

NORSAD FINANCE ANTI- BRIBERY AND ANTI-CORRUPTION POLICY

1. Foreword and Scope

Norsad Finance Limited and Norsad Finance (Botswana) Ltd (“Norsad”) are committed to contribute to combating and preventing bribery and corruption. It is Norsad’s policy to conduct all its business activities in an honest and ethical manner. The purpose of this policy is to set out Norsad’s responsibilities and the responsibilities of those working for it or associated with it in observing and upholding its position on bribery and corruption. The policy also seeks to provide information and guidance to those working with Norsad on how to recognise and deal with bribery and corruption issues.

This policy describes the behaviour expected from Norsad’s employees, Directors and suppliers/service providers to Norsad, as well as its partners, investee companies and their suppliers.

2. Responsibility for the Policy

This Policy has been approved by the Board of Directors of Norsad Finance Limited. For the purposes of implementation of this policy, the management has the primary responsibility for implementation and monitoring its use and effectiveness. Management is responsible for ensuring that all employees and Directors, as well as key representatives of investee companies and Norsad partners are made aware of and understand this policy.

3. Definitions

What is Bribery and Corruption?

Bribery can broadly be defined as the offering, promising, giving, accepting or soliciting of an advantage as an inducement for an action which is illegal, unethical or a breach of trust. Bribes can take on many different shapes and forms, but typically they involve corrupt intent.

A bribe could be for example:

- the direct or indirect promise, offering, or authorising of anything of value;
- the offer or receipt of any loan, fee, reward or other advantage;
- the giving of aid, donations or voting;
- designed to exert improper influence; or
- offer of groundless employment, favours or contracts to a relative or friend of or related party to an individual or organisations that has influence in decision making related to an individual or a company.

Who may be engaged in Bribery and Corruption?

Bribery and corruption can be committed by:

- an employee, officer or director of a company;
- any person acting on behalf of a company (i.e. a third party representative);
- employees of an organisation which authorise, permit or facilitate others to carry out such acts; or

- any individual participating in giving/receiving bribes by organising or facilitating bribery/assisting in the commissioning of bribery/encouraging perpetration of bribery.

Who gives bribes and who can be bribed?

People who are likely to be approached with bribes or corrupt conduct are generally those who are able to obtain, retain or direct business, or government officials involved in some aspect of the regulatory approvals or purchase of a company's products and services.

There are three general bribery offences:

- the offence of bribing a person in commercial or other organisations;
- the offence of being bribed; and
- the offence of bribing a public officer.

Key Risk Area for Bribery and Corruption

Gifts, Entertainment and Hospitality

Gifts, entertainment and hospitality include the receipt or offer of gifts, meals or tokens of appreciation and gratitude, or invitations to events, functions or other social gatherings in connection with matters related to business activities. Limited corporate hospitality is a widely accepted aspect of building good business relationships. However, high level of integrity should be applied in defining the difference between acceptable and unacceptable practices. In order to evaluate what is acceptable in terms of gifts, entertainment and hospitality, go through the following check-list before giving or receiving the type of items described in this section:

- What is the intent – is it to build a relationship or is it something else?
- How would you look if these details were on the front page of a newspaper?
- What if the situation were to be reversed – would there be a double standard?

If an officer finds it difficult to positively answer one of the above questions, there may be a risk involved that the gift, entertainment or hospitality could be, or could appear to be, improper and could potentially damage Norsad's reputation and business. The action could be unlawful.

Facilitation Payments

A facilitation payment is a small unofficial payment made to a government official to secure or expedite the performance of a routine or necessary action (for example, the issue of a permit or licence) to which the payer of the facilitation payment is entitled.

Use of Third Party Representatives, Intermediaries

For the purposes of the policy, the term third-party or an intermediary applies but is not limited to the following: customers, business agents, business development consultants, advisors or other persons or entities serving a similar function as well as distributors, contractors, suppliers, employees or governmental officials. Potential risks exist whenever a third party conducts business activities on Norsad's behalf, so that the result of their actions can be seen as benefiting Norsad or its investee companies. Therefore, to mitigate the risks one should exercise great diligence in assessing the reputation for business integrity of prospective intermediaries by evaluating the background, experience, and reputation of the third party by:

- understanding the services to be provided, and methods of compensation and payment;
- evaluating the business rationale for engaging the third party;
- take reasonable steps to monitor the transactions of the third party; and
- ensuring there is a written agreement in place which acknowledges the third party's understanding of and compliance with this policy.

Further indicators that may point towards bribery or corruption are set out in the Appendix 1.

4. Norsad Policy on Corruption and Bribery

Norsad takes a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in all its business dealings and relationships in its operations. Transparency is key and often removes any doubts about corrupt intent. Norsad shall maintain a register in which any form of bribery and corruption related to Norsad operations, employees and stakeholders is recorded.

To avoid exposure to bribery and corruption, Norsad has defined the following specific guidelines.

Receipt or offer of gifts, entertainment and hospitality are acceptable provided they fall within reasonable bounds of value and occurrence and are received/given for advertising or representative goals without receiving/giving back any material profit.

Norsad allows its employees to make or accept hospitality or gifts provided that those:

- conform to local laws and customs;
- do not place the recipient under any obligation to the giver or appear to do so;
- are not prohibited by the policies of the recipient's employer; and
- received gifts are handed-over to the Norsad Financial Department to be raffled off among the employees at the year end. Items for advertising purposes (like pens, memory sticks etc.) can be kept by the receiving employee.

As a general rule, it is Norsad's policy that facilitation payments must not be made. However, in the event that a facilitation payment is being extorted, or if an employee is forced to pay under duress or faced with potential safety issues or harm, such a payment may be made, provided that certain steps are followed. In such situations, the employees must immediately inform the CEO. The Norsad management shall then decide on what appropriate actions to take. Any payment made must be recorded in the Norsad's books and specific Corruption Register in order to reflect the substance of the underlying transaction. The record of payment might also be used in court.

Political Donations, Charitable Donations and Sponsorships

Norsad does not make contributions to political parties, organisations or individuals engaged in politics. Norsad would only make charitable donations that are legal and ethical under local laws and practices and that are in accordance with the Norsad's corporate social responsibility.

Third parties who act on Norsad's behalf must at all times operate in accordance with and sign an acknowledgement of this policy. All illegal payments or gifts made through or by intermediaries for the purpose of obtaining, retaining or directing business for Norsad or its investee companies is prohibited. Any commission or fee to be paid to an intermediary must be:

- reasonable in amount in relation to the extent and nature of the services actually performed by the intermediary;
- paid in accordance with the Norsad's customary payment procedures and recorded properly on Norsad's accounts; and
- governed by a written agreement with the intermediary, which specifically prohibits illegal payments of gifts and provides for immediate termination of the agreement and cessation of future fee payments in the event of misconduct.

In order to maintain the highest degree of integrity in the conduct of Norsad business and to maintain their independent judgement, employees and directors must manage transparently any activity or personal interest that creates or appears to create a conflict between their own interest and interest of Norsad Finance. Any situation that involves, or may involve, a conflict of interest should be promptly disclosed to the CEO or the Chairman of the Board.

To avoid any cases of nepotism, Norsad employees may not award loans or obtain goods or services from family members, relatives and friends. They shall inform the CEO of the conflict of interest and be disqualified from preparing for and taking part in any decision making on the issue.

4.1 Bribery and Corruption Prevention

Risk Assessment

Management must assess the vulnerability of specific areas in which Norsad faces bribery risks and allows it to better evaluate and mitigate these risks and thereby protect itself.

Due Diligence

In order to effectively combat/prevent bribery, Norsad needs to:

- know who it is doing business with;
- why, when and whom funds are released; and
- in certain circumstances, seek mutual anti-bribery agreements and/or acknowledgements.

Employees should make the following enquiries before embarking on a particular business venture:

- the reputation risks that a particular business opportunity could give rise to; and
- the reputation of individuals or organisations involved in key decisions (e.g. intermediaries or joint-venture partners).

Where a risk or potential risk regarding a bribery or corruption arrangement has been identified, employees and Directors shall take all possible actions to identify and avoid any illegal arrangements.

Accurate Books and Record-keeping

Norsad must ensure that books, records and overall financial reporting are transparent and reflects accurately each and all underlying transactions. All identified cases of bribery and corruption shall be recorded in a specific Corruption Register.

4.1.1 Bribery and Corruption Prevention in the Investee Companies

During the investment appraisal phase, in the loan/investment legal documentation and in the monitoring of an investee company, Norsad shall actively promote and ensure that all Norsad's potential clients and investee companies shall:

- comply with all applicable legal and regulatory requirements in the jurisdictions in which they operate;
- maintain a zero tolerance regarding corruption;
- not directly or indirectly, offer or provide any undue payment, gifts, entertainment or hospitality to any individual or entity for the purpose of inducing such individual or entity to act contrary to their prescribed duties in order to obtain or secure any improper advantage;
- likewise not, directly or indirectly, solicit or accept any undue payment or other consideration provided for the purpose of inducing the company to act contrary to its duties;
- adhere to the international frameworks and principles on anti-corruption and anti-bribery;
- promote the international frameworks and principles throughout their supply chains;
- contractually commit to comply with an anti-corruption policy which is satisfactory to Norsad; and
- immediately, without undue delay, provide Norsad with information on breaches of the Policy.

4.2 How to Raise a Concern

All Norsad employees, Directors and third-party representatives have a responsibility to help detect, prevent and report instances of bribery. Individuals who come across suspected instances of bribery either within Norsad, or by any third party affiliated with Norsad or by any of its competitor and/or investee companies, shall report this without undue delay to the Norsad CEO or the Chairman of the Board. If an individual is unsure whether a certain payment is considered a facilitation payment, bribery or corruption, they should consult the Norsad CEO or the Chairman of the Board.

4.3 Monitoring and Review

Management will monitor the effectiveness and review the implementation of this policy, considering its suitability, adequacy and effectiveness. Improvements identified will be made as soon as possible. All Norsad employees and Directors are responsible for the success of this policy and should ensure they use it to disclose any suspected illegalities and wrongdoings.

Appendix 1**POTENTIAL RISK SCENARIOS: BRIBERY AND CORRUPTION INDICATORS**

The following is a list of possible scenarios that may arise and which may raise concerns under various anti-bribery and anti-corruption laws. The list is not intended to be exhaustive and is for illustrative purposes only to help you in compliance with the anti-corruption and anti-bribery policy. If you encounter any of these scenarios, you must report them promptly as per agreed internal reporting procedure and/or report to the relevant authority:

1. You become aware that a third party engages in, or has been accused of engaging in, improper business practices.
2. You learn that a third party has a reputation for paying bribes, or requiring that bribes are paid to them, or has a reputation for having a “special relationship” with government officials.
3. A party insists on receiving a commission or fee payment before committing to sign up to a contract with us, or carrying out a government function or process for us.
4. A party requests payment in cash and/or refuses to sign a formal commission and fee agreement; or refuses to provide an invoice or receipt for a payment made.
5. A party requests that payment is made to a country or geographic location different from where the third party resides or conducts business.
6. A party requests an unexpected additional fee or commission to “facilitate” a service.
7. A party demands entertainment or gifts before commencing or continuing contractual negotiations or provision of services.
8. A party requests that a payment is made to “overlook” potential legal violations.
9. A party requests that you provide employment or some other advantage to a friend or relative.
10. You receive an invoice from a party that appears to be non-standard or customised.
11. A party refuses to put terms agreed in writing.
12. You notice that we have been invoiced for a commission or fee payment that appears large given the service stated to have been provided.
13. You are offered an unusually generous gift or offered lavish hospitality.
14. You are asked to give hospitality at which you are requested not to attend.
15. You are offered hospitality at which the giver is not going to be in attendance.
16. You are asked to give hospitality to persons who are not associated with the organisation (for example family members) or are offered hospitality which extends to persons beyond our business (for example family members).