

Africa Finance Corporation



Human Resources Department

Staff Code of Ethics

June 2013

AFC STAFF CODE OF ETHICS

1. Purpose

The purpose of this Code of Ethics is to set out rules, principles and expectations governing the behaviour of Executive Management, Officers and Consultants (herein collectively referred to as "Staff") that will guide and remind the Africa Finance Corporation ("AFC" or the "Corporation") Staff to always act in the best interest of the Corporation and its shareholders. In other words, it sets out in clear terms what acts, conducts, expectations of behavior, omissions and practices are considered unethical and contrary to the moral and fiduciary duty Staff owe to the Corporation and its shareholders. It is expected that this Code would root in discipline and professionalism in the Corporation by reflecting our commitment to high standards of business conduct and ethics, and builds on our culture of doing what is fair, right, and legal.

2. Our Values

AFC values provide a bond of shared purpose and common approach for managing relationships with internal and external parties.

There are seven (7) basic principles which form the platform for employer-employee relationship in AFC:

- *Integrity*: being ethically unyielding and honest, and inspiring trust by ensuring we 'walk the talk' and "our word is our bond".
- *Transparency*: sharing information, insight and advice frequently and constructively and managing tough situations with courage and candour.
- *Respect*: valuing diversity and unique contributions, respecting people for who they are, and for their knowledge, skills and experience as individuals and team members regardless of position, age, gender, ethnic group, marital status, creed or colour or sexual orientation.
- *Professionalism*: conducting the Corporation's business with adherence to all relevant regulations and legal requirements and to the highest professional and ethical standards.
- *Innovation*: an attribute of being relentlessly dissatisfied by the status quo, the consequence being continuous improvement of our business strategies, processes, procedures, systems, tools and flawless execution.
- *Teamwork*: promoting and supporting a diverse, yet unified team, working across divisional boundaries to jointly attain our common goals.
- *Service*: continuous alignment and realignment of the Corporation's capabilities in order to deliver world class service to internal and external stakeholders as well as the society in which we operate.

3. Governance and Administration of the Code

The Board Nomination and Governance Committee (“BNGC” or “the Committee”) shall adjudicate and resolve any issues regarding the Code of Ethics, including potential and actual violations and the resulting sanctions.

Staff may request an interpretation of any of the provisions of this Code of Ethics by submitting a written request for such interpretation to the BNGC setting forth the basis for such a request. The Committee shall review such request and make a determination in writing, which shall be binding. Such determination along with all interpretation requests made to the Committee shall be submitted in an annual report to the Board of Directors.

Exceptionally, the Board Chairman or the BNGC may approve any waiver of the Code for the Chief Executive Officer, the Executive Directors and other members of the Executive Management of the Corporation.

4. Obligation to report unethical conduct and practice

Compliance with the Code is a term and condition of Employment with the Corporation. Each Staff member has a responsibility to uphold the Code and to report any breach of the Code.

The Corporation's reputation could be seriously undermined if Staff do not promptly report any knowledge or information about employment-related conduct or practice by another Staff or group of Staff that can be or reasonably believed to be:

- A crime
- A breach of trust
- A violation of law or regulation
- Abuse of position
- A dishonest act, including misappropriation of funds or anything of value from AFC or the deliberate improper recording of the Corporation's assets, liabilities or statements of account.

No retaliation or any act similar would be exercised against any Staff for reporting any such knowledge or information.

Allegations of retaliation will be investigated. Anyone who engages in retaliatory behavior will face appropriate sanctions.

5. Conflicts of Interest

A conflict of interest is a situation with the potential to undermine the impartiality of Staff particularly as regards conflict between the personal and private interests of Staff, and their fiduciary and moral duty to AFC and the shareholders. Thus, Staff members with a material personal interest in any matter to be discussed or considered by AFC must disclose that interest and not take any further part in the process or decision-making in relation to that matter. Such disclosure must be done promptly, fully and in writing to their line manager and/ or relevant group/committee.

Staff have a responsibility to identify possible conflicts of interest or material personal interests, and to determine whether such interests, to which no statutory exemption applies, exist.

Potential circumstances that may lead to conflicts of interest include, but are not limited to:-

- Personal investment activities
- Gifts, hospitality and entertainment
- Information disclosure and dissemination
- Outside activities and relationships
- Procurement
- Employment

6. Personal investment activities

Staff shall not use their position at the AFC to profit personally from information, corporate property, services or other business opportunities. Staff must not divert business opportunities that belong to the AFC to himself/herself or to others.

Staff must not buy, sell, recommend or trade in any AFC funded business or corporate opportunities — either personally or on behalf of a third party or institution—while in possession, as part of their employment as Staff, of material, non-public information and/or confidential information.

In addition, Staff must not communicate or disclose any such information to others who may trade in such AFC funded business or corporate opportunities.

Staff who have existing personal investment in AFC funded businesses or clients, acquired prior to joining the Corporation or before AFC's business relationship with such entities or are desirous of pursuing any such personal investment activities, must fully disclose their interests and secure the EXCO (where applicable) and Board of Directors'

approvals. Such approval would be granted on the recommendation of the BNGC.

7. Gifts, hospitality and entertainment

A conflict of interest may potentially arise when Staff give or receive gifts, hospitality or entertainment.

Staff must not give or receive gifts from government officials and agencies, current or prospective business partners, suppliers or service providers, unless given or received in accordance with the AFC gifts policy guidelines (as detailed in the Human Resources Manual).

The following are exceptions to the prohibition against Gifts:

- Gifts or entertainment based on family relationships
- Awards given as part of approved company-sponsored recognition programs
- Nominal gifts between employees

For the avoidance of doubt, Staff are prohibited from giving gifts, of whatever form or nature to secure business or influence a decision. All corporate gifts from the Corporation are to be centralised and administered by designated members of the Corporate Services Division of the Corporation.

8. Information disclosure and dissemination

A conflict of interest may arise if Staff disclose certain types of information they have access to as part of their employment. These include but are not limited to disclosures on employee remuneration and benefits, privileged information of AFC funded businesses and clients to unauthorized Staff and persons.

Staff must not inappropriately share or disclose to the public proprietary information concerning AFC, including such information about business partners, market conditions or business events. Even if you inadvertently or accidentally share or disclose such information, a conflict of interest may arise.

9. Outside activities and relationships

A conflict of interest may arise from Staff activities, employment or other relationships outside AFC.

Staff must not act on behalf of or appear to represent the Corporation in any transaction outside their role and responsibilities with AFC. They shall request and obtain appropriate approval before:-

- pursuing additional or extra employment outside AFC;
- engaging in an independent business venture connected to the business of the Corporation;
- performing services for another corporate entity in direct conflict with the business of the Corporation; and
- seeking or holding elected or appointed political office.

Staff must not pursue authorised outside activities and relationships during AFC business hours or allow any outside business, civic or charitable activities to interfere with their job performance.

The BNGC will determine the activities proscribed within each of the categories specified.

10. Procurement

A conflict of interest may arise from Staff relationships with vendors or other service providers. The Procurement Manual, adopted by the Board of Directors in March 2011, upholds a competitive, fair and transparent procurement process, prohibits certain Conflict of Interests situations and imposes an obligation on Staff to disclose certain ownership interests as well as personal and family relationships.

Staff shall fully comply with the provisions of the Procurement Policy on these matters.

11. Confidentiality and Information Security

Any information labeled or deemed confidential to AFC must be kept and secured as such. This information includes:

- Business Partners information — Staff may access business partners information only for business purposes and must protect the confidentiality and security of that information at all times. Staff should be familiar with the AFC confidentiality policy and practice, which details our commitment and ability to protect

business partners' information and exceptional circumstances in which Staff may share information.

- AFC **Confidential/Company privileged** information — Staff must keep confidential and secure any non-public information about AFC. Facts about AFC or its business or other companies with which AFC is doing business or negotiating that are not generally known to the public but would be likely, if known generally, to affect the reputation or business of the Corporation, its partners, associates or sponsors. Such information should only be shared within the Corporation with colleagues who “need to know” the information to perform their duties. Staff should consult their manager if they have questions about sharing information about AFC on a “need to know” basis.
- Supplier information — Staff must keep confidential and secure any information they have about the Corporation's procurement. Sharing this information with the wrong source could provide an improper advantage to the supplier or its competitors and violate agreements AFC has with suppliers. In some instances, it also might violate the “need to know” policy for material, non-public information.

12. AFC Assets

Staff must properly care for and protect AFC property and assets, which should be used for legitimate business purposes. Staff must not:

- Steal, embezzle, mismanage or misappropriate money, funds, financial instruments, intellectual property or any item of value from AFC. Doing so will subject Staff to potential disciplinary action.
- Use AFC assets for direct or indirect personal gain or advantage.
- Remove AFC assets from the facilities unless duly authorized.
- Use official AFC stationery, the corporate brand, documents or the AFC name for unofficial purposes, since such use implies endorsement by the Corporation.

In addition, Staff must comply with the provisions of the IT Policy approved by the Board of Directors, including policy prescriptions about misuse of Internet or e-mail privileges. The Corporation's private computer systems are primarily for business purposes and subject to review, monitoring and recording at any time without notice or permission.

Assets created by Staff for AFC or while using AFC resources, are the Corporation's property, and remain its property even if the relevant Staff leave AFC.

13. Financial Responsibility

Staff should conduct their personal financial affairs responsibly and keep their business expenses in order.

Staff are responsible for their financial activities in the following areas:

- *Borrowing*—Staff may not participate in financial transactions with customers and suppliers. Staff who participate in financial transactions with other employees do so entirely at their own risk. In addition, Staff or their families may not borrow money from or lend money to AFC customers, suppliers or independent contractors. Staff may borrow money or purchase items on credit from a customer or supplier that is in the financial services business, as long as Staff do not receive preferential treatment. Note that borrowing in this context does not include ordinary banking transactions between Staff or their families and banks with which they have banking relationships whether or not such banks are clients or customers of the Corporation.
- *Business expenses*—Staff must report their business expenses accurately and in a timely manner. They must not use their business credit card for any purpose other than appropriate business expenses.
- *Fees*—All fees earned by the Corporation, as agreed in documents executed with the client, will be received through established channels. Staff may not levy or accept fees, commissions or gratuities for any transaction on behalf of AFC or themselves.

14. Laws and Regulations

Staff shall comply with all rules and regulations of the Corporation as well as all applicable government and legal requirements and industry standards in all jurisdictions in which AFC operates, including the World Wide Web. Staff must not take any action, either personally or on behalf of AFC, which violates any such laws, regulations, policy and guidelines. These laws, regulations, policy and guidelines include:

Anti-money laundering: Money laundering is disguising the proceeds of criminal activity

through a series of otherwise legitimate transactions. Thus, Staff are expected to:

- be able to recognize “red flags” and report potentially suspicious or unusual activities
- make reasonable efforts to determine the true identity of all business partners and suppliers
- follow “Know Your Customer” procedures

Corporate opportunities: Staff must not deprive the Corporation of an opportunity by:

- Competing with the Corporation or using corporate property, information or their position for personal gain
- Taking for themselves an opportunity that belongs to the Corporation or helping others do so if they are in a position to divert a corporate opportunity for their own benefit.

Political contributions: Staff may make personal political contributions as legally permitted. Under no circumstance may Staff coerce or pressure other Staff to make political contributions. Campaign fundraising or solicitation activities on AFC premises or with the use of AFC resources are prohibited.

Staff must not give or promise to give money or anything of value to any executive, official or employee of any government, agency, political party or candidate for political office.

15. Workplace relationships

Staff shall keep workplace relationships professional and free of discrimination and harassment.

- *Discrimination* – includes all forms of discrimination based on race, color, religion, rank, national or ethnic origin, age, gender, gender identity or expression, sexual orientation, marital status, military or veteran status, physical or mental disability, or a criminal offence for which a pardon has been granted.
- *Harassment* – includes displays of offensive, unwelcome, intimidating, or humiliating behavior – intentional or otherwise – that could reasonably be interpreted as demeaning others and undermining efforts to maintain a safe, comfortable, and productive workplace.

16. Freedom of Expression of Personal Views:

AFC allows Staff to freely express their personal views and ideas. However, the exercise of such rights shall be in accordance with the AFC Corporate Communication Policy approved by the Board of Directors taking into account the following:

- *Public expression of personal views* – in expressing personal views, Staff shall make it clear that they are not speaking for AFC. Before publicly expressing views on matters that could affect AFC, Staff should consult management and, if appropriate, Corporate Communications. When offering personal opinions in a public forum, use common sense – don't make statements that might discredit AFC or AFC business partners.
- *Written, published material and social media* – Books, articles, or letters written by staff or information provided on personal website(s), blogs or social media website(s), should be such that they pose no harm to AFC's interests or reputation. Staff should consult AFC Corporate Communications Policy and any applicable rules or guidelines before posting entries in blogs, wikis, internet forums, or social networks. At a minimum, Staff must make it clear that AFC is not associated with such activity. Staff should not use or refer to AFC business information, AFC proprietary information, or AFC brand assets such as name, logo, and other trademarked and copyrighted material in any form, unless with requisite permission from management.

Proselytising and propagating religious views: Religious views are personal and the expression of same should be discreet and non-intrusive. Accordingly, Staff must not:

- *discriminate on the ground of religious views or beliefs;*
- *attempt to coerce others to comply with any particular religious views or beliefs; and*
- *instigate lawful or unlawful, legitimate or illegitimate criticism or debate about a religion or belief.*

17. Misuse or Abuse of position

Staff shall not use their position, relationship or connection to unethically benefit themselves or people they are connected to, such as preferred colleagues, family members, business partners.

18. Compliance with the Code

The Board and Executive Management attach great importance to compliance with this code by all staff. Where in doubt, staff are advised to consult their line managers, the BNGC or any member of the Executive Management for advice. Violation of the provisions of the Code will be met with appropriate sanctions.

19. How to report breach of code of ethics

AFC employees and other stakeholders should report suspected case(s) of unethical behavior and dealings by calling any of the following numbers: 07030000026, 07030000027, 08088228888, 07080601222 and/ or send an email to [**kpmgethicsline@ng.kpmg.com**](mailto:kpmgethicsline@ng.kpmg.com)

Approved by the Board of Directors

This 10th day of June 2013