

ANTI-BRIBERY AND CORRUPTION POLICY as at 5 December 2019

1. INTRODUCTION

Lucapa Diamond Company Limited ("**LOM**") is a global diamond mining and exploration company with operations in Australia and Africa. This Policy sets out the ethical and legal standards of conduct which are required to be adhered to by all employees of **LOM** and its subsidiaries, (together referred to in this Policy as the "**Group**"). This Policy also extends to our dealings with contractors and consultants and to their dealings with Third-Parties should they be authorised to act on our behalf.

The Board of **LOM** is committed to maintaining high ethical standards in the **Group's** dealings with our business partners, Government Officials, our joint venture partners and also generally with everyone with whom we have business dealings.

The term Government Official includes:

- A. any officer, employee, or person acting in an official capacity or performing public duties or functions on behalf of:
 - i. any government, including all levels and subdivisions of government from national to local;
 - ii. any department, committee, agency, or instrumentality of a government;
 - iii. any members of a foreign judiciary or magistracy;
 - iv. any public international organization, including for example the United Nations, the International Monetary Fund, or the World Bank; or
 - v. any political party.
- B. any candidate for political office;
- C. any employee of a business or commercial entity owned, managed, or controlled by a government.

2. POLICY STATEMENT

- 2.1 It is **LOM's** Policy to conduct all of its business in an honest and ethical manner. **LOM** take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all its business dealings and relationships wherever it operates and to implementing and enforcing effective systems to counter bribery and corruption.
- 2.2 **LOM** will uphold all laws relevant to countering bribery and corruption in all the jurisdictions in which it operates. However, we remain bound by the laws of Australia, including the Australian Criminal Code Act 1995 and the Bribery Act 2010 (UK) in respect of our conduct both in Australia and abroad including, in particular, Angola, Botswana and Lesotho.
- 2.3 The purpose of this Policy is to:
 - (a) set out **LOM's** responsibilities, and of those working for **LOM**, in observing and upholding **LOM's** position on bribery and corruption; and
 - (b) provide information and guidance to those working for **LOM** on how to recognise and deal with bribery and corruption issues.
- 2.4 Bribery and corruption are punishable for individuals by terms of imprisonment and if **LOM** are found to have taken part in corruption those involved, including **LOM**, could face an unlimited fine and, no doubt also face reputational damage. **LOM** therefore take its legal responsibilities very seriously.
- 2.5 In this Policy, "**Third-Party**" means any individual or organisation which performs authorised services on behalf of **LOM** and includes but is not limited to contractors, suppliers, agents, distributors and advisers acting on **LOM's** behalf.

3. WHO IS COVERED BY THE POLICY?

This Policy applies to all individuals working at all levels within the Group, including the Directors of **LOM**,

all Group employees (whether permanent or temporary), consultants, contractors, or any Third-Party, or their employees, wherever located (collectively referred to as “**workers**” in this Policy).

4. WHAT IS BRIBERY?

A bribe is an illicit inducement or reward offered, promised or provided in order to gain an undue commercial, contractual, regulatory or personal advantage or as an inducement for action which is illegal, unethical or a breach of trust.

5. GIFTS AND HOSPITALITY

5.1 This Policy does not prohibit normal and appropriate bona fide hospitality (given and received) to or from Third-Parties.

5.2 The giving or receipt of gifts is not prohibited, provided the following requirements are met:

- (a) it is not made with the intention or expectation of influencing a Third-Party to obtain or retain business or a business advantage, or to reward the provision or retention of business or a business advantage, or in explicit or implicit exchange for undue favours or benefits (that would constitute a bribe);
- (b) it complies with generally accepted standard, good business practice and all applicable laws;
- (c) it does not place the recipient under any obligation;
- (d) it is given in **LOM’s** name, not in your personal name;
- (e) it does not include cash or any cash equivalent;
- (f) taking into account the reason for the gift, it is of an appropriate type and value and given at an appropriate time in accordance with general accepted standard and good business practice. However, gifts or hospitality should never be lavish or extraordinary;
- (g) it is appropriate in the circumstances;
- (h) it is given on an “arm’s length” basis with no agreement for or expectation of undue special favours or arrangements; and
- (i) it is given openly, not secretly and is within the financial limits imposed by **LOM** or has received prior written approval from the **LOM** or subsidiary Boards.

5.3 The practice of giving business gifts varies between countries and regions and what may be normal and acceptable in one region may not be in another. The test to be applied is whether in all the circumstances the gift or hospitality is reasonable and justifiable. The intention behind the gift should always be considered.

5.4 All gifts or hospitality given to or received from a Government Official, irrespective of value, require to be disclosed and written prior approval of the **LOM** or subsidiary Board.

5.5 The **Group** has imposed the following in respect of financial limits on gifts and hospitality:

- (a) the following financial limits apply per individual:
 - Gift (excluding cash or cash equivalent, which is never permitted): US\$250 per gift;
 - Meal (value of meal recipient of hospitality is receiving): US\$250 per meal; and
 - Other entertainment: US\$250 per event.
- (b) Gifts and hospitality exceeding the financial limits must not be given without the prior written approval of the LOM or subsidiary Board;
- (c) The financial limits above apply to all gifts and hospitality provided by any individual within LOM to any Third-Party individual or received by any individual within LOM from any Third-Party individual. In other words, it relates to gifts or hospitality you personally have offered or accepted from a particular individual in any Third-Party company, government or organisation.

6. WHAT IS NOT ACCEPTABLE?

It is not acceptable for **workers** (or someone on their behalf) to:

- (a) give, promise to give, or offer, a payment, gift or hospitality with the expectation or hope that an undue business advantage will be received, or to reward an undue business advantage already given;
- (b) give, promise to give, or offer, a payment, gift or hospitality to a Government Official, agent or representative to "facilitate" or expedite a routine procedure (for instance customs clearance);
- (c) accept payment from a Third-Party that you know or suspect is offered with the expectation that it will obtain an undue business advantage for them;
- (d) accept a gift or hospitality from a Third-Party if you know or suspect that it is offered or provided with an expectation that an undue business advantage will be provided by the Group in return;
- (e) threaten or retaliate against another worker who has refused to commit a bribery offence or who has raised concerns under this Policy; or
- (f) engage in any activity that might lead to a breach of this Policy.

7. FACILITATION PAYMENTS AND KICKBACKS

- 7.1 The **Group** does not pay, and will not condone the payment on its behalf of, facilitation payments or "kickbacks" of any kind.
- 7.2 If **workers** (or worker) are asked to make a payment they should always be mindful of what the payment is for and whether the amount requested is proportionate to the goods or services provided. **Workers** should always ask for a receipt which details the reason for the payment. Any suspicions, concerns or queries regarding a payment, should be raised with management or subsidiary Board.

8. POLITICAL AND CHARITABLE DONATIONS

- 8.1 The **Group** does not make any contributions to political parties.
- 8.2 The **Group** do occasionally make charitable donations, but these must be legal and ethical under applicable country laws and practice and are never made in an attempt to influence any decision or to gain an undue business advantage.
- 8.3 All charitable donations must receive prior written approval by management or subsidiary Board. All queries about charitable donations should be directed to management.

9. WORKERS' RESPONSIBILITIES

- 9.1 All **workers** must ensure that you read, understand and comply with this Policy.
- 9.2 The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for the **Group**, including contractors under our control. All **workers** are required to avoid any activity that might lead to, or suggest, a breach of this Policy.
- 9.3 **Workers** must notify their Manager or subsidiary Board as soon as possible if they believe or suspect that a conflict with this Policy has occurred.
- 9.4 Any employee who breaches this Policy will face disciplinary action, which could result in dismissal for gross misconduct. **LOM** reserves its right to terminate any contractual relationship with workers if you breach this Policy.

10. RECORD KEEPING

- 10.1 The **Group** is obliged to keep financial records and have appropriate internal controls in place which evidence the business reason for making payments to Third-Parties. For this reason, invoices and receipts must be kept evidencing all expenditure.
- 10.2 **Workers** must ensure that all expense claims relating to hospitality, gifts or expenses incurred to Third-Parties are submitted in accordance with the **Group's** normal expenses policy and that they specifically record the reason for the expenditure.

- 10.3 All accounts, invoices and records relating to dealings with Third Parties should be prepared and maintained with strict accuracy and completeness. No accounts may be kept "off-book" to facilitate or conceal improper payments.

11. HOW TO RAISE A CONCERN

Workers are encouraged to raise concerns about any issue or suspicion of malpractice at the earliest possible stage. Any uncertainty whether a particular act constitutes bribery or corruption, or any other queries and concerns should be raised by workers with their Manager or **LOM's** legal counsel or Company Secretary and in accordance with the Group's Whistleblower policy.

12. WHAT TO DO IF YOU ARE A VICTIM OF BRIBERY OR CORRUPTION

Workers should report all instances to their Manager or **LOM's** legal counsel or Company Secretary as soon as possible if they are offered a bribe by a Third Party, or if asked to make one, or suspecting that this may happen in the future, or if they believe that they are a victim of another form of unlawful activity.

13. PROTECTION

- 13.1 **Workers** who refuse to accept or offer a bribe, or those who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. **LOM** aim 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.

- 13.2 **LOM** are committed to ensuring no one suffers any detrimental treatment as a result of refusing to take part in bribery or corruption, or because of reporting in good faith their suspicion that an actual or potential bribery or other corruption offence has taken place or may take place in the future. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. **Workers** that believe that they have suffered any such treatment, should inform their Manager or subsidiary Board immediately. If the matter is not remedied, employees should raise it formally through contacting **LOM's** legal counsel or Company Secretary.

14. TRAINING AND COMMUNICATION

- 14.1 Training on this Policy forms part of the induction process for all new workers and workers are to receive periodic refresher training in accordance with the **LOM's** ongoing review of bribery prevention procedures and its zero-tolerance approach to bribery and corruption.

- 14.2 **LOM's** zero-tolerance approach to bribery and corruption is to be communicated to all suppliers, contractors, business partners and Third Parties at the outset of our business relationship with them and as appropriate thereafter.

15. WHO IS RESPONSIBLE FOR THE POLICY?

- 15.1 The Board of Directors of **LOM** has overall responsibility for ensuring this Policy complies with **LOM's** legal and ethical obligations, and that all those employed by the **Group** comply with it. The Board of Directors is further responsible for monitoring the Policy's use and effectiveness.

- 15.2 Management at all levels are responsible for ensuring that those reporting to them are made aware of and understand this Policy.

16. MONITORING AND REVIEW

- 16.1 The Board of Directors of **LOM** will monitor the effectiveness and will review the implementation of this Policy regularly considering its suitability, adequacy and effectiveness. Any improvements identified will be made as soon as possible.

- 16.2 All **workers** are responsible for the success of this Policy and should ensure they use it to disclose any suspected danger or wrongdoing.
- 16.3 **Workers** are invited to comment on this Policy and suggest ways in which it might be improved. Comments, suggestions and queries should be addressed to **LOM's** legal counsel or Company Secretary.
- 16.4 This Policy does not form part of any employee's contract of employment and it may be amended at any time.

17. CONTACTS

LOM Company Secretary – Mark Clements – mclements@lucapa.com.au

Manager (Angola) – Pieter von Wielligh – vonwiellighp@gmail.com

Manager (Lesotho) – Stian van Blerk – svanblerk@mothae.com

or **LOM's** legal counsel.

Approved by the Lucapa Diamond Company Limited Board on 5 December 2019.