



ANTI-CORRUPTION AND ANTI-BRIBERY POLICY

TABLE OF CONTENTS

1. INTRODUCTION
2. LEGAL AND POLITICAL BACKGROUND
3. DEFINITIONS
4. ANTI-CORRUPTION AND ANTI-BRIBERY POLICY
5. PREVENTION AND RISK MANAGEMENT
6. SANCTIONS
7. POLICY IMPLEMENTATION

1. INTRODUCTION

Corruption and bribery are a major obstacle for socio-economic development, distorting national and international economic relations and contributing negatively to transparency of public and private environments. It is in this context that Whatana Investments ("Whatana") as part of their involvement in business both nationally and internationally, has always adopted a posture that eliminates or reduces the risk of participation in cases of corruption crimes and/or bribery.

The anti-corruption and anti-bribery policy was therefore established to ensure that the highest ethical standards that Whatana is committed with are also respected by its directors, officers, employees and service providers (collectively "employees") in all activities when working on behalf of the company. Violations of this policy by the employees can result in disciplinary actions, including: termination of employment/services agreement; penalties, including prison terms and fines; as well as severe reputational damage.

2. LEGAL AND POLITICAL BACKGROUND

Whatana is a company exposed in national and international levels (relationship with public and private entities). It is in this context that the anti-corruption and anti-bribery company's policy observes, respects and includes the various (international and national) legal and political provisions aimed at preventing and combating corruption and bribery, that largely affect the development process of countries in general and a good business environment in particular.

The anti-corruption and anti-bribery policy of Whatana respects and is in compliance with the following provisions and others:

- a) *United Nations Conventions Against Corruption (2003)*¹ – Article 12 decrees that each State should undertake measures in accordance with the Domestic Laws in order to prevent corruption involving the private sector.
- b) *African Union Convention on Combating Corruption (2003)*² – Among other objectives, this Convention aims to establish the necessary conditions to promote transparency. The Convention encourages the participation of the private sector in the fight against unfair competition, respect to the bidding rules, and measures to prevent that companies pay bribes to win bids.
- c) *Southern Africa Development Community (SADC) Protocol Against Corruption (2001)*³ – This protocol defines the phenomenon of corruption as a violation of rules by officials of public or private institutions, among other issues, with a view to obtaining undue advantage, including bribery; and aim to promote and strengthen mechanisms needed to prevent, punish and eradicate corruption in the public and private sectors.
- d) *South African Companies Act (2008)*⁴ – This Act aims to combat corrupt activities through good corporate governance practices.

¹ United Nations Convention Against Corruption:

https://www.unodc.org/documents/brussels/UN_Convention_Against_Corruption.pdf

² African Union Convention on Combating Corruption:

http://www.eods.eu/library/AU_Convention%20on%20Combating%20Corruption_2003_EN.pdf

³ Southern African Development Community Protocol Against Corruption:

https://www.sadc.int/files/7913/5292/8361/Protocol_Against_Corruption2001.pdf

⁴ The Companies Act: http://www.cipc.co.za/files/2413/9452/7679/CompaniesAct71_2008.pdf

- e) *Constitution of the Republic of Mozambique (2004)*⁵- The Constitution is the fundamental law in Mozambique, from which emanate all legal requirements including all acts and legislation concerning the prevention and combat, and criminalization of corruption and bribery.
- f) *Law of Revision of Mozambique Criminal Code (35/2014, December 31)*⁶- This law represents the coding of crimes, including the crime of corruption. It defines and clarifies the sanctions arising from the practice of this crime, articles 501-522.
- g) *Mozambique Anti-corruption Law (6/2004, June 17)*⁷- This law is a complementary mechanism to combat corruption in Mozambique, it is intended to combat corruption crimes and unlawful participations and focuses on all public and private agents, which states that, in the exercise of their duties, excel by general principles of legality, equality, non-discrimination, fairness, ethics, publicity and justice.

⁵ http://www.presidencia.gov.mz/files/republica/constituicao_republica_moc.pdf

⁶ http://www.wlsa.org.mz/wp-content/uploads/2014/11/Lei-35_2014Codigo_Penal.pdf

⁷ http://www.kas.de/upload/auslandshomepages/Boletim_Republica-24-04.pdf

3. DEFINITIONS

a) *Government Official*

For the purposes herein, Government Official refers to a state official, and regional and international public official.

b) *Corruption*

For purposes herein, it is considered Passive Corruption, according to the Anti-corruption Law (Law 6/2014), number 1 of Article 7, but is not limited to this instrument, that one which occurs when the crime agent (employees, partners, employees and service providers of Whatana) by itself or by an intermediary, with its consent, request or receive money or promise of money or any other material advantage, which are not due to him, to practice or not practice acts involving violation of the duties of his office.

For purposes herein, is considered Active Corruption according to the Anti-corruption Law (Law 6/2014), number 1 of article 9, but not limited to this instrument, that one which occurs when the crime agent (employees, partners, employees and service providers of Whatana) by itself or by an intermediary, gives or promises money or other assets or no financial advantage to practice acts not contrary to the duties of his office and fitting in his duties.

c) *Bribery*

Bribery concept is often associated with the concept of corruption, and for the purposes herein, bribery is the act of offering money or other values to someone in order to persuade him to do something in return.

4. ANTI-CORRUPTION AND ANTI-BRIBERY POLICY

Whatana's anti-corruption and anti-bribery policy is governed by, but not limited to the following:

a) *Facilitation Payments*

Facilitation payments are payments to Government Official for "routine governmental action" (such as processing papers, issuing permits, and other actions of an official) in order to expedite performance of duties of a routine, non-discretionary nature.

Facilitation payments are expressly prohibited to Whatana's employees when working on behalf of the company. If a payment as to be made in order to avoid imminent threat to health or safety of any company employee, contractor or officer, or any accompanying person, it must be reported to the responsible for compliance issues in Whatana immediately. Payments made under such circumstances would not be regarded as facilitation payments.

b) *Prohibition on corruption*

When working on behalf of the company, all employees of Whatana are prohibited from:

- Offering, promising or giving; or authorizing others to offer, promise or give, directly or indirectly, anything of value, including meals, entertainment, travel, gifts, personal benefits such as job offers for relatives, charitable contributions or anything else of value, to:
 - A Government Official in an effort to influence official action or anyone in an effort to induce or reward improper or disloyal performance of a relevant function or activity.
- Receiving or requesting/soliciting anything of value with the intent of performing work duties improperly.

c) *Transparency in business*

Whatana encourages that in the course of their duties, in favor of the company, their employees should do so transparently, so as not to involve the company in cases of corruption and/or bribery.

d) *Offers and Donations*

Whatana distances itself and expressly prohibits its employees in the exercise of their functions in the company, from receive or offer money or other valuables to entities linked to political power.

It is also forbidden that an employee make charitable donations on behalf of the company outside the established procedures, which includes the obligation to ask for approval from the responsible for compliance issues in Whatana.

It is also forbidden to make any offers or donation on behalf of the company in order to secure any kind of advantage or special regulatory treatment to the company.

In addition, offers and donations made individually should not in any way benefit the company.

e) *Due Diligence*

Whatana is aware that ensure that the company employees act in accordance with the principles of ethics and deontology is not sufficient to reduce risk and/or prevent acts of corruption and bribery.

For the company's image protection against possible direct and indirect involvement in events of corruption and bribery, the company qualifies itself to submit third parties who interact with Government Official or others on behalf of Whatana, including investees, co-investors, operators, consultants, joint venture partners, or other agents or intermediaries (collectively, "Business Partners") to a process of *Due Diligence*, according to the company established procedures.

Due Diligences should be conducted before the company begins a relationship with investees, co-investors, operators and joint venture partners.

It will almost always be appropriate to conduct *Due Diligence* in contracts with other Business Partners, such as agents or consultants, who interact with Government Officials or other for or on behalf of the company.

f) *Audit of company accounts*

Whatana is guided by the principle of audited accounts, in this context, the company values and states that its employees respect and comply with the financial procedures, ensuring that all support documentation (invoices, contracts memos or other) are properly attached to payment processes in relation to third parties (partners, service providers, etc.).

g) *Control and internal reporting*

In relation to its employees, the company established a mechanism of presentation to the Board of Directors of all activity reports in a monthly basis, with a focus on the Administration and Finance Department (the most exposed to the risk of corruption and bribery).

In addition, the results of all anti-corruption and anti-bribery auditing activities shall be communicated directly to the Board of Directors.

h) *Prompt reporting of any suspicious activity*

Whatana encourages the immediate report of any sign or suspicion of corruption or bribery act, involving employees or business partners, regardless of the source of the concern.

An employee who suspects a violation and reports it in good faith will not be subject to retaliation.

5. PREVENTION AND RISK MANAGEMENT

Under the efforts to eliminate or reduce the risk of the company to be associated with probable acts of corruption or bribery, the company promotes the following initiatives involving its employees:

a) *A continuous process of performance evaluation of employees*

The process which determines the level of commitment and compliment of company's decisions by the employee.

b) *Team Building Sessions*

More than the construction of a team spirit, the sessions aim to share the best business conduct practices, including the ethical and deontological aspects.

c) *Executive Committee Meetings*

In a weekly bases Whatana Executive Committee meets to discuss on various issues related to company, including ideas about good business practices, team rapport and sharing of good examples of ethics and deontology in the workplace.

Whatana anti-corruption and anti-bribery policy will be reviewed on a periodic basis in conjunction with a risk assessment and update, as appropriate.

6. SANCTIONS

Whatana states that in the event of proven employee or business partner involvement in acts of corruption or bribery and, without necessarily involving the company name, the following measures may be taken:

a) *Disciplinary process*

To employees which in certain circumstances, in the exercise of their functions in the company or not, get involved in cases of corruption and bribery, it may be trigger a disciplinary process in accordance to the scope and degree of their involvement.

b) *Termination of the contract or agreement*

In case of proven involvement of the employee or business partner the company may terminate its contract or agreement.

c) *Legal action against crime agent of corruption and/or bribery*

Whatana may, if there is any evidence of involvement of their employee or business partner, in the exercise of their duties on behalf of the company, cooperate with the relevant institutions providing information and details aimed at driving a judicial action against the offender.

7. POLICY IMPLEMENTATION

In order to implement the anti-corruption and anti-bribery policy, Whatana should finalize the company's manual of procedures with emphasis on those that impact directly in the present policy, namely:

- *Due Diligence Procedures*

Anti-corruption and anti-bribery due diligence should focus on potentially high-risk areas of the business. The risk should be assessed based on compiling information from several sources, in particular, information can be gathered and compiled from: data room materials, financial ledger analysis, management interviews and publicly available information which should include at least the following areas:

- Entity's control environment: policies, procedures, employee training, audit environment, among others;
- Ongoing or past investigations (government or internal), adverse audit findings (external or internal), or employee discipline for breaches of anti-corruption and anti-bribery law or policies;
- Entity's relationships with the government.

- *Procurement Procedures*

The company should ensure that any transaction that may lead to a violation of the present policy, must require the approval of the responsible for compliance issues in Whatana.



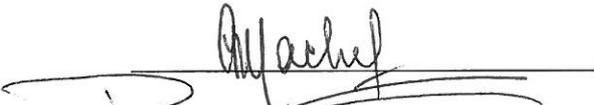
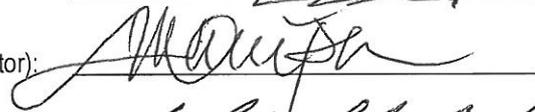
Rua Macombe Macossa, 93, Sommerschild - Tel: (+258) 21 497570 – Fax: (+258) 21 497570

Maputo - Moçambique

ANTI-CORRUPTION AND ANTI-BRIBERY POLICY AWARENESS FORM

We, the Board of Directors members, affirm that this "Anti-corruption and Anti-bribery" Policy is part of the values and principles our organization (Whatana Investments) is governed by, and that all members and employees of our organization are committed to conduct our businesses in compliance with this policy. Furthermore, members and employees who will join the organization in the future will have to adopt this policy.

The Board of Directors members

Graça Machel (Chairperson):		Date: <u>21-10-16</u>
Rui Fonseca (Vice-Chairperson):		Date: <u>27/10/2016</u>
Mateus Katupha (Non-Executive Director):		Date: <u>01/11/2016</u>
Nuno Quelhas (Executive Director):		Date: <u>13.10.16</u>
Malengane Machel (Executive Director):		Date: <u>18.10.2016</u>