



AFRICAN GOLD REFINERY LIMITED

ANTI- BRIBERY POLICY & COMPLIANCE HANDBOOK

AFRICAN GOLD REFINERY LIMITED

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Highly Responsible Sourcing of Gold



CEO Statement

It is African Gold Refinery's (AGR) policy to conduct all of our business in an honest and ethical manner. We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our dealings wherever we operate. We are committed to implementing and enforcing effective systems to counter bribery.

AGR is committed to compliance with anti-bribery laws that are applicable to the organization.

This policy and controls stated below apply to all individuals working at all levels and grades, including senior managers, directors, employees (whether permanent, fixed-term or temporary), consultants, contractors, and any other person providing services to us or working on behalf of us.

AGR is committed to continual improvement; the policies and controls described in this document represent our first step towards establishing, implementing and maintaining a robust anti-bribery management system in accordance to ISO 37001 Standard.

Alain Goetz

CEO



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I. What is a bribe?

A bribe is a financial or other advantage offered or given:

- ▶ to anyone to persuade them to or reward them for performing their duties improperly or;
- ▶ to any public official with the intention of influencing the official in the performance of his/her duties.

II. Anti-bribery compliance function

Top management shall establish a compliance function within AGR, and shall appoint the appropriate personnel to carry out the various compliance roles and responsibilities.

The compliance function personnel shall be independent and have the relevant competencies, skills and qualifications.



III. Risk Identification and Risk Assessment

High Risks

1- Bribery and Money Laundering related to the sourcing of gold

Given the nature of AGR's business and the jurisdictions of operation, sourcing of gold ranks as the highest risk where bribery or money laundering could occur. Therefore, AGR shall implement strict procedures and operational controls, in line with the OECD requirements, to ensure that we minimise this risk. The relevant operational controls are stated below under 'Operational Controls'.

2- Gifts, hospitality, donations and similar benefits

AGR shall implement procedures which are designed to prevent the offer, provision or acceptance of gifts, hospitality, donations and similar benefits where the offer, provision or acceptance is or could reasonably be perceived as bribery. Such benefits include:

- a. gifts, entertainment and hospitality
- b. political or charitable donations
- c. client or public official travel
- d. promotional expenses
- e. sponsorship
- f. community benefits
- g. training
- h. club memberships
- i. personal favours given in a business context.



3- Conflict of Interest

AGR's personnel may have connections such as family, financial or other connection directly or indirectly related to their line of work which may result in personnel facilitating or failing to prevent or report bribery. AGR shall implement procedures to prevent internal and external, actual or potential conflicts of interest.



Lower Risk

4- Bribery of AGR's personnel (inbound bribery)

Bribery of AGR's personnel is most likely to occur in relation to personnel who are able to make or influence decisions on behalf of AGR (e.g. a procurement manager who can award contracts, a supervisor who can approve work done, a manager who can appoint personnel or approve salaries or bonuses, a clerk who prepares documents for granting of licenses, permits etc.). AGR shall implement controls to prevent inbound bribery.

The identification and assessment of risks shall be reviewed at least once annually.



IV. Operational Controls

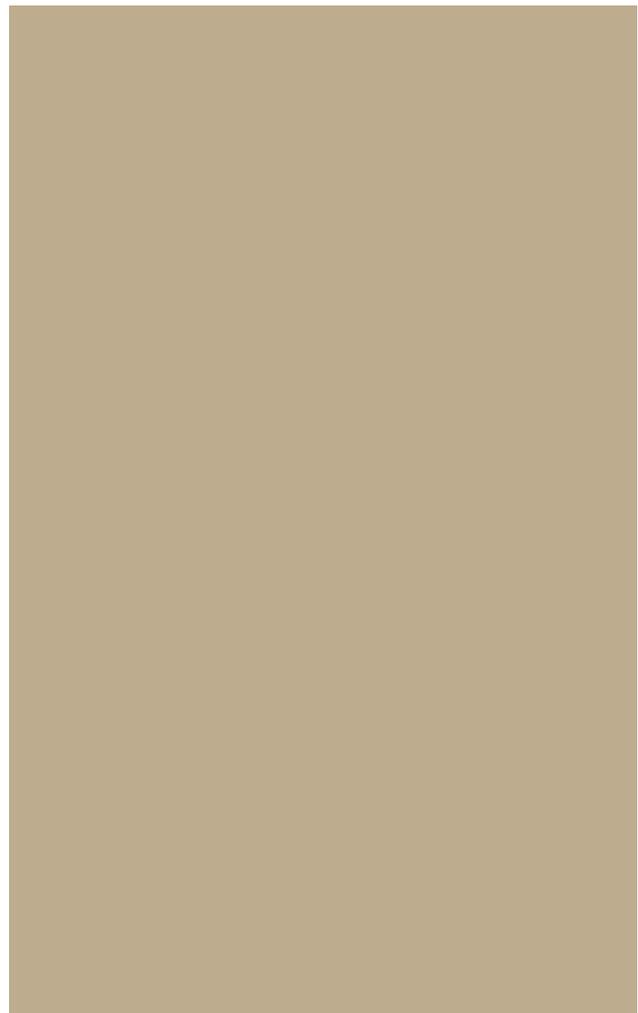
The following controls shall be implemented to mitigate the risks explained earlier.

1- Risks related to the sourcing of gold

AGR is committed to refraining from sourcing, trading, purchasing, using and selling gold in circumstances that might contribute directly or indirectly to financing criminal networks or non-state armed groups, perpetrating human rights abuses and other crimes, violating labour rights, as well as undermining political and socio-economic stability in the country of origin.

Corruption and money laundering in the gold trade are often associated with the illegal trafficking of gold, environmental violations, human rights abuses or war crimes, and/or finance of criminal networks or non-state armed groups. AGR's Due Diligence Management

System - based on the OECD Due Diligence Guidance on Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and the Gold Supplement to the OECD Due Diligence Guidance – along with this document shall be implemented and maintained to eliminate the risks of corruption and money laundering associated with the sourcing of gold.





2- Gifts, hospitality, donations and similar benefits

AGR prohibits the offer, provision or acceptance of gifts, hospitality, donations and similar benefits where the offer, provision or acceptance is or could reasonably be perceived as bribery. Where such benefits are necessary and perceived as bribery, the following controls shall be strictly followed:

Gifts and hospitality

Gifts and hospitality shall be limited to a maximum expenditure of the equivalent of US \$100 per person.

The frequency of gifts and hospitality shall be limited to once per year for the same person unless otherwise approved by member of the management team. Where the frequency is

higher than once per year, a rationale for such shall be presented and documented.

The timing of gifts and hospitality shall not be during or immediately after tender negotiations.

The recipient of a gift or hospitality shall not be in a position to award contracts or approve permits, certificates or payments.

No-one within AGR can receive a gift or hospitality greater than a value which they are permitted to give.

Where there are legal requirements, in a certain location, that conflict with the above, such legal requirements shall take precedence.

All gifts and hospitality shall be approved by the relevant member of the management team and shall be effectively documented.



Any exceptions to the above requirements shall be approved by a member of the management team, the rationale for such exceptions shall be explained and effectively documented.

Political or charitable donations, sponsorship, promotional expenses and community benefits

In relation to political or charitable donations, sponsorship, promotional expenses and community benefits, AGR prohibits payments which are intended to influence, or could reasonably be perceived to influence, a tender or other decision in favour of AGR.

AGR will undertake and document due diligence on the political party, charity or other recipient to ensure that they are legitimate and are not being used as a channel for bribery (this could include, for example, searches on the internet or other appropriate enquiries to ascertain whether the managers of the political party or charity have a

reputation for bribery or similar criminal conduct, or are connected with the AGR's business or customers).

Payments related to political or charitable donations, sponsorship, promotional expenses and community benefits shall be approved by the relevant member of the management team. Such payments shall be permitted by applicable law and regulations and publicly disclosed if required by law.

Contributions during or immediately after contract negotiations shall be avoided.



Customer representative or public official travel

In relation to client representative or public official travel:

payment shall be permitted by the procedures of the customer or public body, and by applicable law and regulations;

if the travel is necessary for the proper undertaking of the duties of the customer representative or public official;

a relevant member of the management team shall approve the payment;

AGR ensures where possible that the public official's supervisor or employer or anti-bribery compliance function is notified of the travel and hospitality to be provided;

Payments shall be restricted to the necessary travel, accommodation and meal expenses directly associated with a reasonable travel itinerary;

associated entertainment shall be limited to AGR's gifts and hospitality policy;

paying the expenses of family members or friends is prohibited;

paying of holiday or recreational expenses is prohibited.

3- Conflict of Interest

Conflict of interest may occur when delegating to personnel the responsibility or authority for the making of decisions in relation to which there is a risk of bribery. The decision process and the level of authority of the decision-maker(s) shall be free of actual or potential conflicts of interest.

Delegation of decision-making will not exempt top management of their duties and responsibilities, nor it will transfer to the delegated personnel potential legal responsibilities.



All personnel shall report any actual or potential conflict of interest such as family, financial or other connection directly or indirectly related to their or their colleagues' line of work. Situations where personnel may facilitate or fail to prevent or report bribery include and are not limited to:

- ▶ Sales personnel is/are related to a customer's procurement manager.
- ▶ A line manager has a personal financial interest in a competitor's business.
- ▶ Accounting and/or compliance personnel have family or strong personal relations with suppliers, customers or external auditors.

Employment and performance review procedures shall take in consideration potential or actual conflict of interest.

All records of any circumstances of actual or potential conflict of interest shall be maintained.

4- Bribery of the AGR's personnel (inbound bribery)

The measures necessary to prevent, detect and address the risk of personnel bribing others on behalf of the AGR ("outbound bribery") may be different from the measures used to prevent, detect and address the risk of bribery of the AGR's personnel ("inbound bribery"). For example, the ability to identify and mitigate inbound bribery risk may be significantly restricted by the availability of information that is not under the control of the AGR (e.g. employee personal bank account and credit card transaction data), applicable law (e.g. privacy law), or other factors. As a result, the number and types of controls available to AGR to mitigate the risk of outbound bribery will outweigh the number of controls it can implement to mitigate the risk of inbound bribery.



Bribery of AGR's personnel is most likely to occur in relation to personnel who are able to make or influence decisions on behalf of AGR (e.g. a procurement manager who can award contracts, a supervisor who can approve work done, a manager who can appoint personnel or approve salaries or bonuses, a compliance personnel who verifies the source of gold, a clerk who prepares documents for granting of licenses, permits etc.).

As the bribe is likely to be accepted by personnel outside of the scope of AGR's systems of controls, the ability of AGR to prevent or detect these bribes can be limited.

To mitigate the risk of inbound bribery, the following controls shall be implemented:

- a. Clearly communicate to all personnel, and anyone working on behalf of AGR, that AGR's policy strictly prohibits solicitation and acceptance of bribes.
- b. Any bribery concerns shall be reported to the compliance function and/or the

appropriate member(s) of the management team. Such reporting shall not result in retaliation under any circumstances.

- c. AGR's gifts and hospitality policy/ controls stated above apply to AGR's personnel, and anyone working on behalf of AGR.
- d. AGR's anti-bribery policy shall be publicly available and communicated to AGR's business associates; as a minimum, the policy shall be posted on the company's website to help to set expectations with business associates, so as to decrease the likelihood that business associates will offer, or AGR's personnel will solicit or accept, a bribe.
- e. Only approved suppliers shall be used. Competitive bidding shall be applied and at least two signatures shall be obtained for contract awards, work approvals etc.



V. Reporting, Monitoring, and Evaluation

Raising concerns, reporting and whistleblowing

AGR considers raising concerns, reporting or whistleblowing by personnel about attempted, suspected and actual or potential bribery to be its first line of defense against bribery risks. All personnel and anyone working on behalf of AGR shall report, either directly or through an appropriate third party, to the management any suspected and actual or potential bribery.

Except to the extent required to progress an investigation or by law, reports shall be treated confidentially so as to protect the identity of the reporter and of others involved or referenced in the report.

AGR strictly prohibits retaliation, and protects personnel from retaliation, after personnel have

in good faith or on the basis of a reasonable belief raised or reported a concern about attempted, actual, potential or suspected bribery or breaches of the anti-bribery policy or controls.

Investigating and dealing with bribery

Any reported, detected or reasonably suspected bribery, or breach of the anti-bribery policy or controls shall be assessed and, where appropriate, investigated.

An appropriate action shall be taken in the event that the investigation reveals bribery, or breach of the anti-bribery policy or controls.

AGR empowers and enables investigators and require co-operation in the investigation by relevant personnel. AGR requires that the status and results of the investigation are reported to the compliance function and top management, as appropriate.



The investigations should be carried out by, and reported to, personnel who are not part of the role or function being investigated. AGR may appoint another organization to conduct the investigation and report the results to personnel who are not part of the role or function being investigated.

How to investigate and deal with a particular issue will depend on the circumstances. Every situation is different, and AGR's response should be reasonable and proportionate to the circumstances. A report of a major issue of suspected bribery would require a far more urgent, significant and detailed action than a minor breach of anti-bribery controls.

The compliance function should preferably be the recipient of any reports of suspected or actual bribery or breach of anti-bribery controls. If the reports go in the first instance to another person, then these reports should be passed on to the compliance function as soon as possible unless the compliance function is implicated in the

bribery to be investigated, in such event, the matter shall be reported directly to the top management.

Minor issues are dealt with by the compliance function, with a periodic summary report of all minor issues being made to top management.

Major issues are reported straight away by the compliance function to top management. Major issues are reported straight away by the compliance function to top management for top management decision on how to respond.

Upon identification of any issue, top management or the compliance function (as appropriate) should then assess the known facts and potential severity of the issue. If they do not already have sufficient facts on which to make a decision, they should commence an investigation.

The investigation should be carried out by a person who was not involved in the issue. It could be the compliance function, internal auditor, another appropriate manager or an appropriate third party. The person investigating should be given appropriate authority, resources and access by top management to enable the investigation to be effectively carried out. The person investigating should preferably have had training or prior experience in conducting an investigation. The investigation should promptly establish the facts and collect all necessary evidence, for example:

- ▶ making enquiries to establish the facts;
- ▶ collecting together all relevant documents and other evidence;
- ▶ obtaining witness evidence;
- ▶ where possible and reasonable, requesting reports on the issue to be made in writing and signed by the individuals making them.

In undertaking the investigation and any follow up action, the relevant factors should be considered including:

- ▶ applicable laws (legal advice may need to be taken);
- ▶ the safety of personnel;
- ▶ the risk of defamation when making statements;
- ▶ the protection of people making reports and of others involved or referenced in the report;
- ▶ potential criminal and civil liability, financial loss and reputational damage for AGR and individuals;
- ▶ any legal obligation, or benefit to AGR, to report to the authorities;
- ▶ keeping the issue and investigation confidential until the facts have been established;
- ▶ the need for top management to require the full co-operation of personnel in the investigation.

The results of the investigation should be reported to top management or the compliance function as appropriate.

Once the investigation has completed, and/or sufficient information to make a decision were obtained, then appropriate follow up actions shall be implemented. Depending on the circumstances and the severity of the issue, these could include one or more of:

- ▶ terminating, withdrawing from, or modifying the AGR's involvement in, a project, transaction or contract;
- ▶ repaying or reclaiming any improper benefit obtained;
- ▶ disciplining responsible personnel (which, depending on the severity of the issue, could range from a warning for a minor offence to dismissal for a serious offence);
- ▶ reporting the matter to the authorities;
- ▶ if bribery has occurred, taking action to avoid or deal with any possible

consequent legal offences (e.g. false accounting which may occur where a bribe is falsely described in the accounts, a tax offence where a bribe is wrongly deducted from income, or money-laundering where the proceeds of a crime are dealt with).

Anti-bribery procedures/controls should be reviewed to examine whether the issue arose because of some inadequacy in the procedures and, if so, immediate and appropriate steps should be taken to improve the procedures/controls.



Internal audit

Internal audits shall be conducted at least once annually to verify compliance with AGR's anti-bribery policies and controls. These audits shall be reasonable, proportionate, and risk based.

Internal audits shall be independent and impartial. Personnel conducting the internal audits shall not audit their own work. Internal auditors shall be trained and knowledgeable about conducting internal audits.

Internal audits shall be documented and records shall be maintained.

Top management review

Top management shall review AGR's anti-bribery policies and controls, at least annually, to ensure its continuing suitability, adequacy and effectiveness.

The top management review shall include consideration of:

- ▶ the status of actions from previous management reviews;
- ▶ changes in external and internal factors that are relevant to the anti-bribery policies and controls;
- ▶ information on the performance of the anti-bribery system, including trends in:
 - a. nonconformities and corrective actions;
 - b. audit results;
 - c. reports of bribery;
 - d. investigations;



The outputs of the top management review shall include decisions related to continual improvement opportunities and any need for changes to the anti-bribery policies and controls.

A summary of the results of the top management review shall be documented and records shall be maintained.

VI. Documented information

All information related to the implementation and reviews of AGR's anti-bribery policies and controls shall be documented and maintained.

The documented information include and are not limited to:

- ▶ Payments and expenses
- ▶ Approvals and exceptions and rational for exceptions
- ▶ Reports of suspected and actual briberies
- ▶ Records of investigations
- ▶ Internal audits
- ▶ Corrective actions
- ▶ Reviews including management reviews
- ▶ Reports of potential or actual conflict of interest
- ▶ Competencies and training.

