



TERANGA GOLD CORPORATION FOREIGN CORRUPT PRACTICES POLICY

1. Introduction

The Board of Directors of Teranga Gold Corporation (“**Teranga**”)¹ has determined that, on the recommendation of the Corporate Governance and Nominating Committee, Teranga should formalize its policy on compliance with the Corruption of *Foreign Public Officials Act* (Canada) (the “**Act**”).

2. Objectives of The Policy

The objective of this Foreign Corrupt Practices Policy (the “**Policy**”) is to provide a procedure to ensure that Teranga, together with its directors, officers, employees, consultants and contractors, conducts its business in an honest and ethical manner reflecting the highest standards of integrity and in compliance with all relevant laws and regulations applicable to it and in compliance with the Act.

3. Application of The Policy

The Act applies to any individual or business acting in the course of “any business, profession, trade, calling, manufacture or undertaking of any kind carried on in Canada or elsewhere”. Accordingly, this Policy applies to all directors, officers, employees, consultants and contractors of Teranga for whom their scope of employment or consulting services involves dealing with any of the persons described in the Act. All consultants and contractors shall be provided with a copy of this Policy and all agreements with consultants and contractors should include a provision that the consultant and contractor must abide by this Policy at all times.

4. Communication of the Policy

Copies of this Policy are made available to directors, officers, employees, consultants and contractors, either directly or by posting of the Policy on the Teranga website at www.terangagold.com. All directors, officers and employees will be informed whenever significant changes are made. New directors, officers, employees, consultants and contractors will be provided with a copy of this Policy.

5. Compliance

All directors, officers, employees, contractors and consultants, in discharging their duties, shall comply with the laws, regulations and rules of the jurisdiction where they carry out their business duties to Teranga and all jurisdictions where Teranga conducts its business activities, and in particular with respect to foreign corrupt practices laws, regulations and rules. Where uncertainty or ambiguity exists, competent legal advice should be obtained. Reference is also made to the Guide to the Act that is available on the Department of Justice (Canada) website at www.justice.gc.ca.

6. Annual Certification

All directors and officers of Teranga, together with any employees, consultants and contractors specified by the Board of Directors of Teranga, shall provide annual certification of compliance with this Policy in the form attached to Teranga’s Code of Business Conduct and Ethics.

The Chief Executive Officer of Teranga shall be responsible for ensuring that annual certifications are obtained on or before the end of the first fiscal quarter of each year for all directors, officers, specified

¹ The Policy applies to Teranga and each of its subsidiaries. Accordingly, the Policy will refer to Teranga Gold Corporation and its subsidiaries as “Teranga”.

employees, specified consultants and specified contractors and for providing written confirmation to the Board of Directors that such certifications have been obtained and summarizing the results thereof.

7. Prevention of Improper Payments

All directors, officers, employees, consultants and contractors will adhere to Teranga's commitment to conduct its business in an honest and ethical manner reflecting the highest standards of integrity and in compliance with all relevant laws and regulations applicable to it. Accordingly, Teranga and its directors, officers, employees, consultants or contractors shall not:

(1) Bribes

- (a) directly or indirectly, offer, give or agree to give or offer a loan, reward, advantage or benefit of any kind to a public official, political party, party official or political candidate as consideration for an act or omission by the recipient in connection with the performance of the recipient's duties or functions with the government; or to induce the official to use his or her position to influence any acts or decisions of such government for the purposes of obtaining or retaining an advantage in the course of business, including an act or decision to direct business;
- (b) agree to, or comply with any demands for a bribe made by a public official, political party, party official or political candidate;
- (c) however, a director, officer, employee, consultant or contractor of Teranga will not have breached the terms of paragraph 7(a) of the Policy, if the loan, reward, advantage or benefit has been approved by the Board of Directors of Teranga, and where such loan, reward, advantage or benefit is either:
 - (i) permitted or required under all applicable laws; or
 - (ii) made to pay the reasonable expenses incurred in good faith by or on behalf of the recipient that are directly related to the promotion, demonstration or explanation of the products or services of Teranga, or the execution or performance of a contract between Teranga and the government for which the recipient performs duties or functions;

(2) Kickbacks

Kickback any portion of a contract payment to employees of another contracting party or utilize other techniques, such as subcontracts, purchase orders or consulting agreements, to channel payment to public officials, to employees of another contracting party, their relatives or business associates

(3) Extortion

Directly or indirectly demand or accept a bribe.

(4) Facilitation Payments

Make any facilitation payment.

(5) Political Contributions

Make any contributions or provide any financial support to political parties or candidates on behalf of Teranga

(6) Government Agents

- (a) retain an agent to represent Teranga's business interests in a particular country if such agent, or any of the agent's principals, staff, officers or key employees are government or public officials, political party officials, political candidates, persons related to the foregoing, or other persons who might assert illegal influence on Teranga's behalf. However, if the Chief Executive Officer deems necessary, then such an agent may be retained provided:
 - (i) the reputation, background and past performance of the agent is properly researched and documented;
 - (ii) the agent is retained pursuant to a written agreement specifically defining the agents duties, representing and warranting the absence of the relationship set out above, providing for immediate termination in the event of an improper payment, annual certification requirement and the right to audit expenses and invoices; and

(7) Employment of Public Officials

- (a) employ any officer or employee of a government or any of its agencies or a government corporation, or any person acting in an official capacity for any such entity and including relatives of any such person. However, if the Chief Executive Officer deems necessary, then such a person may be employed provided:
 - (i) the employment is lawful in the country concerned;
 - (ii) the services to be rendered by the person do not conflict with the official government duties of the person; and
 - (iii) the services to be rendered by the person are such that the employment of the person does not conflict with section (1) of this Policy.

(8) Books and Records

- (a) establish or maintain accounts which do not appear in any of the books and records that they are required to keep in accordance with applicable accounting and auditing standards;
- (b) make transactions that are not recorded in those books and records or that are inadequately identified in them;
- (c) record non-existent expenditures in those books and records;
- (d) enter liabilities with incorrect identification of their object in those books and records;
- (e) knowingly use false documents; or
- (f) intentionally destroy accounting books and records earlier than permitted by law.

8. Management Responsibilities

Management of Teranga shall develop, implement, monitor and maintain a system of internal controls to facilitate compliance with this Policy, as well as to foster a culture of integrity and maintain high ethical standards throughout Teranga.

9. Reporting Violations

Any officer or employee that becomes aware of actions which could constitute a violation of this Policy is required to report it to their immediate supervisor. However, if such officer or employee is not comfortable discussing the matter with their immediate supervisor, or does not believe that the supervisor has dealt with the matter properly, then they should raise the matter with a senior officer of Teranga. Officers and employees who raise genuine concerns will not be subject to retribution or disciplinary action.

10. Consequences of Non-Compliance with Policy

Failure to comply with this Policy may result in severe consequences, which could include internal disciplinary action or termination of employment or consulting arrangements without notice. The violation of this Policy may also violate certain Canadian laws and if it appears that a director, officer or employee may have violated such laws, then Teranga may refer the matter to the appropriate regulatory authorities, which could lead to penalties, fines or imprisonment.

In addition, violation of this Policy may constitute a criminal offence under the Act and may expose Teranga and/or a director, officer, employee, consultant or contractor to fines and/or imprisonment.

11. Review of Policy

The Board of Directors of Teranga shall review and evaluate this Policy on an annual basis to determine whether the Policy is effective in ensuring compliance by Teranga, its directors, officers, employees, consultants and contractors with the Act.

12. Queries

If you have any questions about how this Policy should be followed in a particular case, please contact the Chief Executive Officer or a member of the Corporate Governance and Nomination Committee.

Dated: February 21, 2018

Approved by: Corporate Governance and Nomination Committee
Board of Directors