

 LETŠENG DIAMONDS	REFERENCE:	P01/10/12/008
	COMPANY POLICY:	Anti-Bribery and Corruption Policy

	NAME	DESIGNATION	SIGNATURE	DATE
ORIGINATOR				
ADMINISTRATED BY	AM Thinyane	CEO		
APPROVED BY	CT Elphick	Chairman of the Board		
AUTHORISED BY	CT Elphick	Chairman of the Board		
DISTRIBUTION	All Employees			

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 LETŠENG DIAMONDS	REFERENCE:	P01/10/12/008
	COMPANY POLICY:	Anti-Bribery and Corruption Policy

Table of Contents

1.	Introduction.....	4
1.1	Statement of zero tolerance policy	4
1.2	Bribery.....	4
1.3	Scope.....	4
1.4	Responsibility for implementing this Policy	5
1.5	Invitation to comment.....	5
2.	What is Bribery?	5
2.1.	Meaning of bribe	5
2.2.	Financial or other advantage.....	5
2.3.	Purpose of improper performance/misuse of position	6
2.4.	Wide scope of bribery	6
3.	Prohibition of Bribery of Public Officials	7
3.1.	Meaning of public official	7
3.2.	Facilitation payments	7
3.3.	Gifts and entertainment for public officials	8
4.	Prohibition of Bribery of Private Individuals	8
4.1.	Bribing	8
4.2.	Being bribed	9
4.3.	Reporting/pre-clearance of gifts and entertainment or expenses to or from third parties	9
5.	Training.....	10
6.	How To Raise A Concern	10
6.1.	Reporting internally	10
6.2.	Reporting externally	12
6.3.	Management information	12
7.	Systems and Controls	12
7.1.	Risk assessment	12
7.2.	Accurate books and record-keeping.....	13
7.3.	Effective monitoring and internal control.....	13
7.4.	Recruitment of Employees.....	14
7.5.	Senior management.....	14
7.6.	Compliance monitoring.....	15
7.7.	Mergers and acquisitions/significant investments.....	15
8.	Associated Persons.....	15
8.1.	Meaning of associated person	15
8.2.	Procedure for engaging associated persons	16
8.3.	Due diligence of associated persons.....	17



 LETŠENG DIAMONDS	REFERENCE:	P01/10/12/008
	COMPANY POLICY:	Anti-Bribery and Corruption Policy

8.4. Sanctions for behaviour in breach of this Policy.....	18
9. Donations.....	19
9.1. Donations.....	19
9.2. Political donations	19
9.3. Political lobbying.....	20
9.4. Sponsorship	20
10. Gifts, Entertainment and Hospitality.....	20
10.1. Evaluating gifts and hospitality	21
10.2. Geographical/divisional variation	22
10.3. Transparency is key	22
11. Conclusion And Certification	22
Annexure 1:.....	23
Annexure 3: Current responsible parties	27



 LETŠENG DIAMONDS	REFERENCE:	P01/10/12/008
	COMPANY POLICY:	Anti-Bribery and Corruption Policy

This Anti-Bribery and Corruption policy (the “Policy”) replaces and supersedes all previous such policies, the last of which was adopted by the Board of Directors of Letšeng Diamonds (“the Company”) in August 2022. The Policy should be read in conjunction with the Gift Policy, the Fraud Policy and the Whistleblowing Policy.

1. Introduction

1.1 Statement of zero tolerance policy

As a matter of policy, the Company adopts and applies a “zero tolerance” approach to acts of bribery and corruption involving any of its staff or third-party service providers (refer the anti-corruption zero tolerance statement at <https://www.letsengdiamonds.co.ls/about-us/policies/>

Further, the Company is committed to upholding and complying with all relevant anti-corruption laws in all of the jurisdictions in which it operates including the UK Bribery Act.

1.2 Bribery

- Bribery of any form is prohibited by this Policy.

This Policy prohibits the giving, accepting or requesting of a “bribe” or anything which may be viewed as a “bribe” and this applies to anything that an employee does themselves or which is done by an employee indirectly through a third party or by a third party associated with the Company.

- Breach of this Policy will have significant consequences.

Any breach of this Policy will result in disciplinary action being taken by the Company, and in certain circumstances could include inter alia, dismissal, termination of third party contracts and/or conviction for a criminal offence by relevant authorities. A breach of this Policy could also lead to severe financial penalties directed at the individual and/or at the Company. Individuals, on conviction, may also be subject to significant criminal related fines and/or imprisonment for bribery offences.

- This Policy outlines procedures to follow to prevent bribery.

This Policy also sets out the procedures which apply, to minimise the risk of bribery occurring, where the Company uses the services of a third party (refer 8 below).

1.3 Scope

- This Policy is applicable to all employees and third parties which fall within the definition of associated persons, as defined in section 8.1 below. Further guidance on the definition of associated person is provided in Annexure 1: ABC decision Tree, “Who the ABC policy applies to?”

This Policy is overseen by the Chief Executive Officer (CEO) of the Company.



 LETŠENG DIAMONDS	REFERENCE:	P01/10/12/008
	COMPANY POLICY:	Anti-Bribery and Corruption Policy

Employees of the Company are required to read this Policy carefully and if there are any queries to contact the relevant line manager, the CEO, the Company Secretary, or the person responsible for Compliance.

1.4 Responsibility for implementing this Policy

The CEO has ultimate responsibility for this Policy, with delegated authority/responsibility to the person responsible for Compliance, without compromising the CEO's ultimate accountability.

Management at all levels and across all business sectors are responsible for ensuring those reporting to them are made aware of, understand and act in accordance with this Policy.

Each relevant employee is to receive a copy of this Policy and the CEO is responsible for ensuring that it is read, understood and followed by all associated persons at all times.

1.5 Invitation to comment

- Comments and suggestions on this Policy are welcome from employees and should be addressed to the CEO or the person responsible for Compliance.

2. What is Bribery?

2.1. Meaning of bribe

A "bribe" involves:

- dishonestly persuading to act in one's favour through offering, providing, authorising, requesting or receiving of a **financial or other advantage** or anything of value;
- if the purpose of the payment is to secure or reward **improper performance of/misuse of a person's functions or position.**

2.2. Financial or other advantage

- "Financial or other advantage" has a wide meaning and is not limited to financial gain.

A financial or other advantage (direct or indirect) can include money or any offer, promise or gift of something of value or advantage, including non-tangible things.

A non-exhaustive list of examples might be:

- gifts (made other than in accordance with the Company's policies in relation to gifts - refer 3.3 and 10 below);
- hospitality, such as meals or entertainment (offered other than in accordance with the Company's policies in relation to client entertaining - refer 10 below);
- provision or reimbursement of travel;
- incentive schemes;
- political or charitable donations;



 LETŠENG DIAMONDS	REFERENCE:	P01/10/12/008
	COMPANY POLICY:	Anti-Bribery and Corruption Policy

- publicity;
- providing useful and typically non-public information;
- providing advice and assistance;
- favouring relatives or business partners in employment with the Company; or
- a rebate or “kickback” in relation to services provided to or by the Company.

A financial or other advantage need not necessarily be of large value at all, although value will be a relevant factor, particularly in relation to gifts and entertainment (refer 3.3 and 10 below). A bribe may also involve small payments made on a frequent basis.

2.3. Purpose of improper performance/misuse of position

- “Improper performance” is assessed broadly and can cover a range of actions.

The offering, providing, authorising, requesting or receiving of any financial or other advantage (direct or indirect) (as above) can constitute a “bribe” within the meaning of this Policy if:

- it is intended as an inducement or reward for the improper performance of the recipient’s duties (whether or not they are a government official or otherwise connected with government). It does not matter whether the advantage or benefit is offered, provided, requested or received by a different person to the person who is to perform the relevant function;
- it is otherwise improper for the recipient to request or receive the relevant financial or other advantage (whether or not they are a government official or otherwise connected with government); or
- it is offered or provided to a public official or to a third party at a public official’s request or with their consent or acquiescence with the intention of influencing the public official in their official capacity, inducing them to violate any lawful duty or inducing them to influence any government authority, in each case for the purpose of obtaining a business or any other advantage in the conduct of business or securing any other improper advantage.

2.4. Wide scope of bribery

- Bribery can happen after the event and even if the “bribe” is not actually received.

Bribery is not avoided merely because any financial or other advantage is provided after a service is provided. Bribery can take place when an employee receives or gives a reward of some kind after the event. Bribery can also be committed even if an employee does not actually receive a promised financial or other advantage, if that employee acted with a view to obtaining that advantage.

- It is no defence that a bribe is given or received unintentionally.

Employees’ employment or contract for services with the Company means that each employee will be judged by the standard of a professional employee in a business of the Company’s nature. However, the Company’s training programme for employees and other persons acting on behalf of the Company (refer 5 below) is designed to ensure that employees are trained to recognise situations where

 LETŠENG DIAMONDS	REFERENCE:	P01/10/12/008
	COMPANY POLICY:	Anti-Bribery and Corruption Policy

they may be involved in or viewed as giving or receiving a bribe, so that appropriate action can be taken.

The judgement of whether bribery has occurred will take place without reference to previous/traditional practice. It is no defence that the giving or receiving of bribes has been customary in the past.

3. Prohibition of Bribery of Public Officials

Employees are prohibited from accepting a bribe from or giving a bribe to a public official.

3.1. Meaning of public official

“Public official” for this includes:

- any officer, employee or representative of, or any person otherwise acting in an official capacity for or on behalf of a government authority;
- a legislative, administrative or judicial official, regardless of whether elected or appointed;
- an officer of, or individual who holds a position in, a political party;
- a candidate for political office; or
- a person who otherwise exercises a public function for or on behalf of any country.

In practice, this can include civil servants, inspectors, members of a political party, employees of a state university, judges, customs and immigrations officials, ambassadors and embassy staff, and law enforcement personnel. This list is not exhaustive. If any employee has any questions or concerns, the CEO or the person responsible for Compliance should be contacted.

The risk of committing a bribery offence is significantly increased when any employee is involved in business or business-related transactions involving public officials.

3.2. Facilitation payments

This Policy prohibits all facilitation payments of any kind.

➤ What is a facilitation payment?

A facilitation payment is a payment or gift (usually, but not necessarily made to a public official) to cause the recipient to perform a routine duty or function, or to expedite such performance, other than the payment of a lawful and official fee for such a duty or function. It will not be an excuse for an employee, or third party associated with the Company to say that a facilitation payment made is usual according to the practice of a relevant jurisdiction or is essential to get business done.

- Any requests for a facilitation payment must be reported.
Any request by a public official for a facilitation payment shall be reported to the CEO and a record maintained and monitored by the Audit Committee on an annual basis.

 LETŠENG DIAMONDS	REFERENCE:	P01/10/12/008
	COMPANY POLICY:	Anti-Bribery and Corruption Policy

- The health and safety of the Company's employees is paramount.

Notwithstanding the general prohibition against facilitation payments, where exceptional circumstances exist, for example where the health and safety of any employee or their family could be at risk if a facilitation payment is not made, authorisation may be provided by the CEO for a small facilitation payment to be made. The Company shall not take disciplinary action against any employee who makes a facilitation payment if they genuinely believe that they or their family members would have been put in danger if they had not done so, and if prior authorisation from the CEO is obtained unless not practically possible, granting an exception to the general prohibition.

3.3. Gifts and entertainment for public officials

- All gifts and entertainment involving public officials must be approved in advance.

All employees must pre-clear all gifts to and entertainment of public officials, regardless of value, with the CEO.

Any employee who intends to make any payment, gift or contribution to a public official or to any third party at the request of a public official, regardless of value, must complete an approval request and send it for approval to the CEO.

Refer 10 below for further guidance on gifts, entertainment and hospitality both in relation to public officials and otherwise.

4. Prohibition of Bribery of Private Individuals

The prohibition on accepting a bribe from or giving a bribe to any person extends beyond public officials to any private individual acting in the course of business, as an employee of a business or otherwise on behalf of others in relation to their performance of their duties.

4.1. Bribing

- Employees should consider whether any behaviour could be misconstrued as a bribe.

When any employee is dealing with clients and other business contacts they should be aware of the possibility of their behaviour being viewed as bribing them in the exercise of their business function, for example making them favour the Company's interests over the interest of others where that could be considered to be improper.

- Gifts and hospitality must be proportionate.

Bribery laws do not aim to prevent reasonable expenditure on client hospitality. However, any hospitality or gifts which are lavish, unusual or disproportionate may lead to them being viewed with hindsight as hospitality given in order to seek improper performance of a function by a third party.

 LETŠENG DIAMONDS	REFERENCE:	P01/10/12/008
	COMPANY POLICY:	Anti-Bribery and Corruption Policy

- This Policy should be followed regardless of the size or instance of the gift/hospitality.

This Policy has been designed to ensure that the Company's gifts and hospitality, where permitted, are of an appropriate level and are not given for an improper purpose. However, note that if any employee offers gifts or hospitality within the relevant limits with intent to cause improper performance then they may still commit a bribery offence. Refer 10 below for the Company's policies on gifts and private individuals who are the Company's clients or other third parties.

4.2. Being bribed

- This Policy prohibits employees accepting anything that could lead to an implication that they have been bribed.

In addition to the risk of bribing a third party, any employee's role within the Company may also result in that employee being bribed where they request, receive or accept a financial or other advantage, and do so or may be considered to do so in connection with the improper performance of their or another's role or misuse of their or another's position.

Employees should become familiar with the rules on pre-clearance of gifts and entertainment (refer 4.3 below). The general rule is that an employee must not solicit or accept for themselves or a third party anything of value in relation to the Company's business or in return for business except as provided in the gifts and entertainment policies and of course excepting bona fide payments to which they or the Company are entitled, such as fees, wages etc.

- Bribery will include extortion and the threat to the Company of any adverse actions.

Bribery also includes extortion and employees must reject any offer of a benefit or advantage that is made directly or indirectly, even if the Company is threatened with adverse actions. Any such request must be reported to the relevant line manager or the CEO. If any employee(s) find themselves in a situation where their or their family's welfare and safety is at risk if the employee does not respond to such requests, that employee should never put them or themselves in danger but should promptly report the request to their line manager or the CEO who will liaise with the legal department.

4.3. Reporting/pre-clearance of gifts and entertainment or expenses to or from third parties

- Employees must consider the appropriateness of any gifts and entertainment.

This Policy sets out rules and guidance in relation to gifts and hospitality which any employee gives to clients or others and/or which an employee receives in their capacity as an employee (including those employed on a contract for services as a consultant) (refer 10 below).



 LETŠENG DIAMONDS	REFERENCE:	P01/10/12/008
	COMPANY POLICY:	Anti-Bribery and Corruption Policy

Care must be taken to identify whether a client or other third-party the Company is dealing with is a public official (refer 3.3 above).

If any employee is in any doubt about the bribery risk associated with a gift or hospitality which they propose to give or may receive then that employee should consult with their line manager or the CEO.

5. Training

- The Company is committed to providing training to support and enforce this Policy.

Training in the identification and awareness of and exposure to bribery and corruption will be given to members of the Board of Directors and employees appropriate to their needs and exposure to potential business risks. All new employees will undergo appropriate training which will be the responsibility of the HR function.

- The Company's requirement to comply with the UK Bribery Act, its zero-tolerance policy of Bribery and Corruption must be communicated to all third party "associated persons" as defined and explained in the "Who the ABC policy apply to?" decision tree.
- Employees will undergo formal training in connection with this Policy.

All employees shall receive formal training in connection with this Policy at least every two years. The extent and nature of the training relevant to an employee shall be defined by the CEO to reflect the risks facing the employee in that capacity, as well as the nature of the employee's responsibilities. In high-risk environments, employees will receive appropriate focused, bespoke, refresher individual or small group training to deal with potential situations where risks of bribery may arise. Appropriate communications reminding employees of their anti-corruption responsibilities will be communicated to employees on a timely and regular basis, as required, and at least on an annual basis.

Employees' attendance at training sessions is to be recorded and a record retained by the CEO. These training requirements also apply to temporary workers.

6. How To Raise A Concern

6.1. Reporting internally

- Any suspicions of corruption and/or bribery should immediately be internally reported through the appropriate channels.

Employees who suspect that violations of law or of this Policy may be occurring or are about to occur or become aware of suspicious, risky or evidently corrupt conduct by any person are expected to immediately report their suspicions to their line manager or the CEO in the first instance. If it is not possible or appropriate for an employee to speak to their line manager or the CEO, any concerns should be immediately reported to the Gem CEO, Gem CFO, Gem HR or



 LETŠENG DIAMONDS	REFERENCE:	P01/10/12/008
	COMPANY POLICY:	Anti-Bribery and Corruption Policy

via the anonymous reporting facility for all employees and third parties, commonly known as the “Whistle Blowing Line”. Reported incidents must be logged with the Company’s Audit Committee by the CEO. The Company is committed to ensuring that its employees have a safe, reliable and confidential channel to report any suspicious activity.

➤ What are the possible indicators of bribery?

Employees should be aware of the following red flags which may indicate that caution and/or further due diligence and/or a report to the CEO may be required:

- business operations in a country or region with acknowledged high levels of corruption;
- an associated person that has close ties to a government, government owned company or other relevant third party;
- abnormally high or frequent cash payments being made to clients or agents;
- large payments for lavish meals or entertainment and travel expenses for third parties;
- pressure being exerted for payments to be made in cash, urgently or ahead of schedule;
- payments being made through a third country unconnected with business being undertaken;
- private meetings being undertaken between parties involved in public procurement or with public officials;
- lack of transparency in expenses and accounting records of an associated person;
- an individual who never takes time off even if ill, or for holidays, or insists on dealing with a specific client or matter themselves;
- unexpected or illogical decisions being made accepting projects or contracts;
- unusually smooth process of matters where an individual does not have the expected level of knowledge or expertise;
- departure from usual tendering/contracting processes where applicable;
- missing documents or records regarding meetings or decisions;
- company procedures or guidelines not being followed;
- refusal to agree non-corruption provisions in agreements; or
- statements that should put one on notice, such as an associated person boasting about his connections or recommending that the company not ask how they are able to get things accomplished.

➤ Reporting suspicions will not lead to adverse consequences for employees.

No employee will suffer demotion, penalty, or other disciplinary action for reporting a suspected violation of this Policy or for refusing to accept, promise or pay a bribe, even when the Company may lose business as a result of the employee’s refusal to do so.

Reports made under this procedure will be investigated by the CEO, involving appropriate persons as necessary.

➤ Internal reports will be kept confidential.



 LETŠENG DIAMONDS	REFERENCE:	P01/10/12/008
	COMPANY POLICY:	Anti-Bribery and Corruption Policy

6.2. Reporting externally

- Where appropriate, the Company will report anti-corruption concerns to external bodies.

Required reporting or voluntary self-reporting to relevant prosecuting and other bodies will take place in accordance with local requirements applicable to the Company.

The persons receiving reports made under this part of this Policy should promptly advise the CEO who will consider whether external reporting is required and, where necessary, also consider whether to make a report (criminal or otherwise) under local anti-money laundering legislation where it appears there is criminal or other conduct which would require such a report to be made.

6.3. Management information

- The management of the Company will report on anti-corruption issues on a regular basis.

Management information shall be provided in relation to anti-corruption and the adequacy of this Policy.

A report shall be prepared annually by the CEO and provided to the Audit Committee. Internal reporting and management information will enable the Company to gather feedback on the effectiveness of this Policy and its implementation and to ensure that the adequacy and effectiveness of this Policy remains optimal. Internal audit will also review the effectiveness of this Policy and report to the Board.

7. Systems and Controls

7.1. Risk assessment

- The Company will conduct risk assessments to identify areas of concern.

One of the ways of ensuring this Policy is appropriate and effective is to conduct comprehensive risk assessments. Risk assessments identify the areas in which the Company faces possible bribery and corruption risks and allows the Company to better evaluate and mitigate these risks and thereby protect itself, its directors and employees. The CEO is responsible for ensuring that regular corruption risk assessment programmes are conducted to assess the risk of bribery, including assessments of third party associated persons, and thereafter to devise the appropriate procedures on an ongoing basis. Risk assessments will be conducted at least every two years.

Following any such risk assessment, the decision not to take up business or to cease to do business with any associated persons will be taken by the CEO.

- Corruption risks may differ between operating units.



 LETŠENG DIAMONDS	REFERENCE:	P01/10/12/008
	COMPANY POLICY:	Anti-Bribery and Corruption Policy

Corruption risk for different departments is assessed by the CEO and Senior Management based on local and international information sources. Where corruption risk is assessed to be at its highest (e.g. in countries which score highly on the Corruption Perceptions Index), the Company will take particular care and may even need to 'pass up' business opportunities or cease to use a particular associated person.

Risk assessments will focus on all key areas of the business and will have particular focus on identified high risk areas such as procurement, Security, Recovery, CSRI and HR (specifically the recruitment process). The Company is to take the following steps to mitigate risks in respect of these functions:

- improving and developing communications with these functions to ensure awareness of this Policy;
- as these are high risk areas, delivering tailored training for staff in these functions; and
- ensuring detailed documentation is to be maintained for all contracts and negotiations.

7.2. Accurate books and record-keeping

- It is crucial that accurate and clear records are maintained.

The Company must ensure that it maintains accurate books, records and financial reporting within all its operations and in respect of all third-party representatives working on its behalf. The books, records and overall financial reporting must be transparent. False, misleading or inaccurate records of any kind could cause serious damage to the Company, its reputation and credibility.

7.3. Effective monitoring and internal control

- The CEO will ensure that clear monitoring and control systems are in place.

The Company will maintain an effective system of internal control and monitoring. Having identified the bribery and corruption risks, appropriate processes and procedures should be developed and put in place as part of a comprehensive internal control system and an ongoing monitoring programme which will mitigate the risks.

The CEO will ensure that the Company maintains compliance/monitoring programmes which review the effectiveness of this Policy and the compliance of employees and associated persons providing services to the Company with this Policy or in the case of associated persons who are not applying this Policy directly, their equivalent policies.

Monitoring will include:

- reviewing on an annual basis the Hospitality/Gift Register (refer 10 below) to establish whether there are any patterns of receiving or giving advantages which may be alone or when taken together potentially suggestive of bribery or attempted bribery; and
- reviewing associated person appointments.



 LETŠENG DIAMONDS	REFERENCE:	P01/10/12/008
	COMPANY POLICY:	Anti-Bribery and Corruption Policy

- The Company will take a risk-based approach to compliance with this Policy.

Compliance monitoring will give most focus to areas of activity carrying the highest risk of corruption, for example in relation to any activities which relate to matters in the public sphere, business which is being done by the Company in higher risk jurisdictions or with clients operating in higher risk business areas as identified by the CEO.

7.4. Recruitment of Employees

- The Company's recruitment procedures consider bribery and anti-corruption risks.

This Policy operates in conjunction with the Company's HR policies and procedures which are applied by the Company to ensure that adequate vetting of employees takes place to identify any particular bribery and/or corruption risk associated with a particular or potential employee.

New employees will be required to contractually agree to read, understand and comply with the Company's policies.

7.5. Senior management

- The CEO is responsible for overall compliance with this Policy.

The CEO is directly accountable for the oversight of the anti-corruption programme and compliance with this Policy and ensuring that appropriate systems and controls are put in place. The CEO has proper authority and sufficient resources to implement and monitor all programme activities and is responsible for ensuring that employees are provided with routine briefings on developments in corruption/bribery law and practice.

The CEO and any other senior manager who has become personally concerned in the operation or effectiveness of this Policy or in taking decisions relating to this Policy, including appointment of associated persons, risk personally committing an offence in some jurisdictions if they are deemed to have consented to or connived in the commission of that offence by the Company and significant penalties may apply, including lengthy terms of imprisonment in some jurisdictions.

The CEO is responsible for ensuring that the assessment of local compliance with this Policy is included in internal and external audit terms of reference, as appropriate.

In addition, the CEO will be responsible for agreeing with the person responsible for Compliance on the compliance monitoring programme, training and reporting requirements which should be implemented (subject to the minimum standards set by this Policy).

- Any Policy breaches will be dealt with by the CEO.



 LETŠENG DIAMONDS	REFERENCE:	P01/10/12/008
	COMPANY POLICY:	Anti-Bribery and Corruption Policy

It is the responsibility of the CEO to respond swiftly and effectively to any breach of this Policy brought to his attention, as well as any shortcomings in this Policy or in the management information provided to the CEO. Where any aspect of this Policy appears to be inadequate to ensure compliance with relevant corruption laws and regulations then this will be immediately reported by the CEO to the Audit Committee or the Gem CFO with a view to highlighting the need for changes to or enhancement of this Policy.

7.6. Compliance monitoring

- Group Internal Audit (“GIA”) will monitor the implementation of this Policy.

GIA will monitor the implementation and compliance with this Policy using the risk assessment outcomes as guidance as to the nature of the audit and the extent of implementation of recommendations. There will be a direct dialogue between the CEO and GIA.

7.7. Mergers and acquisitions/significant investments

- The Company will consider corruption risks associated with any mergers/acquisitions.

Mergers and acquisitions (“M&A”) can present considerable risks for corruption and bribery. If the Company successfully acquires a company which has engaged in bribery and/or corrupt practice, then the Company and its management may risk exposure to certain liability. When the Company undertakes any M&A activity, relevant due diligence procedures are to be performed to properly assess such risk (refer 8.3 below).

- This Policy is applicable to joint ventures.

This Policy applies to significant investments/joint ventures (as well adequate due diligence thereon) where the investee is not a subsidiary, but the Company has a substantial financial stake in the entity and has some influence. Refer 8.2 and 8.3 below for details on evaluation of third parties and associated due diligence. Note that with significant investments/joint ventures, due diligence would need to be conducted in respect of both the target and the joint venture partner.

8. Associated Persons

- This Policy is applicable to associated persons.

8.1. Meaning of associated person

**For the purpose of this definition “the Company” means Letšeng Diamonds (Pty) Ltd and/or its subsidiaries*

The Company’s associated persons for the purpose of this Policy *includes*:

1. The Company’s directors, senior management, employees, contractor staff (e.g., labour hire, temporary or agency staff) and subsidiaries;



 LETŠENG DIAMONDS	REFERENCE:	P01/10/12/008
	COMPANY POLICY:	Anti-Bribery and Corruption Policy

2. Any third party that the Company engages to provide services, who based on an assessment of the nature of the relationship are capable of obtaining a business advantage directly or indirectly for the Company through an act of bribery;
3. Sales intermediaries and persons with whom the Company has an introducer or finders' arrangement; and
4. Government Facing Representatives (GFRs), who are third party representatives who interact with Government Officials on the Company's behalf.
5. Any third party that the Company engages solely to provide goods.

Refer to the "Who the ABC policy applies to?" decision tree in Annexure 1 for guidance on assessing an associated person and the extent of the procedures to be performed to mitigate the risks of committing bribery and corruption.

8.2. Procedure for engaging associated persons

Careful consideration should be given before engaging associated persons.

Whilst the use of third parties can assist the Company in achieving its commercial objectives, the Company needs to be aware that these relationships can potentially present the Company with significant risks. Therefore, these relationships need to be monitored and controlled to mitigate this risk.

The CEO is responsible for the evaluation of each third-party relationship and for determining whether or not any such third-party is acting or operating in accordance with this Policy. Every two years, in line with the Operation risk assessment (refer 7.1 above), services which by their nature have an inherently low risk of bribery and corruption shall be assessed as having a low risk. Upon the engagement of third parties who provide these services, the third party shall be assessed as having a low risk of bribery and corruption. The third-party's risk shall be reassessed in line with the reassessment of the risk of the underlying service when the nature of the service that the third-party provides changes in such a manner that the risk can no longer be assessed as inherently low, or when circumstances arise that require the risk to be reassessed.

➤ What are the guidelines for local management engaging associated persons?

When a third-party is to be engaged to conduct business on the Company's behalf, local management must:

- evaluate the background, experience, and reputation of the third-party;
- understand the services to be provided, and methods of compensation and payment;
- evaluate the business rationale for engaging the third-party;
- take reasonable steps to appropriately monitor the transactions of third parties;
- ensure there is a written agreement in place which acknowledges the third-party's understanding and compliance with this Policy; and
- document the procedures above and any other material aspects relating to the third-party relationship.



 LETŠENG DIAMONDS	REFERENCE:	P01/10/12/008
	COMPANY POLICY:	Anti-Bribery and Corruption Policy

When carrying out due diligence of any third party that the Company proposes to engage, further guidance on the issues to be considered is set out at 8.3 below.

Should there be any suspicions relating to an associated person, these concerns must be raised immediately with the relevant line manager or the CEO to determine whether or not it is appropriate to do business with such parties.

8.3. Due diligence of associated persons

Due diligence should be conducted on associated persons based on the outcome of the risk assessment. Refer to Annexure 1 “Who the ABC policy applies to” decision tree and the “Associated Persons Risk Assessment Chart” for a guideline of the degree and frequency of due diligence required for the relevant type of associated person.

Appointments of associated persons to provide services to the Company are subject to the due diligence procedures described below. Special attention should be given to the appointment of associated persons who are expected to interact with or make introductions to government/public officials, or assist in developing business with governmental entities or obtaining non-routine government approvals or action, i.e. where the associated person’s services relate to the “public sphere”.

The Procurement Department must complete and deliver to the person responsible for Compliance a risk assessment and a due diligence form completed in respect of each associated person. The risk assessment and due diligence performed should as a minimum include information about the proposed associated person; reflect the due diligence performed on such associated person by the employee and describe, among other things, the reason for the engagement; the proposed associated person’s present or prior relationship with relevant public officials (where applicable); and state where the proposed associated person was recommended by a public official. The form will also require information about the proposed fee, stating how it is justified and an explanation of the arrangements for payment.

- Where there is a public sphere to any appointment and/or business transaction, the CEO must approve the associated person.

Where the proposed associated person is being engaged for services with a public sphere connection (i.e. involving interaction with public officials and other public or governmental connection as described above), the proposed associated person must meet (in person or by phone) the CEO and the engagement must be approved by the CEO. Engagements of associated persons which were already in existence when this Policy became effective should be promptly reviewed consistently with the foregoing process.

- What are possible grounds for not appointing a proposed associated person?

The Operation CEO’s decision on the appointment of an associated person will be subject to the overriding principle that no associated person should be engaged by the Company if:

 LETŠENG DIAMONDS	REFERENCE:	P01/10/12/008
	COMPANY POLICY:	Anti-Bribery and Corruption Policy

- it is known or suspected that the associated person may engage in bribery or if the associated person has a reputation (whether apparently justified or otherwise) for behaviour which may be prohibited by this Policy;
- there is reason to believe that the associated person is likely to make improper payments or gifts to public officials while working for the Company;
- the associated person requests that its identity be kept secret;
- the associated person requests (without a reasonable commercial justification) that it be paid offshore, or up front, or in cash; or
- there are other suspicious circumstances or “red flags” that are not satisfactorily resolved after appropriate due diligence.

➤ What are the key due diligence points relating to high risk associated persons?

The red flags to look out for in due diligence relating to high risk associated persons are, in summary:

- warning signs relating to location, for instance where the associated person has no physical presence in the relevant country or where business is to be transacted in a country with a poor corruption record;
- transactional warnings, such as transactions which do not make economic sense, or which are opaque and difficult to understand;
- financial warnings, such as where the associated person requires the payment of cash, offshore payments or unusually high payments; or
- general warning signs about the associated person, such as suspiciously close ties to government officials, previous allegations of corruption or unethical behaviour or a lack of proportionality between work done and compensation.

However, this list is not exhaustive, and employees should apply common sense in determining whether there may be other reasons for the Company not to use an associated person to provide relevant services.

Due diligence on potential associated persons will be carried out by or at the request of the CEO or their delegate.

➤ The Company must ensure associated persons comply with this Policy.

The Company’s personnel are required to take steps to ensure that associated persons comply with this Policy. Reluctance of an associated person to apply this Policy or similar procedures within its own organisation will be a significant factor in deciding whether the appointment of the associated person can be suitable for the Company, having regard to this Policy.

8.4. Sanctions for behaviour in breach of this Policy

➤ Breach of this Policy could result in termination of any contract with an associated person.

In the event that the Company, by specific monitoring, or in the course of normal business, identifies that an associated person may be doing business in a way which is, or risks being in breach of this Policy then this should be immediately reported to the CEO. The CEO will take appropriate action to prevent further

 LETŠENG DIAMONDS	REFERENCE:	P01/10/12/008
	COMPANY POLICY:	Anti-Bribery and Corruption Policy

inappropriate behaviour and where necessary will impose any sanctions which may be available to it under the contract with that associated person or ultimately will terminate the arrangement.

All contracts with associated persons will incorporate appropriate anti-corruption warranties and undertakings, obligations to keep proper books and records and specific rights of audit for the Company and rights to terminate in the event of the associated person engaging in behaviour in breach of this Policy.

9. Donations

9.1. Donations

- Only legal and ethical charitable donations are permitted under this Policy.

The Company only makes charitable donations that are legal and ethical under local laws and practices and that are in accordance with the Company's various Sustainability, Health and Safety, Environmental Management and Corporate Social Responsibility policies in force from time to time.

The Company, its employees and associated persons, may make contributions on behalf of, or in the name of the Company, only for bona fide charitable purposes (i.e. given to a charity or other not-for-profit organization for which no tangible benefit is received by the Company in return). All requests for charitable contributions, including buying tables at fundraising galas and dinners, are to be sent to the CEO to assess whether such donations are permitted under the Company's rule and policy on such matters.

- When will charitable donations be regarded as appropriate?

The following procedures must be followed when considering donations/charitable contributions:

- all donations and charitable contributions must be approved in advance by the CEO;
- no payment is to be made in cash;
- no material conflict must arise from the donation/charitable contribution;
- the donation/contribution must not be made with the intention of influencing, inducing or rewarding a third party in order to gain any advantage through improper performance, or in explicit or implicit exchange for favours or benefits;
- donations to individuals should be avoided;
- the gifts should not be offered to, or accepted from, government officials or representatives, or politicians or political parties;
- it is preferable that all donations are made to registered charities; and
- all donations/contributions must have an audit trail.

9.2. Political donations

- This Policy does not permit political donations.



 LETŠENG DIAMONDS	REFERENCE:	P01/10/12/008
	COMPANY POLICY:	Anti-Bribery and Corruption Policy

A political donation is a contribution, financial or in kind, to support a political cause campaign, candidate or party or any affiliated organisation.

The Company policy is not to make political donations in any form whether to political parties, causes or to support individual political candidates or politicians. The Company will not use charitable donations as a substitute for political payments.

9.3. Political lobbying

- Any political lobbying must be carefully considered.

Although the Company does not directly participate in party politics, it does engage in policy debate on subjects of legitimate concern to its business, employees, customers and end users and the communities in which they operate, for example through lobbying.

Any employee or an associated person who lobbies on behalf of the Company must:

- comply with all requirements of the law, regulation and internal policy regarding lobbying. This includes, but is not limited to, complying with the laws and regulations relating to registration and reporting;
- make themselves knowledgeable about the laws governing lobbying in the country; and
- consult with the CEO before any contact is made with government or public body officials or employees.

9.4. Sponsorship

- Where appropriate, sponsorship is permitted under this Policy.

The Company may sponsor customer-focused and stakeholder events and activities. Sponsorship of any event or activity for the benefit of a small or closed group of individuals, particularly where those individuals are customers, suppliers or have governmental functions, will be considered carefully to ensure that no impropriety results. The Company, as a general principle, shall only permit sponsorship which does not, and does not appear to, place actual or potential customers, suppliers or government officials under any obligations.

The Company may support, sponsor and contribute to the activities of other organisations where the activities are aligned with its business objectives, values and ethical principles and where the reputation of the Company may be enhanced.

10. Gifts, Entertainment and Hospitality

- Gifts and hospitality should be assessed in context.

No two situations are identical, so the giving/receiving of gifts/hospitality must be considered in context (refer 10.1 - 10.3 below) and any concerns discussed with the line manager or the CEO.

 LETŠENG DIAMONDS	REFERENCE:	P01/10/12/008
	COMPANY POLICY:	Anti-Bribery and Corruption Policy

10.1. Evaluating gifts and hospitality

- What are the general considerations when assessing the appropriateness of gifts/hospitality?

When evaluating the appropriateness, or otherwise, of any gift, entertainment or hospitality the following should be considered:

- what is the intent? is it to build a relationship or is there an ulterior motive?
- what would the public perception be if they were aware of the details and circumstances?
- what if the situation were to be reversed, would there be a double standard?

If the answer to any of the above is unclear or if there would be a risk that such actions could potentially damage the Company's reputation and business, the CEO should be consulted in advance.

- When will gifts/hospitality never be acceptable?

Circumstances which are never permissible include, but are not limited to:

- a 'quid pro quo' (e.g. a gift is offered for something in return);
- gifts in the form of cash or cash equivalent vouchers; and/or
- entertainment of a sexual or similarly inappropriate nature.

- When will gifts/hospitality be acceptable, subject to reasonable discretion and transparency?

Whilst not appropriate in all circumstances, the following are likely to be acceptable:

- modest/occasional meals with parties with whom the Company does business;
- occasional attendance at ordinary sports, theatre and other cultural events; and/or
- gifts of nominal value, such as pens, books, or small promotional items.

If an example does not fall within the above categories, then guidance from the CEO should be sought in the first instance.

This Policy does not prohibit reasonable and appropriate hospitality (given and received) to or from third parties.

- When will gifts/hospitality be regarded as appropriate?

A hospitality gift will generally be defined as normal and appropriate if:

- the gift has been disclosed in the Gift Register;
- the gift is not made with the intention of influencing, inducing or rewarding a third party in order to gain any advantage through improper performance, or in explicit or implicit exchange for favours or benefits;
- the gift complies with the law;

 LETŠENG DIAMONDS	REFERENCE:	P01/10/12/008
	COMPANY POLICY:	Anti-Bribery and Corruption Policy

- the gift is given in the Company’s name;
- the gift does not include cash or a cash equivalent (such as gift certificates or vouchers);
- the gift is of an appropriate financial value (this will be as per the Company policy);
- the gifts are not offered to, or accepted from, government officials or representatives, or politicians or political parties; and
- all gifts/hospitality and entertainment costs have an audit trail.

10.2. Geographical/divisional variation

- What is judged to be appropriate gifts/hospitality may depend on the location.

A variety of factors such as customs, culture and currency may impact upon what is assessed to be acceptable. The CEO should establish a monetary limit of acceptable values for gifts, meals and entertainment which should be determined and communicated to all employees. The limit must always be subject to and never exceed the Gem Diamonds’ global limit (“**global limit**”) of £100 in respect of such activities, although in some cases it would be appropriate for the Company’s limit to be significantly lower than the global limit.

10.3. Transparency is key

- Clear records of all gifts and hospitality must be maintained.

The Company is required to establish, maintain and monitor any gifts, entertainment and/or hospitality in the register maintained by the CEO (the “**Gift and Hospitality Register**”). Any form of gift, entertainment or hospitality - given, received or offered - which does not exceed the limit must be appropriately recorded in the Gift and Hospitality Register. Any gift, entertainment or hospitality which exceeds the Company’s limit will require prior approval by the CEO (and in the case of exceeding the global limit by the Chair of the Company’s Audit Committee). In the event that an impermissible form of gift, entertainment or hospitality has been accepted, the employee must appropriately record the transaction in the Gift and Hospitality Register and contact the CEO immediately.

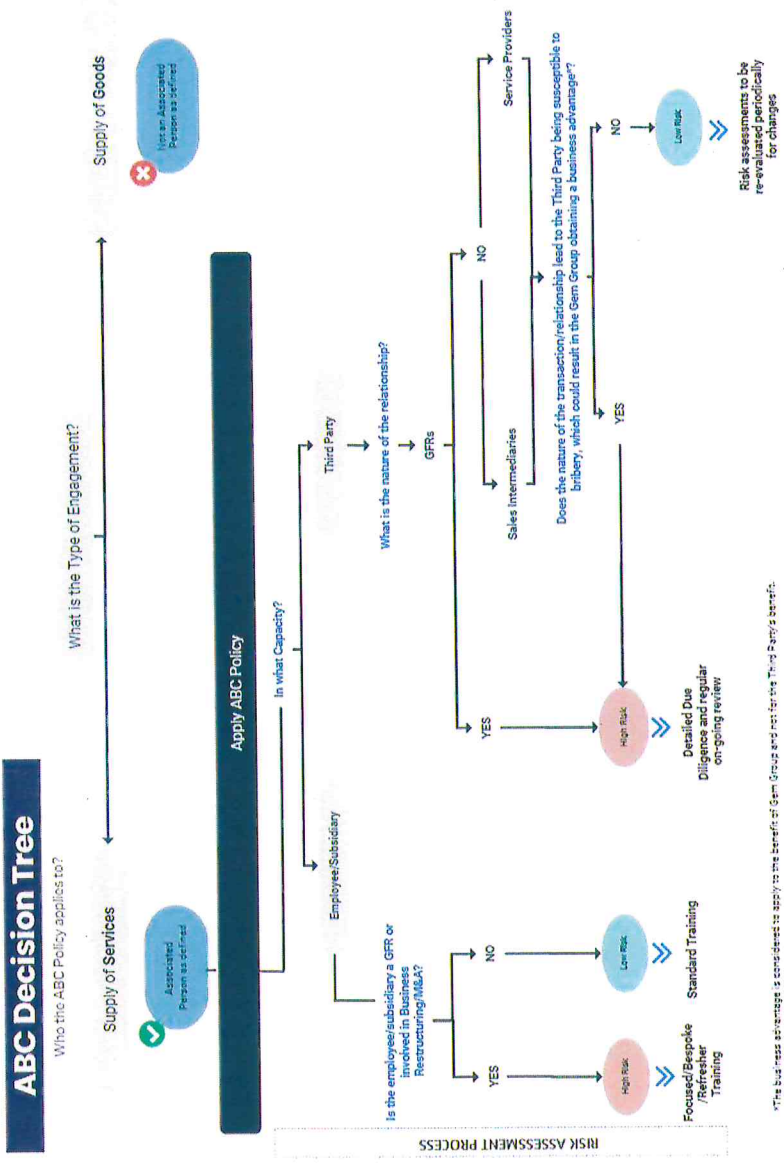
11. Conclusion And Certification

It is the responsibility of the Board of Directors of the Company, the CEO and Management to routinely ensure that this Policy is complied with and updated as necessary.



 LETŠENG DIAMONDS	REFERENCE:	P01/10/12/008
	COMPANY POLICY:	Anti-Bribery and Corruption Policy

Annexure 1:



Associated Persons Risk Assessment Chart

For each risk assessment the following components must be rated based on the key feature and nature of relationship:



 LET'SENG DIAMONDS	REFERENCE:	P01/10/12/008
	COMPANY POLICY:	Anti-Bribery and Corruption Policy

1. Third Parties:

1.1 Government Facing Representatives ("GFRs")

1.2 Sales Intermediaries

1.3 Service providers/Suppliers

Risk Level	Key feature	Nature of Relationship	Procedures
High	All persons offering to obtain/retain or capable of obtaining/retaining a direct advantage for or in the conduct of the Company's business.	- Anyone with, or has suspiciously close ties to government officials, including lobbyists, introducers etc. - Persons with political connections who use these connections as a commodity, especially with a view to delivering a particular outcome. - Government Facing Representatives - Sales intermediaries and persons with whom the Company has an introducer or finders' arrangement.	Detailed Due Diligence with regular on-going review.
Low	Persons not providing any business generating/development services to the Company.	- Office cleaning and catering services. - IT/equipment maintenance services - Drivers, travel and accommodation - Rental/hire agreements (office, printers, vehicle, plant and equipment) - Professional body subscription for the Company's employees - Health and safety services - Security services - Training - General repairs and maintenance - Courier and delivery services	- No initial due diligence and will not require regular on-going review - Re-evaluation of risk assessments to be done periodically, professional judgement is to be exercised in each case. - Procurement policy procedures for vendor take-on must be adhered to.



 LETŠENG DIAMONDS	REFERENCE:	P01/10/12/008
	COMPANY POLICY:	Anti-Bribery and Corruption Policy

1. Employees/subsidiaries

Risk Level	Key feature	Nature of Relationship	Procedures
High	All persons offering to obtain/retain or capable of obtaining/retaining an advantage for or in the conduct of the Company's business.	- Government Facing Representatives - Persons involved in negotiating business restructuring/mergers and acquisitions	Focused/bespoke/refreshers training
Low	Persons providing services for the Company's internal use	The Company's employees	Standard Training: - Take-on training for new recruits - Regular official staff training done every two years



 LETSENG DIAMONDS	REFERENCE:	P01/10/12/008
	COMPANY POLICY:	Anti-Bribery and Corruption Policy

Annexure 2: Due Diligence Questionnaires

QUESTIONNAIRE FOR PROSPECTIVE CONTRACTORS / COUNTERPARTIES IN RELATION TO LETSENG DIAMONDS CONTRACTS

Risk Category: High

Question		Comments / Responses
1	Has your company or any key management personnel been involved in: • insolvency proceedings, or • criminal convictions or investigations	
2	Is your company debarred or on restricted parties lists on any local, national or international listing of restricted parties pursuant to trade regulations imposed by the USA, UK, EU and/or other nations or any other internationally recognized organizations (e.g. the World Bank)?	
3	Has any media or internet coverage revealed or contained information, testimonials, evidence, or allegations of previous illegal or unethical conduct or referred to potentially damaging information regarding your company or any of its partners, directors, employees etc.? If yes, provide detail.	
4	Is any part of the payments which may become due to you by us payable to any third party? If yes, provide detail.	
5	Is the payment required in cash?	
6	Is the payment being made to an offshore account?	
7	Has there been a civil action regarding bribery or corruption which was unsuccessfully defended by your company or any of its officers or partners?	
8	Is there a current or outstanding criminal case regarding bribery, corruption, or a similar criminal offence, or a current or outstanding civil action regarding bribery or corruption against your company or any current employee(s) of your company?	
9	Can your company, without any qualification or reservation, confirm in writing that your company will abide by all local and international laws regarding bribery and corruption or the Global Policy on Bribery, Fraud and Corruption?	
10	Has a reputable credit agency ever provided a poor credit rating on your company or advised of previous liquidity problems which were not disclosed by your company?	
11	Does your company appear on a list of those debarred from bidding on local, national or international contracts?	
12	Does your company have close associations, past or present, with local or national politicians, potential competitors, criminals or political activists etc?	
13	Has your company ever received complaints regarding non-payment or non-compliance with ethical standards from sub-contractors or any other third party?	
14	Has your company been exposed in media reports or in any other reports by reliable sources that suggest inappropriate and/or illegal <u>payments</u> having been received or made?	
15	Is there any other information that you deem necessary to disclose to Letseng Diamonds prior to us entering into any contractual business relationship with you?	



 LETŠENG DIAMONDS	REFERENCE:	P01/10/12/008
	COMPANY POLICY:	Anti-Bribery and Corruption Policy

Annexure 3: Current responsible parties

CEO:	Motooane Thinyane
Chairman of Audit Committee	Michael Michael
Company Secretary	Tšepang Leche
Risk Officer	Teboho Ramonyatsi
Operation CEO/designated representative:	
Clifford Elphick	Gem Diamonds Limited Gem Diamond Technical Services (Pty) Ltd
Motooane Thinyane	Letšeng Diamonds (Pty) Ltd
Mmikaeya Tanka	Gem Diamonds Botswana (Pty) Ltd
Kelly Mertens	Gem Diamonds Marketing Services BVBA
Kelly Mertens	Baobab Technologies BVBA
Clifford Elphick	Gem Diamonds Innovation Solutions

