



NEWPLAN'S ANTI-CORRUPTION HANDBOOK

Approving Authority: Board of Directors

Responsible Office: Managing Director

Effective Date: 20th March 2013

**A HANDBOOK OF NEWPLAN ANTI-CORRUPTION
POLICIES AND STRATEGIES**

The NEWPLAN Board of Directors approved the Draft Handbook; Wednesday, 20th March 2013.

This Handbook forms a key part of NEWPLAN's anti-corruption strategy. It provides comprehensive overview of NEWPLAN's anti-corruption policies, guidelines and procedures.

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1. NEWPLAN Anti-Corruption Compliance Program

1.1. Introduction

NEWPLAN is committed to carrying out its business with honesty, integrity and in full compliance with the local and international laws, policies and good practices. NEWPLAN Limited is committed to compete in fair and ethically justifiable manner acknowledging that corruption undermines legitimate business activities, ruins reputation and exposes the companies and individuals to risks and we are against any form of corruption whether direct or indirect, for personal or company's benefit and we are committed to fighting the vice. The program outlines NEWPLAN's efforts to combat corruption and covers board members, top management and the employees of the company and to certain extent, third parties working with or for NEWPLAN. The programme includes but not limited to elements from the policy, other governing documents and the laws of the land;

1.2. NEWPLAN's Objectives and scope of Anti-Corruption programme

The program's aim is to give guidance on preventing, detecting and deterring corruption from all activities of NEWPLAN. The program safeguards the company as a corporate entity, its directors and employees from engaging in corruption tendencies both internally and externally. NEWPLAN is committed to complying with all the Anti-Corruption laws and regulations of the land as well other jurisdictions where the company transacts its business, anti-corruption standards of the World Bank and other international financial institutions whose projects fall within NEWPLAN's scope of business. The program has been modeled to the Anticorruption Act 2009, Whistleblowers Act 2010, and Inspectorate of Government Act 2002 among others and its design informed by the UN and AU conventions against corruption.

1.3. Defining Corruption

The NEWPLAN Code of Conduct defines Corruption as 'the abuse of trust or of office in order to obtain personal gain.' Corruption may involve the exchange of items of value or provision of services or other favors for personal and corporate benefit. It does not only involve money but may extend to all kinds of gifts intended to sway someone's objective judgment.

The Inspectorate of Government Act 2002 defines corruption as 'abuse of entrusted power for private gain and includes but is not limited to; embezzlement, bribery, nepotism, influence peddling, theft of public funds or assets, fraud, forgery, causing financial or property loss and false accounting in public affairs.'

The Anti corruption Act 2009 describes corruption as 'purposely doing an act, which tends to corrupt, or influence a person to act or omission contrary to established procedures.' The Act tackles corruption in both public and private sectors. The Act describes various corruption acts such as; Extortion (Section 2), corruption transactions with agents (Section 3), corruptly procuring tenders (section 4), bribery (Section 5) and conflict of interest (Section 9) among others.

1.4. NEWPLAN guidelines on specific safeguards

- Gifts, Hospitality and Other Expenses

NEWPLAN prohibits its Directors, employees and agents from directly or indirectly accepting any form of gifts from clients both current and potential, associates, partners except for promotional items of minimal value normally bearing a company logo. All gifts received of value exceeding \$100 must be declared to Human Resource office. Gifts of higher value may however be accepted in situations where it would clearly give offence to refuse, in which case such gifts must be handed over immediately to NEWPLAN and will be regarded as company property.

Hospitality such as social events, meals or entertainment may be accepted by the individual if there is a clear business reason. The cost of any hospitality must be kept within reasonable limits and brought to the attention of the immediate supervisor.

Travel, accommodation and other expenses of that kind to employees or partners, agents, clients etc must always be sanctioned and paid by NEWPLAN.

The above principles also apply in the reverse direction, so that no individual acting on behalf of NEWPLAN may, in their dealings with clients, suppliers and other parties, offer or agree to pay for gifts, hospitality or other expenses that would violate these principles. Particular care must be taken in dealings with public officials.

- Facilitation payment

Facilitation payments are generally financial incentives demanded or paid to people assigned to offer services by their schedule of duty; such transaction may be categorised as extortion and petty corruption. NEWPLAN prohibits any facilitation payment to its staff and vice versa.

- Conflict of interest

Conflict of interest exists when a person's private interest interferes or even appears to compromise in any way, the interests of the employer or objectivity and professionalism of the employer. It is a conflict of interest for a Company employee or officer to work for a competitor, customer or supplier while serving or immediately after ceasing to serve the company. Employees should avoid any direct or indirect business connection with our customers/clients, suppliers or competitors; except as required on our behalf.

When an employee is faced with a conflict of interest dilemma it's advisable to consult with the supervisor. Any employee or stakeholder who becomes aware of a conflict or potential conflict of interest should bring it to the attention of a supervisor, manager, or the ethics committee and acting contrary may lead to disciplinary action.

- Inside Trading and information safeguard

All non-public information about the Company should be considered confidential information. Employees, agents, consultants and third parties who have access to confidential/privileged information about the Company or any other entity like partners, agents, clients, suppliers are not permitted to use or share that information for trading purposes, or for any other purpose except for the conduct of the Company's business. To use non-public information for personal financial benefit or to "tip" others who might make an investment decision on the basis of this information is prohibited and shall lead to disciplinary action.

- Improper Influence on the conduct of Auditors

It is prohibited to directly or indirectly take any action to coerce, manipulate, mislead or fraudulently influence the Company's independent auditors for the purpose of rendering the financial statements of the Company materially misleading. Prohibited actions include, but are not limited to; (1) to issue or reissue a report on the Company's financial statements that is not warranted in the circumstances (due to material violations of generally accepted accounting principles, auditing standards, or other professional or regulatory standards); (2) not to perform an audit, review or other procedures required by generally accepted auditing standards or other professional standards; (3) not to withdraw an issued report; or (4) not to communicate matters to the Company's audit committee

- Whistle-blowing

Whistle-blowing is reporting suspected wrong doing. NEWPLAN has provided a mechanism to enable employees, clients, business associates and the general public to report suspected corruption practices to the company. The company shall provide a hotline or email upon which suspected violations may be reported. Allegations made in good faith but not confirmed by investigations would not attract any sanction against the complainant but if the complaint is premised and motivated by malice and wrong intentions, in case the complainant is a staff member, disciplinary action shall be instituted against the complainant. The information received shall be treated with outmost confidentiality and the company would do whatever is possible to protect the identity of the whistle-blower and safeguard the complainant against any kind of victimization and harassment.

- Political contribution

Except as approved in advance by the Board, the Company prohibits political contributions (directly or through trade associations) by the Company or its business units. This includes: (a) any contributions of Company funds or other assets for political purposes; (b) encouraging individual employees to make any such contribution; or (c) reimbursing an employee for any contribution. Individual employees are however free to make personal political contributions as they see fit.

- Code of Conduct

The Code of Conduct is applicable to all employees of NEWPLAN. Contravention of any of the provisions set forth shall render the employee liable to disciplinary action as prescribed in the Human Resource Policy Manual.

Custody of the Code of Conduct rests with Office responsible for Human Resources. A copy of the code of conduct shall be made available on-line on the company website and a hard-copy issued to all employees upon their appointment into employment with NEWPLAN. All company employees shall have to be taken through the code of conduct and other anti corruption documents and procedures as part of their induction and thereafter required to certify in writing that they have read, understood and undertake to comply with all the anticorruption policies and procedures as provided in the company's policies.

The implementation of the anti corruption program is organized and conducted as a key function in all projects. It is the responsibility of the management and all project managers to integrate the anti corruption safeguards into their project activities and ensuring they are complied with.

The Anti-corruption compliance function at the project level, will report to the ethics committee which will in turn report to the MD on quarterly basis or as and when necessary, report to the Board of directors.

NEWPLAN will additionally use the services of external expertise to regularly review NEWPLAN's anti corruption program, make suggestions for changes, and monitor the implementation and compliance of the company Anti-Corruption standards.

1.5. The Role of the Ethics Committee

The NEWPLAN Ethics Committee shall be constituted by the MD and shall consist of 5 members drawn from different divisions and their roles shall include;

- Ensuring that NEWPLAN's ethical guidelines and procedures are in line with the Ugandan laws and regulations, and international conventions in particular the AU, UN, and the World Bank standards.
- Oversee enforcement of the Code of Conduct and Anti Corruption programme
- Conduct regular meetings and review the effectiveness of the ethical policies and guidelines.
- Ensure that NEWPLAN's Code of Conduct, anticorruption handbook are circulated to all employees and management and implemented in a satisfactory manner.
- Monitor that training related to social responsibility and anti-corruption is performed at all levels of the organization and the content regularly updated to incorporate new developments and challenges.
- Ensure that NEWPLAN's ethical and anticorruption safeguards are integrated and adhered to in implementation of all projects.
- Receive and carry out or cause investigations into reported suspected breach of Code of Conduct and involvement in corruption acts and make recommendations to the MD or the Board where necessary on the possible cause of action that should be taken.
- Providing assistance to the organisation in resolving ethical problems where risk has been identified or may occur in the course of business operations.
- Ensure that due diligence is performed on every NEWPLAN agents and third party e.g. subcontractors, consultants, employees, and the contract/agreement include clauses on and compliance with NEWPLAN anticorruption program
- Ensure corruption risk assessment is performed in all areas where potential risks are identified or more likely to occur, and ensure that adequate precautionary measures are taken to address them.

1.6. The Necessity for Implementation of Financial Control Procedures

NEWPLAN will implement relevant financial and accounting control routines to identify matters of concerns and suspicious / questionable transactions. These procedures will be implemented by the NEWPLAN finance department responsible for the projects in question, in coordination with

the quality assurance function as prescribed in the financial and accounting manual.

NEWPLAN shall endeavour to produce honest, accurate and timely financial reports of transaction in order to make responsible business decisions.

All business expense accounts must be documented and recorded accurately in a timely manner as per the financial regulations.

All of the Company's books, records, accounts and financial statements must be maintained in reasonable detail; must appropriately reflect the Company's transactions; must be promptly disclosed in accordance with any applicable laws or regulations; and must conform both to applicable legal requirements and to the Company's system of internal controls.

Business records and communications should not have exaggeration, derogatory remarks, or inappropriate characterizations of people and companies that may be misunderstood. This applies equally to e-mail, internal memos and formal reports.

Financial records should be kept or destroyed according to the Company's record retention policies.

1.7. Risk Assessment

NEWPLAN shall identify, analyse, mitigate and monitor corruption risks in all business operations and projects at company and project level. .

Process

- A. Periodic review of and updating risk assessment findings by the project managers, based on a full review of NEWPLAN operations, with emphasis on corruption and bribery risks.
- B. Ensure all project routines are updated in accordance with any new risks identified.
- C. Procedures – including checklists and risk assessments – for corruption and bribery risk assessments on project level will be developed, ensuring that corruption and bribery red flags are assessed on an ongoing basis. It shall be the responsibility of NEWPLAN project managers to complete these assessments on all projects, at the outset of the project. The assessments shall be provided to the Compliance and Quality Assurance team and also discussed in the management meetings, which shall (in consultation with the Ethics Committee) ensure that any red flags are addressed and resolved before the relevant project work is performed.

More detailed assessments will be conducted by project managers for projects identified as high-risk (such as, for example, projects in high-risk bribery jurisdictions involving government-affiliated customers), and provided to the compliance function for review.

- D. Project managers on all NEWPLAN projects will be instructed to report apparent risks in the course of a project on an ongoing basis to the quality assurance team, which shall be responsible for working with the project management to ensure that those risks are addressed. For projects that are identified as high-risk, additional project monitoring shall be conducted by the ethics committee.

1.8. The Need to Carry out Integrity Due Diligence of Third Parties

Due diligence will help NEWPLAN to comply with various laws, such as the Anticorruption Act, UK Bribery Act, United States of America Foreign Compliance Act, Norwegian Penal Code Against corruption among others. Under most of these laws, corporate criminal liability can be triggered when the bribe is paid by/through a third party, because many corruption risks can be “imported” through a relationship with a third party,

NEWPLAN shall inevitably carry out due diligence on third parties prior to entering into a contract with them to be able to identify and avoid the risk that third parties could bribe on its behalf. Due diligence shall target both ‘active’ corruption; paying a bribe and ‘passive’ corruption; receiving a bribe conducted on “*associated persons*”, which are entities or individuals performing “*a service for, or on behalf of*” NEWPLAN, including employees, subsidiaries or agents.

The magnitude of due diligence to carry out shall be proportionate to the risks posed by the third party, its location or the type of transaction/business contemplated.

NEWPLAN shall carry out a risk assessment to identify which corruption risks the company is exposed to, where, and which of those risks arise through third parties.

The next step shall entail categorizing types of third parties and/or related transactions by level of risk, in order to determine the appropriate level of due diligence to be conducted, and the sources of information about the third party will vary according to the level of risk and due diligence. For the lowest risk transactions, the procedures shall be limited to a simple desktop review of the potential third party. For medium risks, in addition to the company’s own review, the third party would be required to complete a questionnaire and sign a certification form. For the high risk transactions, external risks consultants may be engaged to investigate specific issues.

NEWPLAN will ensure it only deals with third parties that agree to comply with its Anti-Corruption policies.

Due diligence on the third party may include seeking answers for the following questions:

- The identity of direct and/or indirect owners/shareholders of the third party, as well as its key staff, to identify potential conflicts of interest or connections with relevant public bodies, public officials, or current or prospective clients
- The third party’s general business track-record, reputation and experience in the area of corporation;
- Relevant past incidents, investigations or convictions related to the third party and its officers, directors, employees - at least in the field of corruption and fraud;

- Their policy on gifts or entertainment and whether the third party may have recently offered gifts of high value to the company's employees or relevant public officials, or clients or prospects.
- The third party's possible own anti-corruption systems, such as the existence of a Code of Conduct, relevant policies and procedures on issues such as; gifts and entertainment, facilitation payments, political donations, bribery, reporting/whistle-blowing and investigation mechanisms, existence and performance of ethics committee.
- Financial management and audit practices and procedures; whether they are water tight and in line with the international standards.

Due diligence on the proposed transaction may include questions on:

- Whether a third party is required at all: one can look at whether the services proposed could be dealt with internally rather than through an intermediary - or whether the third party's presence or services is mandatory under the law, as in situations where bidders are required to appoint a local agent or defendants or a local lawyer;
- How was the third party identified and selected - whether competitors were considered or conversely whether the third party was imposed or suggested by a public official, staff member, funder, client or prospective client;
- The exact nature of the specific services proposed, to determine if the provision of the services involve direct interaction with any public official, current or prospective client and define the corresponding bribery risks and what measures should be taken in response - in the case of general consultancy services, which deliverables and timeline are proposed, in order to monitor them;
- The third party's qualifications and competence to deliver the specific services proposed;
- The amount and nature of the price/consideration - whether it is success-based or not, whether it is a reasonable market price or conversely whether it is inflated or contains a significant margin that could be used by the third party to bribe someone on the company's behalf;
- Payment terms, in particular whether it is to be made to someone other than the third party or to an offshore bank account.

- Whether the third party intends to use other third parties to perform its obligations.

1.9. The Need for Training of Staff

All NEWPLAN staff shall undergo training in Ethics and Anti-Corruption.

The objective of the training program is to enable the participants to appreciate the negative effects of corruption, identify and manage the operational risk that corruption poses for NEWPLAN, in order to protect NEWPLAN's reputation and to prevent economical loss.

Training materials shall be prepared by the Ethics Committee/Compliance function, with the support of external experts as required. The training programs shall cover among others;

- a. Definition, types, forms, causes and effects of corruption at individual, corporate and national levels
- b. Ugandan anticorruption, legal and institutional framework, regional and international anti corruption laws, regulations and conventions and how they relate to NEWPLAN work
- c. Major provisions of NEWPLAN's Code of Ethics and Anti-Corruption program
- d. Roles and responsibilities of the Ethics Committee
- e. Synopsis of some of the anti corruption safeguards such as Due diligence and corruption risk management, reporting of suspected corruption acts and the procedure of handling dilemma situations.
- e. Major components of Anti Corruption management program

More detailed training will be provided to NEWPLAN personnel in senior management positions and in roles that involve compliance functions or corruption risks, such as project managers and project staff operating in high-risk jurisdictions, ethics committee.

1.10. The Need for Monitoring of Anti-Corruption procedures

The Ethics Committee shall be responsible for monitoring and ensuring implementation of the Anti-Corruption program.

D. Implementation of periodic testing, and internal/external auditing procedures for the company's anti-corruption compliance program, focusing on the company's risk portfolio. This process shall include adequate training of personnel conducting the testing and auditing. Testing and auditing shall be conducted by the Ethics Committee and shall include:

- Spot-testing of particular transactions to ensure processes and procedures are functioning.

- Review of compliance with and awareness of anti-corruption policies and procedures.
- Review of third party agreements and payments to third parties.
- Review of payments to associates and third parties.
- Charitable contributions and political donations.
- Payments for gifts, travel and hospitality provided to foreign officials.
- Petty cash accounts.
- Cash advances.

2. Annexes (Processes & Procedures)

2.1. Annex 1: Procedure for Reporting Misconduct

2.1.1. Objective and Coverage

The objective of this procedure is to prepare for an environment where misconduct will be notified and reported, and to make sure that such notification and reporting will be carried out in a safe manner where there is credible knowledge or strong suspicion on breach of NEWPLAN's policy for anticorruption and ethical standard. This Procedure should be read in connection with the Code of Conduct and Business Principles.

The content of the notification must be sound and trustworthy with respect to the facts. However, under the condition that the notification has been carried out with due care and in good faith it will be acceptable to NEWPLAN even if the notification later proves to be incorrect. The employee will be given room for possible failure, but conditional to the fact that the notification was done with due care and in good faith.

This procedure shall also cover notification to immediate superior manager in NEWPLAN when NEWPLAN project staff/employee is becoming aware of misconduct, strong suspicion of misconduct, bad practices or negligence in regard to the project staff, partners or the client. The procedure shall apply regardless of how the person has become aware of the activity or omission, be it performance of normal work, integrity due diligence, risk assessment, financial control etc.

2.1.2. Description of the Procedure

Misconduct shall be notified to the immediate Managing Director. The Managing Director must, without undue delay, reply to the whistleblower. In cases where the whistleblower does not get an immediate reply from management, the whistleblower can bring his notification to the Ethics Committee, and in case the whistleblower wants the notification to be anonymous he notifies the Company Lawyer/Secretary.

The person who is affected by the notification must be contacted without undue delay, to allow the affected person to explain his/her case.

In cases where there is doubt of a misconduct or bad practice, the Company Lawyer/ Secretary shall be consulted before the notification is submitted.

Procedure for notification of misconduct and bad practices:

Responsible	Description	Comments
Whistleblower	<ul style="list-style-type: none"> • Assess the basis for the criticism and whether or not a notification will be contrary to other laws and regulations (e.g. professional secrecy). • As soon as practically possible, describe the misconduct which is observed in the best factual and objective way with information on: <ul style="list-style-type: none"> – what the misconduct comprises (what activities have taken place/not taken place) – reasons for the assertion of a misconduct – which departments and sections are involved – which persons are involved – documentation available – who, if anybody, is already informed about the misconduct • The description of the misconduct shall be submitted to the Managing Director. If the whistleblower does not get acceptable reply from management, the description can be submitted to: <ul style="list-style-type: none"> – Ethics Committee – in case the whistleblower wants the notification to be anonymous, the notification shall be submitted to the Company Lawyer/Secretary • The whistleblower can, if the circumstances are such, elect to bypass Management. This could be relevant in cases where there could be suspicion of management being involved in the misconduct. 	<ul style="list-style-type: none"> • In cases where the misconduct is of great public interest or in cases where the misconduct is understood to be severe, the employee should be justified to give a notification. • Employee's procedure when giving a notification must be clear. Employee has always the right to notify in accordance with the procedure for reporting misconduct. Employee can also notify to a public inspection authority or another relevant public authority. • Internal notification will normally be the correct way to notify misconduct or bad practices.

Responsible	Description	Comments
The recipient of the notification	<ul style="list-style-type: none"> • Respond to the whistleblower in writing, confirming the notification has been received and will be handled according to procedure • Assess the information received and start initial investigations. The affected person must be allowed to respond to the allegations raised. • Give the information in the notification to the HR-department. 	<ul style="list-style-type: none"> • All notifications must be handled with due care and taken seriously.
Manager of the Human Resources Department	<p>The manager of the HR-department has the overall responsibility and the authority of handling misconducts</p> <ul style="list-style-type: none"> • Assess whether or not the notification will be contrary to other laws and regulations (e.g. professional secrecy). • Inform top management as found relevant and necessary, and in accordance with the laws for professional secrecy and personal information. • Start investigations to disclose whether or not there have been violations of the current and valid NEWPLAN policies and guidelines. • Give information and feedback to the whistle blower. • Acquire external assistance in investigating suspicion of misconduct • Provide internal and external information on the case, and in major cases consult with the MD or the Board of the company • Consult the Board of the company and/or the Ethics Committee if considered adequate or necessary. • Report criminal offences to the police, after consultation with the MD or the Board of the company <p>Information in the notification shall be recorded and filed at the HR-department</p>	<ul style="list-style-type: none"> • Retaliation against an employee who has raised a notification is forbidden • In case of doubt or questions to the applicable laws, Company Lawyer shall be consulted.

Responsible	Description	Comments
Managing Director	<ul style="list-style-type: none"> • Responsible for taking necessary action against the employee or individual who is responsible for the misconduct, and inform the public authority if the misconduct is of such nature that this is correct practice. • In case there is a legal offence, the case shall be handled as a breach of the Code of Conduct or as a criminal case, leading to disciplinary action including dismissal and reporting a crime to the relevant public authority in accordance with the HRPM “Disciplinary Policy in NEWPLAN”. • Responsible for taking necessary action to prevent misconduct or bad practices 	
Ethics Committee and Compliance Manager	<ul style="list-style-type: none"> • The role of the Compliance Manager and Ethics Committee is to review / evaluate the process done and conduct any follow-up. <ul style="list-style-type: none"> – The Ethics Committee may also be chaired based on whistleblower issues where misconduct is reported. – Review the status of any whistleblower reports and advice on ethics-related questions or concerns. 	Ref. to the following docs: <ul style="list-style-type: none"> • Organisational description – Ethical Committee • Description Compliance Function Ethics Committee

2.2. Annex 2: Procedure for Client/Partner Risk Assessment & Due Diligence

- a) Client Evaluation**
- b) Risk Assessment**
- c) Integrity Due Diligence**
- d) Acceptance of Client/Partner**
- e) Requirement for Re-evaluation**