

DISCLOSURE MATERIALS

Certified B Corporations must complete a Disclosure Questionnaire to identify potentially sensitive issues related to the company (e.g. historical fines, sanctions, material litigation, or sensitive industry practices).

This component does not affect the company's score on the B Impact Assessment. If the company answers affirmatively to any items in the Disclosure Questionnaire and B Lab deems them to be material, the company must:

- 1) Be transparent about the disclosure issues identified on the company's public B Impact Report
- 2) Describe how the company has addressed this issue.
- 3) Demonstrate that management systems are in place to avoid similar issues from arising in the future.

In all cases, the Standards Advisory council reserves the right to refuse certification if the company is ultimately deemed not to uphold the spirit of the community.

In addition to the voluntary indication of sensitive issues in the Disclosure Questionnaire, companies pursuing Certification also are subject to background checks by B Lab staff. Background checks include a review of public records, news sources, and search engines for company names, brands, executives/founders, and other relevant topics.

Sensitive issues identified through background checks may or may not be within the scope of questions in the Disclosure Questionnaire, but undergo the same review process and are subject to the same possible review by the Standards Advisory Council, including ineligibility for B Corp Certification, required remediation, or disclosure.

This document contains a copy of the company's completed Disclosure Questionnaire and related disclosure documentation provided by the company.

DISCLOSURE QUESTIONNAIRE

Company Name: 4G Capital
 Date Submitted: Sept 2019

Industries & Products	Yes	No
Please indicate if the company is involved in production of or trade in any the following. Select Yes for all options that apply.		
Animal Products or Services		✓
Biodiversity Impacts		✓
Chemicals		✓
Company Explanation Of Disclosure Item Flags		✓
Disclosure Alcohol		✓
Disclosure Firearms Weapons		✓
Disclosure Mining		✓
Disclosure Pornography		✓
Disclosure Tobacco		✓
Energy and Emissions Intensive Industries		✓
Fossil fuels		✓
Gambling		✓
Genetically Modified Organisms		✓
Illegal Products or Subject to Phase Out		✓
Industries at Risk of Human Rights Violations		✓
Monoculture Agriculture		✓
Nuclear Power or Hazardous Materials		✓
Payday, Short Term, or High Interest Lending		✓
Water Intensive Industries		✓
Other		✓

Supply Chain Disclosures	Yes	No
Please indicate if any of the following statements are true regarding your company's significant suppliers.		
Business in Conflict Zones		✓
Child or Forced Labor		✓
Negative Environmental Impact		✓
Negative Social Impact		✓
Other		✓

Other Disclosures	Yes	No
		✓

Outcomes & Penalties	True	False
Please indicate if the company has had any formal complaint to a regulatory agency or been assessed any fine or sanction in the past five years for any of the following practices or policies. Check all that apply.		
Anti-Competitive Behavior		✓
Breaches of Confidential Information		✓
Bribery, Fraud, or Corruption		✓
Company Explanation Of Disclosure Item Flags		✓
Company has filed for bankruptcy		✓
Consumer Protection		✓
Financial Reporting, Taxes, Investments, or Loans	✓	
Hazardous Discharges Into Air/Land/Water (Past 5 Yrs)		✓
Labor Issues		✓
Large Scale Land Conversion, Acquisition, or Relocation		✓
Litigation or Arbitration		✓
On-Site Fatality		✓
Penalties Assessed For Environmental Issues		✓
Political Contributions or International Affairs		✓
Recalls		✓
Significant Layoffs		✓
Violation of Indigenous Peoples Rights		✓
Other		✓

Practices	True	False
Please indicate if the following statements are true regarding whether or not the company engages in the following practices. Check all that apply. If the statement is true, select "Yes." If false, select "No."		
Animal Testing		✓
Company/Suppliers Employ Under Age 15 (Or Other ILO Minimum Age)		✓
Company Explanation Of Disclosure Item Flags		✓
Company prohibits freedom of association/collective bargaining		✓
Company workers are prisoners		✓
Conduct Business in Conflict Zones		✓
Confirmation of Right to Work		✓
Does not transparently report corporate financials to government		✓
Employs Individuals on Zero-Hour Contracts		✓
Facilities located in sensitive ecosystems		✓
ID Cards Withheld or Penalties for Resignation		✓
No formal Registration Under Domestic Regulations		✓
No signed employment contracts for all workers		✓
Overtime For Hourly Workers Is Compulsory		✓
Payslips not provided to show wage calculation and deductions		✓
Sale of Data		✓
Tax Reduction Through Corporate Shells		✓
Workers cannot leave site during non-working hours		✓
Workers not Provided Clean Drinking Water or Toilets		✓
Workers paid below minimum wage		✓
Workers Under Bond		✓
Other		✓



B Corp Certification - Disclosure Questionnaire Documentation

PROVIDED BY: 4G Capital

UPDATED AS OF: 09/24/2019

DISCLOSURE QUESTIONNAIRE CATEGORY	Tax Reduction Through Corporate Structure
TOPIC	Parent holding company registered in Mauritius
SUMMARY OF ISSUE	<p>4G Capital's parent company is registered in Mauritius, with wholly-owned subsidiaries in Kenya and Uganda. As a Pan-African business, this structure allows 4G Capital to avoid double taxation using Mauritius' Double Taxation Agreements, which grant tax credits in Mauritius for taxes paid in the other states. The primary financial benefit of 4G Capital's structure is lower withholding tax rate at the subsidiary level, however, this does not necessarily reduce the overall tax burden. Payroll tax, corporation tax, and value-added tax (VAT) are all paid in the country of operations at the local subsidiary level, and the company does not transfer profits between entities in order to minimize taxes</p> <p>No tax has been avoided as a result of the structuring through Mauritius. The withholding tax on interest applies to payments made to Mauritius at the standard non-resident rate of 15% (provided under paragraph 3 of Head A of the Third Schedule to the Income Tax Act). A Double Taxation Agreement (DTA) between Mauritius and Kenya was negotiated which would have reduced the rate to 10% rather than the non resident rate of 15%. The WHT paid to the KRA is then off-settable by the Mauritian parent company against its corporation tax charge. The DTA has not come in force as in March 2019 the High Court of Kenya nullified and void the DTA with Mauritius, accordingly the non-resident rate currently applies. If the current negotiations result in a new DTA being passed, the rate of tax saved in Kenya would be 5%.</p> <p>There are no inter group charges in respect to management fees, royalties or items of a similar nature. The only recharges are in respect to the reimbursement of costs such as consultancy, flights, accommodation or rents which for operational expediency are borne by one group entity on behalf of another. These recharges are reimbursed at cost.</p>
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	In 2018 the Mauritian parent company charged the Kenya subsidiary \$82,091 of interest on loans made for on-lending and to cover operational expenses. The amount projected for 2019 is estimated at \$110,000. The interest accrues at 12%, representing the Mauritian entities average cost of debt. Under Kenyan tax law, the Kenyan subsidiary is required to withhold and pay to the Kenyan Revenue Authorities (KRA) a percentage of the interest as Withholding Tax (WHT).
IMPACT ON STAKEHOLDERS	4G Capital's corporate structure and tax strategy ensures fair payment of taxes at the local subsidiary level, and thus local governments are not negatively impacted by this approach. The Mauritius entity is used for Board functions, equity raising, and the ongoing development of the group's intellectual property.