action which may include termination of employment or engagement.

## 21. Document Control

<b>Version</b>	2
<b>Date</b>	28 June 2018
<b>Status</b>	Code updated in relation to UK's Criminal Finances Act 2017
<b>Author</b>	General Counsel, Company Secretary and Head of Risk and Compliance

### *Version Control*

<b>Date</b>	<b>Revision #</b>	<b>Description of Change</b>	<b>Author</b>
28 June 2018	2	Code updated in relation to UK's Criminal Finances Act 2017	General Counsel, Company Secretary and Head of Risk and Compliance

**Appendix A**

**Item 1: Corporate Hospitality and Gift Log**

Hospitality/gift given/received	Date	Given by	Organisation	Given to	Organisation	Reason for gift/hospitality	Value/estimated value	Invoice/ receipt provided? (if hospitality/gift offered)

**Item 2: Maximum Monetary Value for Hospitality/Gift**

Hospitality or Gift	Maximum monetary value (US \$)
Gift (excluding cash or cash equivalent, or loans which are never permitted)	50 (per person per occasion)
Meal or other entertainment (value of meal or other entertainment given or received)	100 (per person per occasion)

### **Item 3: Examples and Indicators of Bribery**

#### **1. What sort of thing can be a bribe if given with an improper intention?**

If given to improperly influence a decision, anything, even of nominal value, could constitute a bribe. This includes but is not limited to:

- Cash
- A cheap branded gift with the Corporation's logo
- Tickets to an event - e.g. a Grand Prix
- Any form of corporate hospitality/entertainment – e.g. a lunch
- Hotel accommodation
- Plane tickets
- Reimbursing hotel, travel or other expenses - e.g. to a government official
- A holiday
- A vehicle
- Computers
- A gift - e.g. a watch
- Payment of education in the UK for a family member of a Minister
- An offer to build a road/school etc.
- A loan

#### **2. Possible indicators of bribery**

The following may be indicators of a bribery situation or that a third party may be a high risk partner to do business with:

- Requests for unusual or excessive commission or fees;
- Requests for large sums to be paid in cash;
- Requests not to put a sum of money through the books;
- Statements that money is needed to “get the business”;
- Requests for payments to unknown/offshore accounts;
- Requests for payments to a third party;
- Requests for “bogus” consultancy agreements, sub-contracts, purchase orders;
- Requests for “bogus” invoices or ones that do not accurately reflect the transaction.
- Requests for invoices to or from a company which was not the one to/from which services were provided.
- Unwillingness to involve superiors;
- Refusal to comply with the Corporation's Policy (which is contained within this Code);
- Refusal to sign an agreement with the anti-bribery/ anti-tax evasion/business ethics clause;
- The country where the party is located has a low score on the Corruption Perceptions Index;
- A party has a dubious reputation;
- A party lacks expertise or experience in the sector;
- A party works with other parties with a dubious reputation; or
- A party or someone close to that party has been convicted/investigated for bribery/corruption.



**Item 4: Due Diligence Checklist for Third Party Contracts**

**Due Diligence Checklist for third party relationships**

Key:

“TP” = third party i.e. third party individual/entity to the proposed contract.

**RISK ASSESSMENT**

To be used when engaging agents, consultants, contractors, joint venture partners and other significant third party relationships over the prescribed threshold e.g. suppliers who provide services to the business.

No	Item	Answer	Comments/Any Further Action Required
1.	How long has the TP been in business?		
2.	Is the TP subject to any specific statutory or other regulations (e.g. financial services registration)?		
3.	Has the TP (or any business which is part of the same group as the TP) or any significant shareholder, director, officer or employee of it been investigated or convicted in relation to a bribery or corruption related offence or a tax evasion/tax fraud offence (in any territory)?		
4.	Does the TP or anyone known by you to have a significant business relationship with the TP have a reputation for corruption or tax evasion/tax fraud?		
5.	Has the TP ever been barred from tendering for government contracts (in any territory)?		
6.	Is the TP or any significant shareholder, director, officer or employee of it included on the Specially Designated Nationals List maintained by the US Department of the Treasury's Office of Foreign Assets Control or on any UK or Jersey sanctions list?		
7.	Does the TP have the necessary experience and expertise for the proposed relationship?		
8.	Are the agreed payments to the TP reasonable – i.e. not disproportionate in view of the services provided and reasonable within the industry?		
9.	Are the payments being made to a known onshore bank account demonstrably linked to the TP?		

<b>No</b>	<b>Item</b>	<b>Answer</b>	<b>Comments/Any Further Action Required</b>
10.	Are the accounts of the TP independently audited?		
11.	Will the TP have authority to make payments on behalf of our business without prior authorisation?		
12.	Does the contract require the TP to comply with the Corporation's anti-bribery and anti-tax evasion policy?		
13.	Does the TP have its own written anti-bribery and anti-tax evasion policy which is roughly equivalent to the Corporation's?		
14.	Do all expenses of the TP require written receipts or evidence before reimbursement?		
15.	Is TP's remuneration based on achieving certain outcomes e.g. securing a contract (i.e. incentive based)?		
16.	Does the contract require the TP to ensure sub-contractors, sub-agents or any third parties engaged by it comply with the Corporation's anti-bribery and anti-tax evasion policy?		
17.	Does the contract give the Corporation audit rights?		
18.	Has a company search been completed and reviewed on the TP?		
19.	Has a court record search on the TP been completed?		
20.	Do you know who the shareholders/owners of the TP are? If the shareholder(s) is/are nominee(s) do you know who are the ultimate beneficial owners?		
21.	Has an internet search been completed on the TP entity (directors, shareholders, beneficial owners) and related entities?		
22.	Does the TP have any conflicts of interest e.g. working for a competitor?		
23.	If so, have you dealt with these appropriately?		
24.	Has the Transparency International Corruption Perceptions Index been reviewed for the TP's country or the country where the TP proposes to do work?		

## **Item 5: Financial Recording Scenarios.**

### **FINANCIAL RECORDS**

Examples of problematic situations to look out for:

A director tells you to transfer money to a third party consultant from a special fund which is not in the Corporation's name and tells you not to tell the finance department or record it in the books and records of the Corporation.

An Employee who is on his way to Zimbabwe to try to obtain an important government consent asks a member of the accounts department for US\$3,000 cash and says to record it in the books and records of the company as payment for flights.

You see that an Employee is claiming US\$500 expenses for "entertainment" when he took a Minister out for a boozy night but he cannot produce a credit card receipt.

A consultant engaged by the Corporation asks for US\$20,000 on account to cover "miscellaneous expenses". He does not provide any detail as to what the expenditure will cover.

The same consultant as above submits an expenses claim that includes items of expenditure that seem unreasonably large. Furthermore, the consultant asks that a portion of the expenses be paid into an unidentified numbered Swiss bank account.

In another scenario the same consultant asks for US\$200,000 expenses upfront for "entertaining."

In another scenario, the consultant is unable to provide receipts for US\$10,000 of expenses.

**CERTIFICATION**

As an employee, director or contractor of the Corporation, it is my responsibility to act in all respects consistent with the Corporation's Code of Business Conduct, Ethics and Anti-Bribery Policy, the applicable policies and procedures and in compliance with applicable laws, rules and regulations.

I acknowledge that I have read and understand the Corporation's Code of Business Conduct, Ethics and Anti-Bribery Policy.

I understand that failure to comply with the Corporation's Code of Business Conduct, Ethics and Anti-Bribery Policy, other policies and procedures or applicable laws, rules and regulations may be grounds for disciplinary action which may include termination of my employment or engagement.

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Signature

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Date

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Name