 LETŠENG DIAMONDS	REFERENCE:	P02/08/13/005
	COMPANY POLICY:	
TITLE:	Fraud Policy	


	NAME	DESIGNATION	SIGNATURE	DATE
ORIGINATOR	L Jankie	CoSec		08.2013
ADMINISTRATED BY	K Leisanyane	CEO		
APPROVED BY	CT Elphick	Chairman of the Board		10.2013
AUTHORISED BY	CT Elphick	Chairman of the Board		10.2013
DISTRIBUTION	Line Managers			

ANNUAL REVISION HISTORY				
	NUMBER	DATE	BY	SIGNATURE
First Issued	001	10/2013	Board of Directors	
Review Due	002	10/2014	Board of Directors	
Review Due	003	10/2015	Board of Directors	Deferred for further refinement
Review Due	003	02/2016	Board of Directors	
Review Due	004	02/2017	Board of Directors	
Review Due	005	02/2020	Board of Directors	<i>Handwritten signature</i>

Contents

1. BACKGROUND.....	1
2. SCOPE OF POLICY.....	1
3. DEFINITIONS.....	1
4. POLICY.....	2
5. CONFIDENTIALITY.....	2
6. AUTHORISATION FOR INVESTIGATING SUSPECTED FRAUD.....	3

25/2/2020


 LETŠENG DIAMONDS	REFERENCE:	P02/08/13/003
	COMPANY POLICY:	
TITLE:	Fraud Policy	

7. REPORTING PROCEDURES3

8. DISCIPLINARY PROCESS3

9. ADMINISTRATION4



 LETŠENG DIAMONDS	REFERENCE:	P02/08/13/003
	COMPANY POLICY:	
TITLE:	Fraud Policy	

1. BACKGROUND


- 1.1 Letšeng Diamonds (Pty) Ltd, (“the Company”), with Gem Diamonds Limited (GDL), a London Stock Exchange listed company, and Government of Lesotho (GoL) as its shareholders, is committed to the principle of best practice in corporate governance and complies with the best practice governance provisions as set out in the U.K. Corporate Governance Code.
- 1.2 The Company Fraud Policy is established to facilitate the development of controls which will aid in the detection and prevention of fraud against the Company. It is the intent of the Company to promote consistent organisational behaviour by providing guidelines and assigning responsibility for the development of controls and conduct of investigations.

2. SCOPE OF POLICY

- 2.1 This policy applies to the Company and all of its contractors.
- 2.2 This policy applies to any fraud, or suspected fraud, involving Employees, shareholders, consultants, vendors, contractors, outside agencies doing business with Employees, and/or any other parties with a business relationship with the Company.

3. DEFINITIONS

- 3.1 “CEO” is the Chief Executive Officer of the Company.
- 3.2 “Exco” is the Executive Management Committee of the Company.
- 3.3 “Employees” shall mean all individuals working at all levels and grades, including but not limited to Directors, Senior Managers, Employees, whether permanent, fixed-term or temporary, consultants, contractors, seconded Employees, casual Employees and agents, including any other person associated with the Company, wherever located
- 3.4 “Fraud” is defined as the intentional, false representation or concealment of a material fact for the purpose of inducing another to act upon it to his or her injury.
- 3.5 The terms “defalcation”, “misappropriation” and/or “other fiscal wrongdoings” refer to, but are not limited to:
- Any fraudulent act.
 - Forgery or alteration of any document or account belonging to the Company.
 - Forgery or alteration of a cheque, bank draft, or any other financial document.
 - Misappropriation of funds, securities, supplies, or other Company assets.
 - Impropriety in the handling or reporting of money or financial transactions.
 - Profiteering as a result of insider knowledge of Company’s activities.
 - Disclosing confidential and proprietary information to outside parties.
 - Disclosing to other persons security activities engaged in or contemplated by the Company.

 LETŠENG DIAMONDS	REFERENCE:	P02/08/13/003
	COMPANY POLICY:	
TITLE:	Fraud Policy	

- Seeking anything of material value from contractors, vendors or persons providing services/materials to the Company.
- Accepting, in breach of the Company's Gift Policy, anything of material value from contractors, vendors or persons providing services/materials to the Company.
- Destruction, removal or inappropriate use of records, furniture, fixtures, and equipment; and/or
- Any similar related inappropriate, improper and/or unacceptable conduct.


4. POLICY

- 4.1 The Company requires all Employees to act honestly and with integrity at all times, and to safeguard the Company resources, tangible and intangible assets, for which they are responsible.
- 4.2 The Company does not tolerate any fraud, defalcation, misappropriation and/or any other fiscal wrongdoings.
- 4.3 The Company will take appropriate action against Employees, or anyone associated with the Company, that are involved in, or assist with committing fraud, defalcation, misappropriation and/or other fiscal wrongdoings, and will actively seek legal recourse against all such persons involved in such acts and lay criminal charges where applicable.
- 4.4 Any investigative activity required will be conducted without regard to the suspected wrongdoer's length of service, position/title, or relationship to the Company.
- 4.5 Exco is responsible for the prevention and detection of fraud, misappropriations, and other inappropriate conduct.
- 4.6 Decisions to refer matters to law enforcement and/or regulatory agencies for independent investigation, following internal investigations, will be made by Exco, in conjunction with the Company's Corporate Governance Department. However, should the internal investigation results implicate an Exco member, the matter will be escalated to the Chairman of the Audit Committee.
- 4.7 Where criminal activity is involved, law enforcement agencies shall be informed, and charges laid.

5. CONFIDENTIALITY

- 5.1 All information received is to be treated confidentially. Any person who suspects dishonest or fraudulent activity should not attempt to personally conduct investigations or interviews/interrogations related to any suspected fraud but should report in accordance with the reporting procedures below.



 LETŠENG DIAMONDS	REFERENCE:	P02/08/13/003
	COMPANY POLICY:	
TITLE:	Fraud Policy	

5.2 Investigation results should not be disclosed or discussed with anyone other than those who have a legitimate need to know in accordance with the reporting procedure below.

6. AUTHORISATION FOR INVESTIGATING SUSPECTED FRAUD

6.1 Persons tasked to investigate suspected fraud will have:

- Free and unrestricted access to all Company records and premises, whether owned or rented, within the scope of the investigation; and
- The authority to examine, copy, and/or remove all or any portion of the contents of files, desks, cabinets, and other storage facilities on the premises without prior knowledge or consent of any individual who may use or have custody of any such items or facilities when it is within the scope of the investigation.

7. REPORTING PROCEDURES

7.1 Great care must be taken in the investigation of suspected improprieties or wrongdoings so as to avoid false accusations.

7.2 A person who discovers or suspects fraudulent activity should contact the CEO immediately. The CEO will institute and coordinate all investigations with the assistance of Exco. The Employee or other complainant may remain anonymous.

7.3 The reporting person should be informed of the following:

- Not to contact the suspected individual in an effort to determine facts or demand restitution.
- Not to discuss the case, facts, suspicions, or allegations with anyone unless specifically asked to do so by the Company's legal representative or the CEO.

7.4 The anonymous whistle blowing line through Tip Offs Anonymous, the contracted service provider, can be utilised by persons suspecting fraud, to report. The toll-free number is +266 800 22 044.


7.5 If there is any doubt as to whether an action constitutes fraud, contact the CEO or the Company Secretary.

7.6 Should the suspected fraud implicate the CEO and/or Company Secretary the matter shall be referred to the Chairman of the Audit Committee who shall follow the process set out in this clause.

8. DISCIPLINARY PROCESS

8.1 If a disciplinary process, following from a fraud investigation, is instituted, the process shall be in accordance with the Disciplinary Code and Procedure of the Company.

8.2 The CEO shall inform the Board of Directors, through the Audit Committee, of all fraud related matters within the Company and action taken.

 LETŠENG DIAMONDS	REFERENCE:	P02/08/13/003
	COMPANY POLICY:	
TITLE:	Fraud Policy	

9. ADMINISTRATION

9.1 The CEO is responsible for the administration, revision, interpretation, and application of this Policy. The Policy will be reviewed annually and revised as needed.

10. COMPLIANCE

10.1 Adherence to the Policy is fundamental to the Company's reputation and the Company views breaches of this Policy by Employees as serious misconduct which could lead to disciplinary action being taken against the offender. If the situation involves a violation of law, the matter shall also be referred to the appropriate authorities for consideration.

11. REFERENCES

11.1 This Policy is to be implemented and read in conjunction with, but not limited to, the following policies and procedures:

- Anti-Bribery and Corruption Policy (ABC)
- Code of Conduct
- Disposal Policy
- Procurement Policy and Procedure
- Gift Policy
- Whistleblowing Policy
- The Mining Agreement