



STRACHAN PARTNERS
ANTI-CORRUPTION AND ETHICS
COMPLIANCE CODE

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1.

ABOUT THIS ANTI-CORRUPTION AND ETHICS COMPLIANCE CODE

1.1 What is Compliance in Strachan Partners?

At Strachan Partners (the “Firm”), compliance means complying faithfully with laws, regulations, rules, policies, procedures and high ethical standards.

1.2 Who does Anti-Corruption and Ethics Code apply to?

This Anti-Corruption and Ethics Compliance Code (the “Code”) applies to all employees of Strachan Partners at all level and grades (whether permanent, fixed-term or temporary); counsel, consultants, interns, seconded staff, agents or any other person associated with the Firm or any of its affiliated entities or their employees, wherever located.

1.3 What is purpose of this Anti-Corruption and Ethics Code?

The purpose of the Code is to describe the Firm’s commitment and requirements in connection with issues of law and ethics, which relate to our business practice and personal conduct. The Code sets out:

- (a) our responsibilities and that of those working for us, in observing and upholding our position on bribery and corruption; and
- (b) provides general information and guidance on the standards of professional conduct which the Firm demands of its employees and agents and how to recognise and deal with bribery and corruption issues.

1.4 What is expected of All Employees?

All employees are required to read and are expected to understand the Code and comply with it, as well as the laws, regulations, policies and procedures that apply to our business dealings.

The role and responsibility of an employee of the firm does not necessarily end when we leave our place of work. It continues when we entertain clients, attend professional events or travel on business trips, when we will continue to represent the Firm. To this end, the principles outlined in this Code also apply to those and similar activities and requires adherence to the same compliance standards that operate in the ordinary workplace. It is expected that employees will at all times use good judgment and avoid any appearance of improper behaviour.

2.

STATEMENT OF ANTI-BRIBERY AND ANTI-CORRUPTION

Strachan Partners is committed to conducting its business in accordance with the highest ethical and legal standards. We place primacy on integrity, which is critical to our existence. Our clients and stakeholders have the right to expect from us, the highest level of professionalism, competence and maintenance of the trust and confidence in us, which we have earned over the years, through our past and current business relationships. It is our intention not only to maintain this trust and confidence, but also to maintain our reputation as one of the leading law firms in Nigeria. This Code is drafted against this background.

The Firm takes a zero-tolerance approach to bribery and corruption and is committed to upholding all laws relevant to countering bribery and corruption. The Firm is committed and will continue to establish and encourage a strong culture against any form of bribery and corruption by implementing and enforcing effective systems to counter bribery and corruption.

At a Glance:

- ✓ *Strachan Partners takes a zero-tolerance approach to bribery and corruption.*
- ✓ *Strachan Partners is committed to conducting business in accordance with the highest ethical and legal standards.*

3.

CONDUCTING OUR BUSINESS

3.1 Client Engagement

It is our practice as a law firm, (before accepting a new client business relationship), to determine whether the acceptance of such business relationship will threaten or impede in any way, our compliance with our ethics or principles of conduct.

We are mindful of the potential threats to integrity and professional behaviour that may be associated with certain potential clients (its ownership, management, affiliates or activities) and of the fact that relationship with unethical clients can take a tremendous toll on a firm's reputation.

In view of this, and in line with best practices and anti-money laundering regulations, the Firm will carry out a *Know Your Client* ("KYC") due diligence in order to evaluate potential questions over the integrity of every potential client which may create unacceptable risk for the Firm. The KYC due diligence will assist us in identifying general risks, high risk clients and transactions in order to avoid inadvertently contravening any law, or regulations in course of our engagement. **Please refer to Appendix 1 for a KYC checklist.**

Strachan partners shall only enter into a business relationship or fiduciary transactions with a potential client if the resulting relationship satisfies the Firm's due diligence requirements.

Do you know?

*In **Baxendale-Walker v Law Society** (2006) EWHC 643 (Admin), a lawyer had given letter of reference on behalf of Mr. X, a client to a bank stating that the latter was known to the lawyer's firm and had satisfied the identification requirements under Money Laundering Regulations 1993. The lawyer also confirmed that the client was a person of integrity and good standing. However, it turned out that the lawyer had no grounds to confirming that Mr. X was a person of integrity and good standing. Disciplinary proceedings were brought against the lawyer, who claimed in defence that he was under pressure to write the reference and believed Mr. X was personally known to a Malaysian lawyer known to the lawyer.*

*The Solicitors' Disciplinary Tribunal rejected the lawyer's defence and held his reference was both **"improper and unprofessional as members of the public and organisations such as bank are entitled to expect to be able to trust a solicitor to the end of the earth"**. The lawyer was suspended from practice for three years. The decision was subsequently upheld up to the Court of Appeal.*

3.2 Preventing Money Laundering and Financing of Terrorism

The Nigerian government introduced the Money Laundering (Prohibition) Act 2011 (As amended) and Prevention of Terrorism Act 2011 (both laws collectively referred to in this code as “AML/CFT”) in response to growing global pressure to strengthen Nigeria’s ability to detect and prevent money laundering and the financing of terrorism.

We recognise that the firm operates from one of the world’s high-risk countries in terms of corruption and money laundering and it is the policy of the Firm therefore to comply demonstrably with all applicable statutes, regulations and government guidance regarding anti-money laundering regulations and combating terrorism.

The Firm’s anti-money laundering policies and procedures are designed to protect the Firm from being complicit or implicated in any way with money laundering for the purposes of facilitating terrorist activities or other illicit crimes. In all circumstances we will:

- Conduct appropriate risk-based due diligence enquiries about clients and third parties to verify certain information to confirm clients and third party’s identities and also assess the integrity of our client’s business.
- Monitor clients’ dealings and activities with our Firm for any suspicion of money laundering or financial crime; and
- Communicate with clients and third parties about our compliance expectations of them.

As a fact:

Strachan Partners will never condone, facilitate, support or conceal money laundering or terrorist activities.

3.3 Conflict of Interest

Rules of professional ethics governing the conduct of lawyers prohibit us from acting in any matter where there would be a conflict or the significant risk of a conflict of interest.

A conflict of interest arises when we are asked to act for a client in circumstances where:

- (a) the work we are requested to do for that client is against the interests of another client, for example advising on a claim that might be made against that other client; or
- (b) we have specific information as a result of acting for one client which would be relevant to a particular matter which we are instructed to handle for another client.

We seek to check for actual or potential conflicts before taking on new instructions. When considering whether a conflict or significant risk of a conflict exists, we would need to assess the position within the various departments of the Firm and to look at the particular circumstances of each case. In many cases if we do identify a potential conflict, we would endeavour to resolve the difficulty by discussing it with all the parties' concerned subject, of course, to our overriding duty of confidentiality. In some circumstances even where there is a conflict of interest, the firm can act for both clients with the agreement of each of them. In other cases, however, we may be obliged to decline to act.

As employees of Strachan Partners, a conflict of interests may exist where our personal interests, activities, relationships interfere or appear to interfere with our ability to act in the best interest of our client and the Firm. It is critical, therefore, that we identify and avoid any conflict of interest, whether actual or apparent. In maintaining our integrity, it is equally important that no employee of the Firm be influenced or affected by interests or relationships that conflict with Strachan Partners' best interest.

Determining conflict of interest, ask yourself:

- ✓ **Could my personal interests interfere with those of the Firm or its clients?**
- ✓ **Would it appear that way to others, either inside or outside of the Firm?**
- ✓ **When unsure, please disclose and seek guidance.**

4.

THE FIRM'S APPROACH TO ANTI-BRIBERY AND ANTI-CORRUPTION

4.1 Bribery Policy

Strachan Partners is committed to operating with the highest standards of integrity and to promoting a culture in which accountability flourishes. Accordingly, we fully support anti-corruption laws in Nigeria such as the Criminal Code (Cap 38, Laws of the Federation of Nigeria (LFN) 2004); Penal Code (Cap P3, LFN 2004); Independent Corrupt Practices Act 2000; Economic and Financial Crimes Commission Act (Cap E1, LFN 2004); Code of Conduct Bureau and Tribunal Act (Cap C15, LFN 2004) and the Constitution of the Federal republic of Nigeria (Cap C23 LFN 2004).

We also recognise the extra territorial implications of the United States' Foreign Corrupt Practices Act of 1977 (FCPA) and the United Kingdom's Bribery Act 2010.

Many countries have enacted laws criminalising bribery. The sanctions for violating these laws can be severe, including significant individual and corporate fines and even imprisonment. If Strachan Partners is found to have failed to prevent bribery in relation to its business, it could face unlimited fines and extensive reputational damage. We, therefore, take our legal responsibilities very seriously.

Once again, Strachan Partners takes a zero-tolerance approach to bribery and is committed to implementing and enforcing systems to counter bribery.

4.2 What is Bribery?

Bribery is the offering, promising, giving, accepting or soliciting of money, a gift or other advantage as an inducement to do something that is illegal or a breach of trust in the course of carrying out an organisation's activities.

Example of bribery may include:

- ✓ A potential client offering an employee of the Firm some money or a gift in order to influence a tendering process in which the client has an interest
- ✓ Offering a gift (excessive hospitality) to an existing client, potential client, or any representative of a client to induce the award of a contract in favour of the Client
- ✓ Offering payment to a government official in order to speed up or complete a process which they are otherwise required to perform such as obtaining a permit, licence, immigration visas, processing of custom papers, etc.

- ✓ Facilitation payments to induce officials to perform routine functions they are otherwise obligated to perform;
- ✓ Extravagant gifts and hospitality which may be used to disguise bribes that are intended to induce improper behaviour (i.e to fix the outcome of a process);

4.3 The following conduct is expressly prohibited:

- (a) Payment or receipt of money, gift, loan or other favours which may tend to influence business decisions or compromise independent judgment
- (b) Payment or receipt of rebates or “kickbacks” for obtaining business for or from the Firm;
- (c) Payment of bribe to government or court officials to obtain favourable rulings or favours; and
- (d) Any other activities that would similarly degrade the reputation or integrity of the Firm.

4.4 Strachan Partners entrusts all employees across the Firm, to take a proactive role in improving the anti-bribery policy and practice of the Firm:

- (a) The management of the Firm is responsible to provide leadership and resources for the implementation of this Code.
- (b) The Managing Partner is responsible for ensuring that these policies and procedures are implemented consistently and with clear line of authority.

4.5 The Managing Partner and designated management team will actively and visibly lead the Firm’s anti-bribery policy and practice and are responsible for ensuring that the spirit of this Code is incorporated into all aspects of human resource management of the Firm including recruitment, promotion, training, performance evaluation, remuneration and reward, and that this Code is continually improved in consultation with employees.

4.6 Employees shall not give or receive bribes in challenging instances where bribery may occur. All employees have a responsibility to report any actual or attempted bribery or fraud to the Firm.

4.7 Strachan Partners recognises that good anti-bribery practices commence from the outset of employing an individual. It therefore:

- (a) requires a commitment to preventing bribery in all person specifications for job vacancies;

- (b) ensures that all employment contracts prohibits the giving or receiving of bribes on behalf of the Firm;
- (c) publishes this Code on the staff intranet and on its external website;
- (d) briefs all employees on Strachan Partners' anti-bribery policy, as part of the organisation's orientation process for all new employees;
- (e) provides anti-bribery trainings; and
- (f) incorporates anti-bribery and anti-corruption assessments into the staff performance appraisal process

4.8 If Strachan Partners employees are offered or asked for a bribe, employees should:

- (a.) reject demands for, or offers of, bribes;
- (b.) communicate to the offering person about Strachan Partners' anti-bribery stance;
- (c.) record the details of any bribery or requested or attempted bribery, immediately after the occurrence of the event;
- (d.) report the incident to the appropriate officer designated for compliance issues.

4.9 Facilitation Payment

Facilitation payments are typically small, unofficial payments made to secure or expedite a routine or necessary government action by a government official, when such action has already been paid for or when one should in the ordinary course of business, be entitled to that action.

This is a widespread form of bribery and we affirm our zero-tolerance approach to bribery in this form or any other form. Our policy is to refuse to pay facilitation payments unless payment is clearly unavoidable and being made in exceptional circumstances.

4.10 How to resist facilitation payments

Preparation is Key- Research:

Research relevant laws in advance; if official requirements are known and well understood, it should be easier to resist a request for payment.

Research what authorisations or permits are needed well in advance, and if possible get official written confirmation that all documents are in order.

Build in the necessary time required to get through the administrative formalities well in advance so that the pressure of time is less likely to be an issue.

Resistance

As appropriate:

Question the legitimacy of the request by pointing out that facilitation payments are against the law.

Explain to the individual or official that you don't believe you need to make the requested payment as all your papers are in order-research on relevant laws could be used to support this.

Explain that facilitation payments are against the Firm's policy and that you would have to report it to your management.

If having resisted the payment, the payment appears unavoidable:

Negotiate to pay the barest minimum amount appropriate in the circumstances and avoid making payment in cash directly to the official. Where practical, always ask for a receipt which details the reason for the payment.

Recording:

All payments which have been made should be recorded having gone through the resistance stage.

Record, if possible, the name of the individual or official, requesting the payment and any other details you feel safe to obtain.

In rare and exceptional circumstances, employees may make a payment, if faced with a threat of or fear of violence or loss of life and liberty. In such exceptional instances, employee should immediately report incidence to the management team.

4.11 Gift and Hospitality

Occasionally, exchange of business gifts, meals and hospitality are considered a common practice meant to create goodwill and establish trust in business relationships.

It is the Firm's policy, however, that giving or receipt of gift must meet the following requirement:

- (a) It is not made with the intention of influencing a third party to obtain or retain business or business advantage or to reward the provision or retention of business or a business advantage or in explicit or implicit exchange for favours or benefits.
- (b) It does not include cash or cash equivalent.
- (c) It is appropriate in the circumstance, for example, in Nigeria; it is customary for small gifts to be given at Christmas or during similar festivities.
- (d) It is given openly and not secretly.
- (e) The gift is given or received, taking into account the reason for the gift, the appropriateness of the gift, the value of the gift and the time at which the gift is given or received

4.11 Gift and Hospitality - *what is not acceptable?*

It is not acceptable for any employee (or someone on their behalf) to:

- (a) Give, promise to give or offer a payment, gift or hospitality with expectation or hope that a business advantage will be received or reward a business already given.
- (b) Give, promise to give, offer a payment, gift or hospitality to a government official, agent or representative to "facilitate" or expedite a routine procedure.
- (c) Accept payment or gift from a third party that you know or suspect is offered with the expectation that it will obtain a business advantage for them.
- (d) Threaten or retaliate against another worker who has refused to commit a bribery offence or who has raised concerns under this Code; or
- (e) Engage in any activities that might lead to a breach of this Code.

4.12 Donations

Strachan Partners does not make contributions to political parties. Charitable donations are acceptable - be it in kind services, knowledge, service exchange or direct financial contributions. However, management and employees must ensure that charitable contributions and sponsorships are not used as a subterfuge for and do not constitute bribery.

4.13 Record Keeping

Financial records must be kept and appropriate internal controls which will evidence the business reason for making payment to third parties.

Written records of all gifts or hospitality accepted or offered must be declared and kept, which will be subject to management review.

All expenses and claims relating to gifts and hospitality or expenses incurred by third parties must be submitted and the reason for the expenditure must be specifically recorded.

All accounts, invoices, memoranda and other documents and records relating to dealings with third parties such as clients, suppliers and business contacts should be prepared and maintained with strict accuracy and completeness. No account must be kept "off-book" to facilitate or conceal improper payments.

5.

ADMINISTRATION OF THE CODE

5.1 Responsibility

The responsibilities for administering the Code rest with the management to ensure that the Code complies with our legal and ethical obligations, and that those under our control comply with it. The management may designate a Compliance Desk to assist in attending to questions about the Code or the Firm's compliance policies or to discuss any concerns employees may have about potential violations of the Code.

5.2 Investigation of Potential Violations of the Code

The Firm takes all reports of potential violations of the Code and other compliance policies seriously and is committed to confidentiality and a full investigation of all allegations.

The management will investigate any instances of actual or potential bribery. The objectives of the investigation would be to:

- (a) confirm whether or not a bribe has been given or accepted, and to identify who was responsible.
- (b) confirm whether internal controls and anti-bribery procedures have worked in practice.
- (c) identify any improvements required for anti-bribery procedures.
- (d) depending on the findings of the investigation, subsequent disciplinary action will be determined. This may involve disciplinary action against employee involved or external reporting to:

- i. a senior official or director of another organisation, if the person making the bribe is from that organisation;
- ii. local police/law enforcement agencies (if deemed appropriate)
- ii. relevant government department where the bribe took place.

5.3 Training and Communication

Relevant training and guidance will be updated and communicated as appropriate on a regular basis and all relevant employees will receive regular training on how to implement and adhere to this Code.

Our zero-tolerance approach to bribery and corruption must be communicated to all clients, business partners and suppliers at the commencement of our business relationship with them and as appropriate thereafter.

5.4 Monitoring and Review

The effectiveness of the implementation of this Code will be reviewed and monitored regularly considering its suitability, adequacy and effectiveness. Any improvements identified will be made as soon as possible. Internal Control systems and procedures will be subject to regular audits to provide assurances that they are effective in countering bribery and corruption.

5.5 Signature and Acknowledgement

All new employees must sign an acknowledgment form confirming that they have read the Code and agree to abide by its provisions. All employees will be required to make similar acknowledgments on a periodic basis. Failure to read or sign the acknowledgment form does not excuse an employee from compliance with the Code.