ANTI-MONEY LAUNDERING POLICY

THE ORGANIZATION POLICY MAY, 2018

STATEMENT

REDESO is committed to the highest standards of Anti-Money Laundering (AML) compliance as part of the Compliance Program and requires management, employees and other stakeholders to adhere to these standards to prevent use of our services for money laundering purposes.

Although REDESO is not a financial institution, AML regulations are fully applicable to our activities. Money Laundering also represents several risks for non-financial organization such as REDESO, including:

- Reputational damage impacting REDESO´s integrity.
- Compliance-related sanctions due to failure of compliance with key regulations governing REDESO´s operations;
- Operational losses resulting from inadequate or failed internal processes, people and systems, or from external events.
- Legal liabilities due to any of the above risk or combination thereof resulting in the failure to comply with applicable laws which could have a negative legal impact on REDESO. The specific types of negative legal impact could arise by way of fines, confiscation of illegal proceeds, criminal liability, and suspension of activities or winding-up, amongst others.
- Financial losses due to any of the above risks or combination thereof resulting in a negative financial impact for REDESO.

It is therefore, important to understand and comply with all AML regulations including: screening and monitoring requirements, "Know Your Client/Partner" (KYC/P) procedures, sanction lists, record keeping requirements, reporting of suspicious circumstances and/or certain transactions in accordance with relevant laws, as well as AML training, if required.

PURPOSE

This Policy provides guidance for compliance with AML and Counter Terrorist Financing (CTF) laws. It intends to educate all REDESO employees to detect red flags for being misused for money laundering, terrorist financing or other financial crimes purposes.

REDESO will take the necessary measures not to be used in the channeling of resources from acts of corruption, money laundering or the financing of terrorism.

SCOPE

This Policy applies to any individual working for, on behalf of REDESO regardless of the place where REDESO operates or maintain business. Ignorance or misunderstanding of the rules is no excuse for violations.

DEFINITIONS

1. Money Laundering: is the process of transforming the profits of serious crime, such as corruption, drug trafficking, human trafficking and terrorism activities into ostensibly 'legitimate' assets.

2. Terrorist Financing: means the provision or collection of funds or resources of any kind, by any means, directly or indirectly, with the intention to use them or in the knowledge that they may be used, in full or in part, for terrorist purposes.

3. Politically Exposed Person (PEP): means an individual who is or has been entrusted with a prominent public function. Due to their position and influence, it is recognized that many PEPs can be potentially abused for the purpose of committing Money Laundering offences and related predicate offences, including corruption and bribery, Data Privacy Policy as well as conducting activities related to Terrorist Financing. This definition includes PEP´s family members and close associates.

4. Ultimate Beneficial Owner: The Ultimate Beneficial Owner is generally defined as the person or group of persons that:

(a) By means of another person or any act, obtains the benefit derived there from and who, ultimately, exercises the rights of use, enjoy, benefit or dispose of a good or service, or

(b) Exercises the control of the legal entity that carries out acts or transactions with REDESO, as well as the persons on behalf of which REDESO enters into any of such acts or transactions.

PROVISIONS

1. Know Your Client / Partner (KYC/P)

(a) REDESO will perform due diligence on counterparties as required by laws in order to make a formal identification of the Ultimate Beneficial Owners (UBO). REDESO might conduct enhanced due diligence on high risk counterparties.

(b) REDESO will undertake on-going monitoring of its business relationships with counterparties.

(c) REDESO will retain relevant due diligence records for the period of time as required by applicable laws.

(d) REDESO will annually carry out a cross-check of its counterparties against international sanction lists (for example, UN Terrorists, FBI Most Wanted, etc.). In case of a positive match, further investigation will be conducted and appropriate action be taken, including up to termination of the relationship.

2. Suspicious Operations

The following should be considered red flags which may be related to Money Laundering or Terrorism Financing activities:

(i) Use of shell-companies;

(ii) Payments through accounts in shell banks;

(iii) Use of nominees, trusts, family member or third party accounts;

(iv) Difficulty to verify the identity of UBOs or reluctance to provide relevant details;

(v) Disconnected customer/suppliers/third parties sharing common address;

(vi) The level of activity is not consistent with REDESO´s understanding of the Customer/supplier/third party´s business or level of legitimate income;

(vii) Customers/suppliers/third parties based in countries where production of drugs or drug trafficking is prevalent;

(viii) Business transactions involving countries where there is a high risk of Money Laundering and/or the Financing of Terrorism;

(ix) Funds are sent or received via international transfers from or to higher-risk locations or offshore accounts;

(x) Cash intense businesses; and

(xi) Requests to inflate invoices.

3. Reporting suspicious, relevant or unusual operations

(a) Any employee who becomes aware of any suspicious operation or reasonably suspects that Money Laundering or Terrorism Financing may occur, shall immediately report it to the Management and refrain from continuing with the transaction until approval is granted.

(b) Whenever a suspicious transaction or activity is communicated to the Management or the competent authorities for appropriate investigation, it is forbidden to disclose information about the issue to the person to whom the suspicion refers to, to another person or organization.

(c) REDESO will cooperate with the national and international AML competent authorities or its supporting bodies, facilitating at all times, in accordance with current applicable legal provisions in each jurisdiction, the documentation and information required by such authorities.

4. Staff Training and Reliability

Relevant employees responsible for carrying out transactions and/or for initiating and/or establishing partnership relationships will undergo AML training regularly.

DECLARATION

REDESO will refrain from executing any operation when there is a suspicion of Money Laundering, until further investigation has been completed. REDESO will not execute any transaction on which there is evidence or certainty that is related to Money Laundering, even before making the communication to the competent authorities.

AMENDMENTS

Deviations or changes to this Policy require the approval of REDESO Governing Board.

REPORTING A CONCERN

Because we all have a stake in REDESO's success, it is in all of our interest to help ensure that our activities are conducted to the highest ethical standards, and that our reputation remains untarnished. For this reason, we strongly encourage reporting any situation known or suspected that may involve illegal, unethical or otherwise improper business activity, as well as all instances of employee violations of this or any other of the REDESO policies. Doing so will allow the organization to address the issue and take appropriate corrective measure(s).

If you have a good-faith belief or concern related to improper or illegal conduct, you should immediately bring it to the attention of REDESO, via one of the following methods:

Sending a mail to: redeso-hq@redeso.or.tz

REDESO will not tolerate retaliation against you due to your report or participation in any internal investigations, as long as you have acted in good faith and believe what you reported to be true. Retaliation may be grounds for discipline up to and including dismissal, subject to applicable local laws. The organization will treat any good-faith reports or discussions in confidence consistent with legal requirements and subject to the need to conduct a thorough investigation where appropriate. In certain cases, and consistent with applicable laws, information may be shared with local law enforcement or other authorities.

ACKNOWLEDGEMENT AND ADHERENCE

I hereby acknowledge that I have read and understood this Policy and the provisions contained herein within and commit to the obligations established in the same.

I understand that violations of this Policy may result in disciplinary action including suspension without pay and/or discharge.

I certify that this is a true and correct statement by my signature below:

Signature:  **Name Abeid Kasaizi Title: Chief Executive Officer:**