



## **ANTI-CORRUPTION POLICY**

**Effective December 12, 2013**

# NIKO RESOURCES LTD.

**Title:** ANTI-CORRUPTION POLICY

**Date:** Effective December 12, 2013

**Approved:** The Board of Directors of the Corporation

## 1. DEFINITIONS

"**Agent**" means a person, a corporation or other entity retained by the Company to represent its business interests or act on its behalf in a particular country.

"**Bribe**" means any payment, promise to pay, or authorization of the payment of any money, gift, reward, advantage or benefit of any kind, that has been given or offered to a Public Official or any other party either directly or through an intermediary, in order to influence the making or not making or implementation of a decision or act by a Public Official or any other party, and also means all attempts to make such payments.

"**CFPOA**" means the Corruption of Foreign Public Officials Act (Canada);

"**Chief Compliance Officer**" means the individual responsible for this corporate compliance Policy, appointed pursuant to Section 2(a).

"**Company**" means Niko Resources Ltd. and its majority-owned subsidiaries (collectively, "Niko").

"**Contractor**" means a person, a corporation or other entity retained to supply materials, labour or services to the Company, and also includes distributors or resellers.

"**Employee**" means a permanent or temporary employee of the Company, or contract staff member.

"**Improper Payment**" means a Bribe or Kickback.

"**Kickback**" means the payment, promise to pay, or the authorization of the payment of a portion of contract consideration to a Public Official or any other party. This includes the improper utilization of sub contracts, purchase orders, consulting agreements or gifts to channel payments to a Public Official or any other party, employees or other representatives of a Public Official or any other party, or to their relatives or business associates.

"**Policy**" means this Anti-Corruption Policy.

"**Public Official**" means:

- (a) any person employed or appointed by a government, state, province, municipality, or public international organization;
- (b) any owner, director, officer or employee of an organization that performs a governmental function;
- (c) any person employed or appointed by an agency, department, corporation, board, commission or enterprise that is controlled by a government, state, province, municipality, or public international organization;
- (d) any person acting in an official capacity for a government, state, province, municipality, or public international organization, or for an agency, department, corporation, board, commission or enterprise that is owned, in whole or in part, or controlled by a government, state, province, municipality, or public international organization;
- (e) any person acting for or on behalf of a government, state, province, municipality, or public international organization, or for an agency, department, corporation, board, commission or enterprise that is owned, in whole or in part, or controlled by a government, state, province, municipality, or public international organization; or
- (f) elected officials, candidates for public office, political parties, and officers, employees, representatives and agents of political parties.

## **2. ANTI-CORRUPTION LAW**

The Company directs that all of its business and operations wherever conducted shall be conducted in compliance with the provisions of the CFPOA.

## **3. COMPLIANCE**

Niko's Board of Directors shall appoint a person to the position of Chief Compliance Officer. The Chief Compliance Officer shall be responsible for:

- (a) establishing and maintaining the practices and procedures necessary to implement this Policy and prevent any violation of its provisions;
- (b) disseminating this Policy to all relevant Employees;
- (c) implementing a training program on the substance of this Policy to be completed by all such Employees as the Chief Compliance Officer deems appropriate;
- (d) procuring, from all relevant Employees, on an annual basis, a Certification of Compliance, substantially in the form of Exhibit A to this Policy. Any Certification of Compliance in which question 2 or 3 is answered in the affirmative shall be investigated by the Chief Compliance Officer; and

- (e) managing the Company's Whistleblower Policy in order to make accessible to all Employees, a mechanism for the reporting, including anonymously if preferred, of violations of this Policy without fear of reprisal, harassment, retaliation, discharge or other types of discrimination.

Niko's Board of Directors shall review compliance with this Policy on an annual basis.

The Chief Compliance Officer shall oversee this Policy and shall report directly to the Governance Committee of Niko's Board of Directors.

#### **4. IMPROPER PAYMENTS**

The Company, its Employees and Agents shall not, either directly or through an intermediary:

- (a) demand, solicit or accept an Improper Payment;
- (b) promise, offer or pay, or authorize the promise, payment or making of an offer to pay an Improper Payment.

In particular, the Company, its Employees and Agents shall not, either directly or through an intermediary pay or offer anything of value to a Public Official or any other party, in order to influence any act within the recipient's official capacity, or to induce the recipient to violate its, his or her lawful duty, or to induce the recipient to use its, his or her influence with any level of government or any other party to affect or influence any act or decision of such government or any other party for the purpose of obtaining, retaining or directing business, or any undue advantage.

#### **5. AGENTS**

- (a) Due Diligence

Prior to the Company retaining an Agent, the Employee who is proposing retention of the Agent shall research and document in writing the reputation, background and past performance of the prospective Agent as appropriate in the following areas:

- (i) Management Information;
  - (ii) Ownership Information;
  - (iii) Affiliations;
  - (iv) Qualifications;
  - (v) Financial Information;
  - (vi) Reputation;
  - (vii) References; and
  - (viii) Compensation.
- (b) Employee Certification

The Employee who is proposing retention of the Agent shall confirm who introduced the Agent to the Company and provide an explanation of why the Agent was selected. The Employee and his or her supervisor shall provide a certification substantially in the form of Exhibit C to this Policy, that the Agent has been personally interviewed and that there is no reason to believe that the Agent has violated applicable anti-bribery laws or will violate applicable anti-bribery laws regarding future activities on behalf of the Company.

(c) Contracts with Agents

The Company shall only retain an Agent using a written agreement that contains those following provisions appropriate for the proportionate degree of risk presented by the nature and sensitivity of the role to be performed by the Agent:

- (i) A precise definition of the scope of the Agent's duties; the territory in which the services will be performed, and the compensation of the Agent. The pre-approval of the Chief Compliance Officer is required if the contract with the Agent contemplates compensation that includes a bonus or success fee component.
- (ii) The Agent shall acknowledge that it, he or she understands the provisions of this policy pertaining to anti-bribery and anti-corruption and that he or she will comply with such policy in carrying out obligations under the contract on behalf of the Company.
- (iii) The Agent shall specifically acknowledge that it will not make, authorize or give any payment, promise of payment, gift, reward, advantage or benefit of any kind to a Public Official or any other party either directly or through an intermediary, in order to influence the making or not making of a decision or act by a Public Official or any other party. The Agent shall further specifically acknowledge that it will not make any Kickbacks, including the improper utilization of subcontracts, purchase orders, consulting agreements or gifts to channel payments to a Public Official or any other party, employees or other representatives of a Public Official or any other party or to their relatives or business associates.
- (iv) The Agent shall provide representations and warranties that neither it, nor any of its family relatives, owners, directors, officers, principals or key employees are Public Officials and that it will promptly inform the Company of any changes in that regard.
- (v) Assignment of the entire agreement or any rights, duties or obligations under the agreement by the Agent is prohibited without the Company's prior written consent.
- (vi) Payment shall be by cheque made out in the Agent's name or by wire transfer to a bank account that is registered in the name of the Agent, and

located in the country in which the Agent performed the services unless there is an acceptable explanation for other arrangements.

- (vii) All requests by the Agent for expense reimbursement must be supported by documentation acceptable to the Company. Detailed records for all approved expenses shall be kept.
- (viii) The agreement shall provide for automatic termination, at the Company's sole discretion, in the event an Agent has made, attempted to make, makes, attempts to make, or proposes to make, an Improper Payment.
- (ix) The Agent shall make annual certifications, substantially in the form of Exhibit B to this Policy, of its compliance with applicable law and shall certify that none of the payments made to it, him or her by the Company or acquired from other sources have been used to make an Improper Payment.
- (x) The Company has the right to audit the Agent's compliance with the agreement, including the expenses and invoices of the Agent.

(d) Managing Agents

The Company shall take measures reasonably within its power to ensure that:

- (i) any payment made to any Agent represents no more than the amount outlined in the written agreement with the Agent and is an appropriate remuneration for legitimate services rendered by such Agent;
- (ii) the Agent maintains a record of the names and contract terms for all sub-agents and sub-contractors who are retained by it in connection with transactions with Public Officials in relation to the Company's business; and
- (iii) quarterly reports on the services performed by the Agent will be obtained from the Agent and the Chief Compliance Officer shall review such reports to monitor the Agent's compliance with this Policy.

## 6. CONTRACTORS

Any agreement with a Contractor shall include the following provisions as appropriate:

- (a) The Contractor shall acknowledge that it, he or she understands the provisions of this policy pertaining to anti-bribery and anti-corruption and that he or she will comply with such policy in carrying out obligations under the contract on behalf of the Company. A failure by the Contractor to so comply may, at the Company's sole discretion, result in termination of the contract.
- (b) The Contractor shall specifically acknowledge that it will not authorize or give any payment, promise of payment, gift, reward, advantage or benefit of any kind to a

Public Official or any other party either directly or through an intermediary, in order to influence the making or not making of a decision or act by a Public Official or any other party. The Contractor shall further specifically acknowledge that it will not make any Kickbacks, including the improper utilization of subcontracts, purchase orders, consulting agreements or gifts to channel payments to a Public Official, or any other party employees or other representatives of a Public Official or any other party or to their relatives or business associates.

- (c) A provision that the assignment of the entire agreement or any rights, duties or obligations under the agreement by the Contractor is prohibited without the Company's prior written consent.
- (f) Payment shall be by cheque made out in the Contractor's name or by wire transfer to a bank account that is registered in the name of the Contractor, and located in the country in which the Contractor performed the services unless there is an acceptable explanation for other arrangements.
- (g) All requests by the Contractor for expense reimbursement must be supported by documentation acceptable to the Company. Detailed records for all approved expenses shall be kept.

## **7. GIFTS AND ENTERTAINMENT**

The offer and acceptance of entertainment, gifts and favours must at all times be in compliance with the policies of the recipient's employer, with the Company's Code of Ethics and Business Conduct, this Policy and any Niko specific procedures.

The Chief Compliance Officer is responsible for ensuring that any gift, hospitality and/or reimbursement of travel or other expenses ultimately provided to a Public Official is fully and accurately recorded in the Company's accounting records.

## **8. POLITICAL AND CHARITABLE CONTRIBUTIONS**

All political and charitable contributions must be made in compliance with the Company's policies in respect of such contributions.

## **9. EMPLOYMENT OF PUBLIC OFFICIALS**

No Public Official shall be employed by the Company, unless:

- (a) the Chief Compliance Officer has satisfied himself that such employment is lawful in the country concerned;
- (b) the Chief Compliance Officer has determined that the services to be rendered to the Company do not conflict in any manner with the governmental duties of such person; and
- (c) an ethics opinion from the Public Official's government employer has been obtained.

## **10. BOOKS AND RECORDS**

- (a) The Company shall make and keep books, records, and accounts that conform to high professional standards of accuracy and consistency and that, in reasonable detail, accurately and fairly reflect the Company's transactions and the disposition of its assets.
- (b) The Company shall maintain a system of internal accounting controls sufficient to provide reasonable assurances that transactions are executed in accordance with Company management's general or specific authorization and that access to assets is permitted only in accordance with Company management's general or specific authorization.

## **11. VIOLATIONS**

- (a) Any Employee who becomes aware of a violation of this Policy must promptly report the matter to the Chief Compliance Officer. The report may be made anonymously without fear of reprisal, harassment, retaliation, discharge or other types of discrimination.
- (b) Information communicated to any Employee in a supervisory or advisory position in the Company regarding a violation of this Policy shall be immediately reported to the Chief Compliance Officer, who in turn shall immediately investigate and report any violation of this Policy to the Company's Chief Financial Officer and Audit Committee.
- (c) A determination of whether a particular past or proposed payment or action is in violation of this Policy shall be made by the Chief Compliance Officer in consultation with the Chief Financial Officer and/or the Chair of the Audit Committee.
- (d) Retaliation by anyone as a consequence of an Employee making a good faith report of a possible violation of the law or this Policy is strictly prohibited and will result in disciplinary action, including termination.
- (e) If an Employee or Agent is found to be in violation of this Policy, appropriate corrective disciplinary action, including where appropriate dismissal or termination of contract, shall be taken and immediately reported to the Company's Chief Executive Officer and Audit Committee.

## **12. AUDIT**

The Company's external auditors shall promptly inform the Chief Compliance Officer and the Audit Committee of the Board of Directors of every potential or suspected Improper Payment or violation of this Policy that comes to their attention and shall recommend procedures to attempt to prevent the recurrence of any potential or suspected violations.



*Exhibit A*

**Employee Certification of Compliance**

1. Have you read within the past twelve months, and do you understand, the Company's Anti-Corruption Policy?

Yes \_\_\_ No \_\_\_

2. To the best of your knowledge have you at any time within the past twelve months been in violation of the Policy?

Yes \_\_\_ No \_\_\_

3. To the best of your knowledge has any other Employee, Agent or Contractor at any time within the past twelve months been in violation of the Policy?

Yes \_\_\_ No \_\_\_

4. If your answer to question 2 or 3 above is "yes," please give full details.

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\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Position

\_\_\_\_\_  
Country/Niko Subsidiary

**Exhibit B**

**Agent Certification of Compliance**

Niko Resources Ltd. (“Niko” or “the Company”) conducts its business lawfully in every country where it does business. Specifically, Niko complies with anti-bribery legislation that prohibits the making, offering or receipt of bribes and kickbacks. Niko employees and agents shall not, either directly or through an intermediary, pay or offer anything of value to a Public Official, or any other person in order to influence any act within the recipient’s official capacity, or to induce the recipient to violate its, his or her lawful duty, or to induce the recipient to use its, his or her influence with any level of government to affect or influence any act or decision of such government for the purpose of obtaining, retaining or directing business or any undue advantage.

1. Do you understand the Company’s policy pertaining to anti-bribery and anti-corruption in your jurisdiction?

Yes \_\_\_ No \_\_\_

2. To the best of your knowledge have you at any time within the past twelve months been in violation of the Company’s policy?

Yes \_\_\_ No \_\_\_

3. To the best of your knowledge has any other Niko employee or agent at any time within the past twelve months been in violation of the Company’s policy?

Yes \_\_\_ No \_\_\_

4. If your answer to question 2 or 3 above is "yes," please give full details.

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\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Company Name

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*Exhibit C*

**Employee Certification of Agent Compliance**

Niko Resources Ltd. and its subsidiaries (“Niko” or “the Company”) conducts its business lawfully in every country where it does business. Specifically, Niko complies with anti-bribery legislation that prohibits the making, offering or receipt of bribes and kickbacks. Niko employees and agents shall not, either directly or through an intermediary, pay or offer anything of value to a Public Official (as defined in the Niko Anti-Corruption Policy) or to any other person, in order to influence any act within the recipient’s official capacity, or to induce the recipient to violate its, his or her lawful duty, or to induce the recipient to use its, his or her influence with any level of government or any other party to affect or influence any act or decision of such government or any other party for the purpose of obtaining, retaining or directing business, or any undue advantage.

The undersigned (Employee) hereby confirms the following:

1 This Certificate pertains to (insert full legal name of the Agent)

\_\_\_\_\_  
(Agent)

2. It is proposed that the Agent shall supply the following services, in respect of the following project/contract/work (describe services and related project/contract/work):

\_\_\_\_\_  
\_\_\_\_\_

3. The Agent was introduced to the Company (describe by whom, how and when):

\_\_\_\_\_  
\_\_\_\_\_

4. The Agent was selected by the Company to provide the Scope of Services because (describe factors/skills that were considered when selecting the Agent):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

5. The undersigned personally met with and conducted an interview of the Agent on the following date (in the case of a corporation, provide name of officer of the Agent):

\_\_\_\_\_

6 The undersigned hereby certifies that there is no reason to believe that the Agent has violated applicable anti-bribery laws or will violate applicable anti-bribery laws regarding future activities on behalf of the Company and hereby recommends that the Company enter into a contract with the Agent in respect of the Scope of Services.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Proposing Employee

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Country/Niko Resources Ltd. (or  
Subsidiary)

**Supervisor Certification**

The undersigned hereby certifies that he/she has reviewed the information provided above with the Employee, and there is no reason to believe that the Agent has violated applicable anti-bribery laws or will violate applicable anti-bribery laws regarding future activities on behalf of the Company.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Employee's Supervisor

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Country/Niko Resources Ltd. (or  
Subsidiary)