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THE NATURAL WEALTH AND RESOURCES (PERMANENT
SOVEREIGNTY) ACT,
(CAP. 449)

REGULATIONS

(Made under section 13(2)(a))

THE NATURAL WEALTH AND RESOURCES (PERMANENT SOVEREIGNTY) (CODE OF
CONDUCT FOR INVESTORS IN NATURAL WEALTH AND RESOURCES)
REGULATIONS, 2020

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PART I
PRELIMINARY PROVISIONS

- | | |
|----------------|---|
| Citation | 1. These Regulations may be cited as the Natural Wealth and Resources (Permanent Sovereignty) (Code of Conduct for Investors in Natural Wealth and Resources) Regulations, 2020. |
| Application | 2. These Regulations shall apply to an entity, consultant, supplier, contractor, investor, partner and agent, including their employees thereof, involved in any arrangement or agreement on natural wealth and resources. |
| Interpretation | 3. In these Regulations, unless the context otherwise requires-
“investor” includes an entity, consultant, supplier, contractor, investor, partner and agent, including any of their employees thereto;
“Minister” means the Minister responsible for constitutional affairs. |
| Objective | 4.-(1) The Objective of this Code of Conduct is to ensure that arrangements or agreements on natural wealth |

Cap. 2 and resources and related or connected business or activities thereto are conducted in a manner consistent with the highest ethical principles at all times, and within the requirements of the Constitution of the United Republic of Tanzania 1977 and all applicable national policies and laws.

(2) The Code of Conduct is rooted in the values that safeguard current and future generations in the protection and utilization of natural wealth and resources as required by the Constitution of the United Republic of Tanzania.

PART II CODE OF CONDUCT

Compliance with
policies and laws

5.-(1) An investor who enters into any arrangement, agreement, business or activity in natural wealth and resources shall at all times comply with all applicable policies, laws, regulations, and other binding instruments and decisions based upon such instruments.

(2) All activities for which an investor engages in shall adhere to both the letter and intention of applicable policies and legislation, and shall always be conducted firmly within the established interpretation of such policies and legislation, avoiding any activities that are conducted outside the limits of the policies and legislation, or in ambiguous areas.

(3) For the avoidance of doubt, the advise on policy matters by the policy bearer or the advise on legal matters by the Office of the Attorney General shall always be sought should the provisions of a legislation, the requirements of this Code of Conduct, or other instruments related to natural wealth and resources become ambiguous or unclear or be in conflict such as to course uncertainty.

General
covenant

6. Every entity, consultant, supplier, contractor, investor, partner and agent including employees governed

by this Code of Conduct, covenants to operate in good faith, transparently and in the general interest and welfare of the people of the United Republic of Tanzania to whom the natural wealth and resources belong and undertake further to report to Government any conduct that is likely to deny the people of the United Republic of Tanzania benefits accruing from the prospecting, exploration, or utilisation of these natural wealth and resources.

Corruption or
economic and
organised crimes

7.-(1) An investor shall not engage in any activities amounting to corruption, bribery, trading in influence, the making of facilitation payments as well as any other form of economic and organised crimes.

(2) For the purpose of this regulation-

(a) “activities amounting to” include giving, offering, requesting, or receiving advantages in any form, or otherwise an attempt thereof, directly or indirectly, in order to obtain an advantage not otherwise obtained, or only obtained at a later point in time; and

(b) “advantage” includes the provision of cash, objects, credits, discounts, travel accommodation, or services, other than the provision of minor gifts or souvenirs endorsed with the investor’s corporate logos.

(3) An investor shall offer hospitality or gift in the manner stipulated in the laws governing such matter that is subject of being accorded hospitality or yielding a gift.

(4) An investor shall not directly or indirectly involve himself in the breach of general or fair competition laws and regulations, including illegal cooperation on pricing or illegal market sharing.

(5) An investor intending to enter into arrangements or agreements or otherwise work on natural wealth and resources in the United Republic of Tanzania shall sign a declaration in the form appended to this Code of Conduct, and where the investor is a legal entity, it shall display the declaration in a conspicuous place of its

principal place of business.

(6) Nothing under this regulation shall be construed to prevent action intended to avoid loss of life or personal injury.

Conflict of
interest

8.-(1) An investor shall at all times be conscious of possible conflicts of interest, and shall address such matters in good faith and transparent manner.

(2) Where a conflict of interest arises, the parties involved shall be notified, and measures to address the conflict of interest shall be resolved transparently and in good faith.

(3) An investor shall exercise care and diligence to prevent any actions, omissions or conditions that could result in a conflict of interest.

(4) Failure to address a conflict of interest constitutes a breach of this Code.

Respect for basic
rights

9.-(1) An investor shall, without compromise, respect and uphold the basic rights as set out in the Constitution of the United Republic.

(2) An investor shall not commit basic rights violations, whether directly or indirectly.

(3) Due care shall be exercised by an investor to avoid being complicit in basic rights violations committed by third parties or affiliate of the investor, and where there is reasonable suspicion that a third party or affiliate of the investor is committing basic rights violations, the investor shall endeavor to promptly address the situation and report to government authorities.

Non-
discrimination

10. An investor shall not in the course of implementing any activity, discriminate any person in the form of gender, age, disability, sex, tribal, religion, marital status, union membership, or political belief and affiliation.

Workers' rights

11.-(1) All employees of an investor shall be entitled to work in a safe and healthy environment and to be paid fairly for the work done.

(2) All involuntary labour or any form of exploitation is prohibited.

(3) Employees of an investor shall be entitled to form and join unions of their choosing, and have collective bargaining rights.

(4) An investor or his affiliate shall not take any adverse action whatsoever against any employee who raises any issue regarding a breach of any policy, legislation or this or any other Code of Conduct, provided that such an issue has been raised in a lawful manner.

(4) An employee shall be entitled to benefits which are not less favorable than the highest applicable minimum wage and reasonable industry standard.

(5) An investor or his affiliate shall not take disciplinary measures over an employee in the form of reduction in benefits.

Child rights
protection

12.-(1) Any person under the age of 18 is a child for the purposes of this regulation.

(2) Child labour is strictly prohibited.

(3) Notwithstanding subregulation (1), an investor may permit a child to participate in work-related activities of limited scope and occasional nature provided that-

(a) the child is not exposed to hazardous work or work environment;

(b) the activities do not violate the child's right to healthy development;

(c) the activities do not deny the child the right to a quality education; and

(d) the activities are conducted in a way that is in the best interests of the child.

Impact on
environment

13.-(1) An investor shall ensure that all activities are consistent with environmental best practice.

(2) An investor shall ensure that-

- (a) the impact of any activities conducted are minimized and any environmental impact is considered when making business decisions;
- (b) unless there are compelling grounds to the contrary, the most environmentally-friendly option is always preferred over less environmentally-friendly alternatives;
- (c) the harvesting of renewable natural resources does not entail the over-exploitation of those resources and is limited to the allowable exploitation ratios; and
- (d) relevant discharge permits are obtained so as to ensure that there is compensation against any kind of discharge that-
 - (i) destroys the livelihood inputs for rural house hold and farming activity;
 - (ii) causes irreparable distortion on the environment; or
 - (iii) results in the environment displacement of people.

(3) A holder of natural wealth and resources right shall have due regard to the effects of natural wealth and resources operations on the environment and shall take such steps as may be necessary to prevent pollution of the environment as a result of natural wealth and resources operations.

Competition

14. An investor shall, for any agreement or understanding with competitors including market-sharing agreements and cooperation regarding the fixing of prices, exercise due care to avoid any breach of applicable competition laws and regulations.

Avoiding breach
of Code

15.-(1) An investor shall conduct due enquiries as measures to avoid breach of the Code.

(2) Every investor including his affiliate shall actively seek to avoid breach of the Code, and in the event there being a reasonable suspicion of breach, an

investigation for that purpose shall forthwith be sought.

(3) An investor shall put in place procedures to ensure ongoing adherence to the Code, and management of an investor shall, on a regular basis, report on such compliance to the Government.

(4) At a minimum, an investor shall ensure that he puts in place procedures to identify areas where there are increased risks of violating the Code and how such risks can be mitigated.

Periodic reviews

16.-(1) An investor shall conduct periodic reviews for the purpose of ensuring that the investment operates in a manner consistent with the intended purposes and that the investor does not engage in activities that could jeopardize its legal status.

(2) Periodic reviews shall, at a minimum, include the following subjects:

- (a) whether the investment benefits the people of the United Republic of Tanzania based on competent survey information and the result of agreed deliverables; and
- (b) whether the investment-
 - (i) continues to conform to the investment's written policies;
 - (ii) transactions are properly recorded;
 - (iii) continues to further investment purposes; and
 - (iv) does not result in unconscionable behaviors prohibited by the laws of the United Republic of Tanzania.

Audit and
monitoring
compliance

17.-(1) The Government shall be entitled to audit and monitor any investor bound by the Code in order to verify compliance.

(2) The mandate referred to under subregulation (1) may be exercised in the form of on-site spot visits, without the need of notice to that effect.

Implementation
of Code

18.-(1) This Code is implied in every arrangement or agreement on natural wealth or resources.

(2) This Code shall be made available within the investor's entity, including its internal and external web sites and on noticeboards at entity's premises.

(3) This Code is presumed to be known to every investor and its affiliate or third party as well as their employees at the start of their engagement or employment.

(4) This Code shall be mainstreamed into various manuals of the investor.

Corrective action
and non-
compliance

19.-(1) This Code sets out the minimum standards expected to be met by all investors throughout the value chain in the natural wealth and resources.

(2) The Government is aware of the fact that some requirements may not be met immediately, but these are to be settled by open dialogue and corrective actions by those involved.

(3) Where an investor commits serious or repeated violations of the Code, and appropriate corrective actions have not been taken within a reasonable time frame, the Government may terminate its business relationship with the investor without that investor being entitled to compensation or other remedies.

Honesty and
integrity self-test

20.-(1) If at any time the investor who engages in activities that relate to natural wealth and resources in the United Republic is called to state his position on the activities whether he complies with the principles set out in this Code, he shall ask himself the following questions:

- A. Content Test Did I take all relevant matters into consideration and weigh them properly?
- B. Legality Test Am I confident that my decision is within the constraints of legal and company requirements?
- C. Supervisor Test Do I stand by my decision

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| | | when it is revealed? |
| D. | Universality Test | Am I in favour of what is being done to the people of the United Republic taking into account universally acceptable principles? |
| E. | Public Test | Do I still think my decision is right when my company has to justify it in public? |
| F. | Involvement Test | Would I accept my own decision if I were affected? |
| G. | Second Opinion Test | What would my family say about my decision? |

(2) Where the answer to questions A-F is “Yes” and the answer to question “G” is positive, the activities are very likely to be compliant with the principles set out in this Code.

(3) Where questions remain unanswered or if the head of such institutions has any doubts, he should get in touch with the Government for further assessment of compliance with the laws on natural wealth and resources of the United Republic.

Integrity pledge

21. Every investor shall sign an Integrity Pledge prescribed in the Schedule to these Regulations to abide with ethical business practice in order to support national campaign against corruption.

SCHEDULE

(Made under regulation 21)



**INTERGRITY PLEDGE FOR NATIONAL AND INTERNATIONAL
INVESTORS ENGAGED IN ACTIVITIES THAT RELATE TO NATURAL
WEALTH AND RESOURCES IN THE UNITED REPUBLIC OF TANZANIA**

IN RECOGNITION of the importance of commitment and willingness by the Individuals and organizations involved in harvest and extraction of natural wealth and resources, to contribute to the elimination of corruption through ethical behavior, transparency and zero tolerance against corruption in all related dealings;

IN RECOGNITION THAT business practices, corruption and other malpractices are potential impediments to sustainable economic growth and prosperity and erode public confidence in Government and their institution's ability to serve their citizens fairly; and

IN FURTHER RECOGNITION of our financial, environmental and social responsibility for the benefit of the people of the United Republic of Tanzania and the entire Nation:

I/We..... Pledge that, I/We will operate in good faith, transparently and in the general interest of the Tanzanian's nation and welfare of the people of the United Republic of Tanzania to whom the natural wealth and resources belongs, and will promote integrity values, and good Governance.

I/We will abide with ethical business practice and support National campaign against corruptions by not initiate, submit, solicit, receive or accept bribes or any other form of corruption in acquiring rights in lawful dealings with the natural wealth and resources

I/We will ensure fair competitive practices are an integral part of the way we conduct our business including transparency in all business transactions and good corporate governance;

I/We will promote transparency and efficiency at all levels within our organization and implement internal systems and controls to ensure good governance and institutionalize the values of ethics, integrity, accountability and transparency;

I/We will refrain from engaging in business with parties who have demonstrated unethical business practices;

I/We will have general objectives to establish and maintain a compliance programme throughout the terms of dealings in Natural Wealth and Resources that includes the following principles, Written Code of Conduct, Policies and Procedures Training and awareness in natural wealth and resources and any notification of investigation and legal proceedings;

In any dealings, I/we will opt for the most environmentally-friendly technology to protect the natural environment, ecosystem water, flora and fauna so as to minimize environment impact such as destruction of the livelihood, displacement into rural house hold, farming activity and any irreparable distortion;

I/We will ensure proper insurance cover against losses, injuries or damages to environment and to the individuals, house hold, farming activity and properties and any irreparable distortion that may be occasioned in the course of carrying natural wealth activities;

I/We will support the development of an audit and certification program against corruption and participate in the implementation of tools and measures created in order to ensure transparency, efficiency, and ethical business practice;

I/We agree and recognize that the clauses contained in this document are legal and ethical matters which I/We are obliged to abide by;

I am/We are also aware that violation of the clauses laid down is in breach of the Natural Wealth and Resources (Permanent Sovereignty) Act, 2017 and The Natural Wealth (Review and Renegotiation of Unconscionable Terms) Act, 2017, The Prevention and Combating of Corruption Act, 2007 the Public Procurement Act, 2011 the Economic and Organized Crime Control Act, (cap.200) or any other written laws and legal action may be taken for violating the stated clauses, thus;

We desist from engaging in any arrangement or agreement that undermines or is in any manner prejudicial to the Nations financial and monetary systems, in particular, all earnings payments or receivables derived from or in respect of mining operations or activities shall be received in and accounted for in Tanzania;

I/We will disengage in arrangement that is inconsistency with the country economic objectives Policies and Strategies;

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I/We will disengage in an arrangement that undermine or is otherwise prejudicial to Tanzania's national security;

I/We will disengage in any malpractices including tax evasion, double taxation, under or overpricing, transfer pricing and corruption;

All that is stated hereinabove, I/We shall conscientiously ensure that my/our employees and agents comply with this Integrity Pledge and in any event of non-compliance, I/We commit ourselves to be responsible and accountable for any misconduct (s).

SWORN/ AFFIRMED at.....this.....day of.....20....
by.....who is the Director(s) of M/S
.....(name of a Company/individual(s)) a
holder of Natural Resources right

SIGNATURE and/or SEAL OF THE COMPANY

Signature:

Name:

Designation:

*Natural Wealth and Resources (Permanent Sovereignty) (Code of Conduct for
Investors in Natural Wealth and Resources)*

GN. NO. 58 (Contd.)

BEFORE ME:

Signature:

Name:

Designation: COMMISSIONER FOR OATHS AND NOTARY PUBLIC

Date:

Dodoma

I acknowledge that I have read and understand the clauses within the Integrity Pledge
before signing.

NAME OF THE CEO COMPANY NAME SIGNATURE DATE

.....

COMPANY NAME SIGNATURE DATE

.....

COMPANY STAMP/SEAL

.....

OFFICE SIGNATURE/SEAL

.....

Dodoma,
23th December, 2019

AUGUSTINE P. MAHIGA
*Minister for Constitutional and
Legal Affairs*