



RC 1688167

H  **USTON**
LSE LIMITED
...Logistics Supplies Equipment



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1 INTRODUCTION

11 The Board of Directors of **HOUSTON LSE LIMITED** has determined that, on the recommendation of the Corporate Governance Committee, **HOUSTON LSE** has formalized its policy on compliance with the anti-corruption laws, including the *Nigeria Economic and Financial Crimes Commission Establishment Act 2004*, *Nigeria Independent Corrupt Practices and Other Related Offences Act 2000*, *US Foreign Corrupt Practices Act 1977*, *UK bribery Act 2010* and the *Canadian Corruption of Foreign Public Officials Act 1999*.

12 This Anti-Bribery & Corruption Policy (the "**Policy**") will supersede any other existing HOUSTON LSE policies relating to bribery and corruption.

13 The Compliance Officer is the Company Legal Adviser.

2 POLICY STATEMENT

21 It is HOUSTON LSE's policy to conduct all of its business in an honest and ethical manner. HOUSTON LSE takes a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in all its business dealings and relationships. It is the goal of HOUSTON LSE to avoid acts which might reflect adversely upon the integrity and reputation of the Company.

22 Individuals involved in any corrupt activity may be fined or sentenced to imprisonment. Further, if HOUSTON LSE or any of its employees or associated persons (e.g. contractors, agents or subsidiaries) is found to have taken part in corruption, HOUSTON LSE could face an unlimited fine, and serious damage to its reputation both in the public markets and in Nigeria. HOUSTON LSE therefore takes its legal responsibilities very seriously.

23 HOUSTON LSE is committed to upholding all laws relevant to countering bribery and corruption in each of the jurisdictions in which it operates. As the anti-corruption laws of the UK, US and Canada have extraterritorial application, HOUSTON LSE, its employees and associated persons will be bound by the most stringent requirements of these laws in respect of its conduct in all jurisdictions they operate, even if such conduct would otherwise be permitted by the local law of a particular jurisdiction.

¹ This Policy applies to HOUSTON LSE LIMITED and all of its subsidiaries. Accordingly, this Policy will refer to HOUSTON LSE and its subsidiaries as "**HOUSTON LSE**" or the "**Company**"



24 The purpose of this Policy is to:

- set out the responsibilities of HOUSTON LSE, and all individuals who work for HOUSTON LSE, in observing and upholding the Company's position on bribery and corruption; and
- Provide information and guidance to those individuals working for HOUSTON LSE on how to recognize and deal with bribery and corruption issues.

25 In this Policy, "**third party**" means any individual or organization with whom you may come into contact during the course of your work for HOUSTON LSE, and includes actual and potential customers, suppliers, distributors, business contacts, agents, advisers, and government and public bodies, including their advisers, representatives and officials, politicians and political parties.

3 APPLICATION OF THE POLICY

31 The Policy applies to all directors, officers, employees, family members, consultants and contractors of HOUSTON LSE. Compliance with this Policy constitutes terms of service for each director, conditions of employment for each officer and employee, and conditions of providing services to HOUSTON LSE for each consultant and contractor. Each such person agrees to be bound by the provisions of this Policy upon notification of the most recent copy being given to them or upon notification that an updated version has been placed on HOUSTON LSE's website for review.

32 This Policy extends across all of the Company's business dealings and in all countries and territories in which the Company operates. All persons covered by this Policy, in discharging their duties on behalf of HOUSTON LSE, are required to comply with the laws, rules and regulations applicable in the location in which HOUSTON LSE is performing business activities, and in particular with respect to anti-bribery and corruption laws, rules and regulations. Where uncertainty or ambiguity exists, please contact the Compliance Officer who may seek further legal advice

4 FORMS OF BRIBERY AND CORRUPTION

41 For purposes of this Policy, each of the examples in 4.2 to 4.5 below is referred to as a "**bribery offence**".

42 Bribes

- (a) A **bribe** is an inducement or reward offered, promised or provided in order to gain any commercial, contractual, regulatory, business or personal advantage.
- (b) An **inducement** is something which helps to bring about an action or desired result.
- (c) A business **advantage** means that HOUSTON LSE is placed in a better position (financially, economically, or reputational, or in any other way which is beneficial) either than its competitors or than it would otherwise have been had the bribery or corruption not taken place.

43 **Kickbacks** are payment of any portion of a contract made to employees of another contracting party or the utilization of other techniques, such as subcontracts, purchase orders or consulting agreements, to channel payment to public officials, political parties, party officials or political candidates, to employees of another contracting party, or their relatives or business associates.

44 **Extortion** means to directly or indirectly demand or accept a bribe, facilitation payment or kickback.

5 ANTI-BRIBERY AND CORRUPTION STANDARDS

51 It is prohibited for HOUSTON LSE or its directors, officers, employees, consultants or contractors to:

- (a) Give, promise to give, or offer, a payment, gift or hospitality to a third party or otherwise engage in or permit a bribery offence to occur, with the expectation or hope that an advantage in business will be received, or to reward a business advantage already given.
- (b) Give, promise to give, or offer a payment, gift or hospitality to a third party to "facilitate" or expedite a routine procedure.
- (c) Accept a payment, gift or hospitality from a third party if you know or suspect that it is offered or provided with an expectation that a business advantage will be provided by the Company in return.

- (d) Threaten or retaliate against another employee or worker who has refused to commit a bribery offence or who has raised concerns under this Policy or HOUSTON LSE's Whistle Blowing Policy.
- (e) Engage in any activity that might lead to a breach of this Policy.

52 Non-compliance with the Policy may result to criminal or civil penalties which will vary according to the offence. An employee acting in contravention of the Policy will also face disciplinary action up to and including summary dismissal.

6 **GIFTS AND HOSPITALITY**

61 This Policy does not prohibit normal and appropriate hospitality (given or received, in accordance with HOUSTON LSE's Gifts & Hospitality Policy) to or from third parties.

62 HOUSTON LSE's Gifts & Hospitality Policy sets out when it is, and is not, appropriate for you to make or receive gifts and / or hospitality from a third party. Please refer to the Gifts & Hospitality Policy for further details. In the event of inconsistency, this Policy supersedes the Gifts & Hospitality Policy.

7 **RED FLAGS**

71 The following is a list of "red flags" that may indicate the possible existence of corrupt practices and should be kept in mind by all those subject to this Policy:

- (a) Use of an agent with a poor reputation or with links to a foreign government.
- (b) Unusually large commission payments or commission payments where the agent does not appear to have provided significant services.
- (c) Cash payments, or payments made without a paper trail or without compliance with normal internal controls.
- (d) Unusual bonuses to foreign personnel for which there is little supporting documentation.
- (e) Payments to be made through third party countries or to offshore accounts.
- (f) Private meetings requested by public contractors or companies hoping to tender for contracts.
- (g) Not following HOUSTON LSE policies or procedures – abusing the decision-making process.
- (h) Unexplained preferences for certain sub-contractors.
- (i) Invoices rendered or paid in excess of contractual amounts.

72 The list in Section 7.1 is not exhaustive and you should be alert to other indicators that may raise a suspicion of corrupt activity.

8 RESPONSIBILITIES UNDER THE POLICY

81 All directors, officers, employees, consultants and contractors of HOUSTON LSE must read, understand and comply with this Policy and the following related policies:

- (a) Code of Business Conduct and Ethics.
- (b) Whistle Blowing Policy; and
- (c) Gifts & Hospitality Policy.

82 The prevention, detection and reporting of bribery offences and other forms of corruption are the responsibility of all those working for HOUSTON LSE or under its control. All such persons are required to avoid any activity that might lead to, or suggest, a breach of this Policy.

83 If you are asked to make a payment on the Company's behalf, you should always be mindful of what the payment is for and whether the amount requested is proportionate to the goods or services provided. You should always ask for a receipt which details the reason for the payment. If you have any suspicions, concerns or queries regarding a payment, you should raise these with the Compliance Officer, wherever possible, prior to taking any action.

84 All directors, officers, employees, consultants and contractors of HOUSTON LSE must notify the Compliance Officer or make a disclosure under HOUSTON LSE's Whistle Blower Policy (see Section 11 below) as soon as possible if they believe or suspect that an action in conflict with this Policy has occurred, or may occur in the future, or has been solicited by any person.

85 Any person who breaches this Policy will face disciplinary action, which could result in dismissal for gross misconduct. HOUSTON LSE reserves its right to terminate its contractual relationship with other persons if they breach this Policy.

9 **ASSOCIATED ENTITIES**

91 It is a violation of the Policy to make any corrupt payments through any subsidiaries, agents, intermediaries, business partners, contractors or suppliers (individuals or organizations) of HOUSTON LSE ("**Associated Entities**") or to make any payment to a third party where there is any reason to believe that all or a portion of the payment will go towards a bribe.

92 The relationship with agents and other intermediaries must be fully documented using the Company's standard terms and conditions for appointment, which shall include compliance with the Policy and prohibit Associated Entities from making or receiving any bribes on the Company's behalf.

93 Compensation paid to Associated Entities must be appropriate and justifiable and for the purpose of legitimate services rendered.

94 Associated Entities are required to keep proper books and records available for inspection by the Company, its auditors and/or investigating authorities.

10 **RECORD-KEEPING**

101 HOUSTON LSE will be required to develop, implement, monitor and maintain a system of internal controls to facilitate compliance with this Policy, as well as to foster a culture of integrity and maintain high ethical standards throughout the Company.

102 HOUSTON LSE must keep financial records and have appropriate internal controls in place which will evidence the business reason for making payments to third parties, for a period of 6 years.

103 All transactions must be executed in accordance with management's general or specific authorization. Transactions must be recorded as necessary to permit preparation of financial statements in conformity with International Financial Reporting Standards, for a period of 6 years.

104 All business partners of the Company should have in place internal controls and procedures that fit these criteria and enhance compliance with this Policy.

105 The Company will maintain available for inspection accurate books and records that fairly document all financial transactions, risk assessments and due diligence.

106 All directors, officers, employees, consultants and contractors of HOUSTON LSE

must seek approval for any gifts given or received and record them on the Gift Register in accordance with the Gifts & Hospitality Policy.

107 All expenses incurred to third parties relating to hospitality, gifts or expenses must be submitted in accordance with the relevant HOUSTON LSE group company policies and the reason for the expenditure must be specifically recorded.

108 All accounts, invoices, memoranda and other documents and records relating to dealings with third parties should be prepared and maintained with strict accuracy and completeness. No accounts or cash funds may be kept "off-book" to facilitate or conceal improper payments. The use of false documents and invoices is prohibited, as is the making of inadequate, ambiguous or deceptive bookkeeping entries and any other accounting procedure, technique or device that would hide or otherwise disguise illegal payments.

109 To ensure the effectiveness of internal controls, business and finance personnel of the Company will review transactions and expense/payment requests for warning signs that signal an inadequate commercial basis or present excessive risks.

11 REPORTING VIOLATIONS OF THIS POLICY - WHISTLE BLOWER POLICY

111 All directors, officers, employees, consultants and contractors must adhere to HOUSTON LSE's commitment to conduct its business and affairs in a lawful and ethical manner. All directors, officers, employees, consultants and contractors are encouraged to raise any queries with the Compliance Officer.

112 In addition, any director, officer, employee, consultant and contractor of HOUSTON LSE who becomes aware of any instance where HOUSTON LSE receives a solicitation to engage in any act prohibited by this Policy, or who becomes aware of any information suggesting that a violation of this Policy has occurred or is about to occur is required to report it to the Compliance Officer.

113 Persons who refuse to engage in or permit a bribery offence, or who raise legal or ethical concerns or report another's wrongdoing, are sometimes worried about possible repercussions. HOUSTON LSE aims 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. No directors, officers, employees, consultants and contractors of HOUSTON LSE will suffer demotion, penalty, or other adverse consequences for refusing to engage in or permit a bribery offence or for raising concerns or for reporting possible wrongdoing, even if it may result in the Company losing business or otherwise suffering a disadvantage.

114 HOUSTON LSE has also adopted a Whistle Blower Policy which provides
procedures for reporting violations of laws, rules, regulations or HOUSTON LSE's
corporate policies.

115 HOUSTON LSE prohibits retaliatory action against any person who raises a concern
in good faith.

12 INVESTIGATION AND DOCUMENTATION OF REPORTS

121 Any report of solicitations to engage in a prohibited act or possible violation of the
Policy will be investigated initially by the Compliance Officer. Where the matter is
deemed potentially serious, it will be promptly reported to the Chief Executive
Officer, the Chairman of the Audit Committee, and where appropriate, to the
Chairman of the Board, and the following procedure will be followed:

- (a) The report will be recorded and an investigative file established. In the case
of an oral report, the party receiving the report is also to prepare a written
summary.
- (b) The Chairman of the Audit Committee will promptly commission the
conduct of an investigation. At the election of the Chairman of the Audit
Committee, the investigation may be conducted by HOUSTON LSE
personnel, or by an outside counsel, accountants or other persons
employed by the Chairman of the Audit Committee. The investigation will
document all relevant facts, including persons involved, times and dates.
The Chief Executive Officer or the Chairman of the Audit Committee shall
advise the Board of Directors of the existence of an investigation.
- (c) The identity of a person filing a report will be treated as confidential to the
extent possible, and only revealed on a need-to-know basis or as required
by law or court order.
- (d) On completion of the investigation, a written investigative report will be
provided by the persons employed to conduct the investigation to the Chief
Executive Officer and the Chairman of the Audit Committee. If the
investigation has documented unlawful, violating or other questionable
conduct, the Chief Executive Officer or the Chairman of the Audit
Committee will advise the Board of Directors of the matter.

- (e) If any unlawful, violating or other questionable conduct is discovered, the Chief Executive Officer shall cause to be taken such remedial action as the Board of Directors deems appropriate under the circumstances to achieve compliance with the Policy and applicable law, and to otherwise remedy any unlawful, violating or other questionable conduct. The persons employed to conduct the investigation shall prepare, or cause to be prepared, a written summary of the remedial action taken.
- (f) In each case, the written investigative report (or summary of any oral report), and a written summary of the remedial action taken in response to the investigative report shall be retained along with the original report by or under the authority of the Chairman of the Audit Committee.

13 RISK ASSESSMENTS

131 Standard business risk assessments will be conducted on an annual basis to determine the level of controls necessary for a particular aspect of the Company's operations, including in relation to procurement and tender processes.

132 Risk assessments should give consideration to:

- (a) "country risk", which includes an assessment of the overall risks of corruption and bribery associated with a particular jurisdiction;
- (b) "transactional risks", which includes an assessment of the risks associated with a business transaction undertaken by the Company or its Associated Entities;
- (c) "business opportunity risks", which includes the risk that pursuing or obtaining business opportunities may result in acts of bribery or corruption; and
- (d) "Business partnership risks", which includes risks deriving from relationships with or partnership with other Associated Entities.

133 Specific policies and procedures will be adapted and implemented to proportionately address the risks identified above as they arise.

134 Records and documentation must be kept of each risk assessment as part of the system of internal controls and record keeping discussed in Section 10.

14 DUE DILIGENCE

141 The Company will conduct appropriate due diligence to inform risk assessments

and ensure compliance with the Policy.

142 While the list is not exhaustive, and warning signs will vary by the nature of the transaction, expense/payment request, geographical market or business line, common warning signs that should be considered as part of any due diligence include:

- (a) that an Associated Entity has current business, family or some other close personal relationship with a customer or government official, has recently been a customer or government official or is qualified only on the basis of his influence over a customer or government official;
- (b) a customer or government official recommends or insists on the use of a certain business partner or Associated Entity;
- (c) an Associated Entity refuses to agree to anti-corruption contractual terms, uses a shell company or other unorthodox corporate structure, insists on unusual or suspicious contracting procedures, refuses to divulge the identity of its owners, or requests that its agreement be backdated or altered in some way to falsify information;
- (d) an Associated Entity has a poor reputation or has faced allegations of bribes, kickbacks, fraud or other wrongdoing or has poor or non-existent third-party references;
- (e) an Associated Entity does not have an office, staff or qualifications adequate to perform the required services; or
- (f) an expense/payment request by an Associated Entity is unusual, is not supported by adequate documentation, is unusually large or disproportionate to products to be acquired, does not match the terms of a governing agreement, involves the use of cash or an off-the-books account, is in a jurisdiction outside the country in which services are provided or to be provided, or is in a form not in accordance with local laws.

143 Records and documentation must be kept of due diligence as part of the system of internal controls and record keeping discussed in Section 10.

15 **RESPONSIBILITY OF MANAGERS**

151 Managers will have full authority to implement the Policy within their spheres of responsibility. The measures taken by managers will be proportionate to the risks associated with their areas of responsibility but may include:

- (a) devising, implementing and maintaining systems and controls designed to prevent bribery, minimize the risk of bribery and detect instances of bribery;
- (b) ensuring that employees are aware of the Policy; and
- (c) Ensuring that employees participate in anti-bribery training and that training specific to the needs of particular employees or job functions is provided when appropriate.

152 A manager to whom an employee's concerns are expressed must act promptly and
escalate the matter in accordance with this Policy.

153 Where it is decided that further investigation is not appropriate, the reporting
employee must be given a prompt and full explanation of the reasons for reaching
this conclusion.

16 **COMMUNICATION OF THE POLICY**

161 To ensure that all directors, officers, employees, consultants and contractors of
HOUSTON LSE are aware of the Policy, a copy of the Policy will be provided to them
and they will be advised that the Policy is available on HOUSTON LSE's website for
their review. All directors, officers, employees, consultants and contractors of
HOUSTON LSE will be informed whenever significant changes are made. New
directors, officers, employees, consultants and contractors of HOUSTON LSE will
be provided with a copy of this Policy and will be educated about its importance.

162 Training on this Policy will form part of the induction process for all new directors,
officers, employees and consultants of HOUSTON LSE. All existing directors,
officers, employees and consultants will receive relevant training on how to
implement and adhere to this Policy.

163 HOUSTON LSE's zero-tolerance approach to bribery and corruption must be
communicated to all suppliers, contractors and business partners at the outset of
business relationship with them and as appropriate thereafter. For advice on these
communications, please contact the Compliance Officer.

17 **RESPONSIBILITY FOR THE POLICY**

171 The Company's Board of Directors has overall responsibility for ensuring this
Policy complies with HOUSTON LSE's legal and ethical obligations, and that all
those under HOUSTON LSE's control comply with it.

172 The Compliance Officer has primary and day-to-day responsibility for
implementing this Policy, and for monitoring its use and effectiveness.
Management at all levels is responsible for ensuring those reporting to them are
made aware of and understand this Policy.

18 ANNUAL CERTIFICATION

181 All directors, officers, employees, consultants and contractors of HOUSTON LSE
will provide annual certification of compliance with this Policy in the form
available for review on HOUSTON LSE's website.

182 The Chief Commercial Officer and/or Compliance Officer of HOUSTON LSE will be
responsible for ensuring that all annual certifications are obtained on or before the
end of the first fiscal quarter of each year, and for providing written confirmation
to the Board of Directors that such certifications have been obtained and
summarizing the results thereof.

19 MONITORING AND REVIEW

191 The Compliance Officer will monitor the effectiveness and review the
implementation of this Policy, considering its suitability, adequacy and
effectiveness. Any deficiencies identified will be rectified as soon as possible.

192 Internal control systems and procedures will be subject to audits to provide
assurance that they are effective in countering bribery and corruption.

193 All directors, officers, employees, consultants and contractors of HOUSTON LSE are
responsible for the success of this Policy and should ensure they follow the
procedures set out herein to disclose any suspected wrongdoing.

194 All directors, officers, employees, consultants and contractors of HOUSTON LSE are
invited to comment on this Policy and suggest ways in which it might be improved.
Comments, suggestions and queries should be addressed to the Compliance
Officer.

20 CONSEQUENCES OF NON-COMPLIANCE WITH THE POLICY

20.1 Failure to comply with this Policy may result in severe consequences, which could
include internal disciplinary action or termination of employment or consulting
arrangements without notice. Violation of this Policy may also constitute a
criminal offence under Nigerian, US, UK or Canadian laws. If it appears in the

opinion of the Board that any director, officer, employee, consultant or contractor of HOUSTON LSE may have violated such laws, then

HOUSTON LSE may refer the matter to the appropriate regulatory authorities, which could lead to civil or criminal penalties for HOUSTON LSE and/or the responsible person.

21 PERSONAL SAFETY

21.1 The Company is engaged in conducting business in places where personal safety may not be guaranteed by local officials. If you are subjected to an immediate threat to personal safety you may put your personal well-being first, even if it means that you make a payment that contravenes this Policy.

21.2 The details of all such incidents must be reported to the Compliance Officer immediately.

22 CHARITABLE CONTRIBUTIONS AND SOCIAL BENEFITS

22.1 HOUSTON LSE is committed to making a positive difference in the communities in which they operate. As part of this commitment, HOUSTON LSE will consider requests from governments and local organizations to contribute to local cultural activities or contribute to the development of or to provide goods and services to local infrastructure near its mineral projects.

22.2 Requests must be carefully considered to ensure that the contributions made will be used for the intended lawful purposes.

22.3 No charitable contribution, sponsorship or similar contribution shall be given unless it has been pre-approved by the Compliance Officer, or such other person designated in writing by the board of directors of the Company.

23 QUERIES

23.1 If you have any questions about how this Code should be followed in a particular case, please contact the Compliance Officer or the Chief Operating Officer of HOUSTON LSE in the first instance on +234-806 482 1236.

24 PUBLICATION OF THE POLICY

24.1 This Policy will be posted on HOUSTON LSE'S website at www.houstonlse.com

25 ACKNOWLEDGEMENT

I (print name)_____acknowledge that I have read, understood and agreed to comply with the Anti-Bribery & Anti-Corruption Policy. I have not violated the provisions of this Policy and am not aware of any violations of the Policy as of the date hereof.

Signature:_____ Date: _____

Directors and officers of the Company will be required to complete an annual acknowledgement certification.