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**ATLAS FINANCE (PTY) LTD  
POLICY ON ETHICAL CONDUCT**

**A. SUMMARY OF THE COMPANY POLICIES**

Atlas Finance (Pty) Ltd (hereinafter referred to as “the Company”) has adopted and implemented various policies aimed at preventing bribery and corruption and these include:

Name of Policy	Purpose
Anti-Bribery and Corruption	<ul style="list-style-type: none"> <li>• To set out the minimum expected standards for preventing bribery and corruption within the Company.</li> <li>• To provide a summary of the Company’s policies that are relevant, in whole or in part, to address anti-bribery and corruption requirements in the Company and to explain how the various components fit together</li> </ul>
Gifts and Hospitality	To set out the minimum expected standards that must be applied when offering or receiving a gift, invitation or other hospitality. Such expenditure or benefits need to be managed and must at all times be proportionate to the business circumstances to which the expenditure or benefit relates.
Hosting Customer Events	To address the procedures to be followed and minimum standards to be applied in respect of expenditure that is incurred in hosting customers at product marketing events, industry expositions, product launches, demonstrations and/or training as well as visits to manufacturers and/or product suppliers.
Sponsorship and Donations	To define the nature and scope of sponsorship and donations and to set out the minimum expected standards in respect of such expenditure.
Due Diligence Policy	<ul style="list-style-type: none"> <li>• To set out the minimum required due diligence procedures for doing business with certain third party service providers and suppliers (TPSP&amp;S) as defined in the policy</li> <li>• It is aimed at ensuring that the engagement procedures for TPSP&amp;S incorporate appropriate risk based procedures to prevent bribery and</li> </ul>



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	<p>corruption when doing business with TPSP&amp;S.</p>
<p>Dealing with Public Officials, Agents, Distributors and Intermediaries</p>	<ul style="list-style-type: none"> <li>• To define and regulate the procedures for doing business with Public Officials, Agents, Distributors and Intermediaries.</li> <li>• This policy contains specific prohibitions that are aimed at preventing and combating bribery and corruption.</li> </ul>
<p>Protected Disclosures (Whistleblowing)</p>	<ul style="list-style-type: none"> <li>• To Encourage employees to disclose Impropropriety;</li> <li>• Assist in establishing a culture of disclosure within which employees can responsibly disclose information about Improper Conduct in the workplace in order to prevent such behaviour;</li> <li>• Make provision for procedures in terms of which an employee can responsibly disclose information on Improper Conduct by other employees within the Company or Associated Persons;</li> <li>• Provide support to the relevant employee if a Protected Disclosure leads to Occupational Detriment</li> <li>• Facilitate the protection of Whistle-blowers from being subjected to Occupational Detriment;</li> </ul>
<p>Anti-Fraud Policy and Response Plan</p>	<ul style="list-style-type: none"> <li>• To ensure a consistent and effective approach to the process of fraud management and minimization of fraud and corruption occurrences within the Company.</li> <li>• The Company has a zero tolerance approach to fraud and corruption.</li> </ul>
<p>Corporate Social Investment (CSI)</p>	<ul style="list-style-type: none"> <li>• The CSI policy is not aimed at anti-bribery and corruption but is included here as it should be read in conjunction with the Sponsorship and Donations policy, which does address anti-bribery and corruption.</li> <li>• The CSI policy is aligned with the Company's values, policies and codes, demonstrates the organization's corporate social responsibility and its commitment to the local communities and the countries in which it does business, and fits logically into its drive for sustainability.</li> </ul>

In addition to these policies that apply to all business operations of the Company, there are also divisional policies and procedures which may apply.

## **BACKGROUND**

The Company is committed to maintaining the highest standards of honesty, integrity and ethical conduct and has adopted this Policy in conjunction with all other policies adopted by the Company.

The Company maintains Whistle-blowing Facilities where Whistle-blowers can anonymously disclose Impropriety or Improper Conduct related to the Company's business.

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## **B. ANTI-BRIBERY AND CORRUPTION**

### **1. INTRODUCTION**

- 1.1. This policy reflects not only our cultural and ethical commitment to preventing bribery but also compliance with specific legal requirements of various jurisdictions in which we operate.

### **2. REGULATORY AND VOLUNTARY STANDARDS**

#### **2.1. Background**

- 2.1.1. Bribery is a criminal offence in many countries and corrupt acts expose the Company's and its employees to the risk of prosecution, substantial fines and imprisonment, as well as endangering the reputation of the business.
- 2.1.2. The King III Report on Corporate Governance recommends a hybrid form of governance that meets regulatory requirements and incorporates appropriate voluntary standards of excellence as defined in codes of practice. The Company supports this recommended compliance framework and meets both regulatory and voluntary standards of excellence in its campaign to prevent bribery and corruption in all its business operations worldwide.

#### **2.2. Regulatory standards**

- 2.2.1. The Company policies support the objectives of the South African legislation of 2004 on the Prevention and Combating of Corrupt Activities Act and the Organization for Economic Cooperation and Development (OECD) Anti-Bribery Convention.

### **3. DEFINITIONS**

- 3.1. Bribery is where a person offers, promises, gives or receives, demands or accepts a financial or other advantage to /from another person with the intention to bring about the improper performance by that other person of a relevant function or activity or to reward such improper performance. It also includes situations where the offer or acceptance of the advantage is in itself improper.



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- 3.2. Corruption is defined broadly as 'the abuse of power for personal gain' and bribery and fraud are considered to be aspects of corrupt practices.
- 3.3. Ethical behavior is defined broadly as 'acting in ways consistent with what society and individuals typically think are good values. Ethical behavior tends to be good for business and involves demonstrating respect for key moral principles that include honesty, fairness, equality, dignity, diversity and individual rights'.

#### **4. THE COMPANY POLICY ON ANTI-BRIBERY AND CORRUPTION**

- 4.1. The Company is committed to maintaining the highest standards of honesty, integrity and ethical conduct.
- 4.2. The Company policy is a clear and unambiguous zero tolerance for bribery and corruption, in both private and public sector transactions, including facilitation payments.
- 4.3. In dealing with public officials, other corporations and private citizens, we will not seek to influence others, either directly or indirectly, by paying or receiving bribes or kickbacks, including but not limited to payments to local officials, or individuals with a vested interest by employees or agents of the Company for the completion of routine business (so-called facilitation payments), or by any other measure that is unethical or that will tarnish our reputation for honesty and integrity. Even the appearance of such conduct must be avoided.
- 4.4. Unethical conduct may or may not constitute illegal or corrupt behavior. The consequences of violations of this Policy by an employee include, but are not limited to, disciplinary action.
- 4.5. All cases of alleged bribery and corruption will be investigated and followed up by the application of all available remedies.
- 4.6. Employees who commit an act of bribery or corruption will be subject to disciplinary action, up to and including termination with cause.

#### **5. PROCEDURES FOR PREVENTING BRIBERY AND CORRUPTION**

The procedures adopted by the Company to prevent bribery and corruption include applying due diligence procedures and taking a risk based approach in respect to third parties and associated persons to ensure compliance with all applicable laws and regulations related to anti-bribery and corruption. The procedures applied are proportionate to the related risks and these include but are not limited to, the following:

- 5.1. A high-level risk assessment is conducted periodically to assess key compliance risks including the risks of bribery and corruption and any other risks in applicable legislation.
- 5.2. Appropriate due diligence procedures are applied in accordance with the Company's Standard Operating Procedures Document.
- 5.3. The Company's Staff Policy Document is communicated to all employees.
- 5.4. Training and communication of policies is comprehensive and ongoing.
- 5.5. There are divisional initiatives for the implementation of appropriate procedures for preventing and detecting bribery and corruption, including procedures to prevent facilitation procedures.
- 5.6. There are approved guidelines in each division on contractual arrangements with third parties in high risk areas and other associated persons, including requirements for them to comply with all applicable laws and regulations related to anti-bribery and corruption.
- 5.7. There are processes and procedures in place to investigate, respond and report on violations, incidents and other lapses in control.
- 5.8. Any person who wishes to report allegations of bribery, corruption or unethical conduct may use the confidential Customer Care Line or e-mail address, details of which are provided at the end of this document.



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## **C. GIFTS AND HOSPITALITY**

### **1. SCOPE**

- 1.1. The policy applies to all employees of the Company. The scope of this policy is all business activities conducted within the Company whether with the private or public sector and includes the giving or receiving of gifts, invitations, entertainment and other benefits. This policy is not intended to cover ex-gratia payments by the Company related to genuine competitions for employees or customers.
- 1.2. This policy should be read in conjunction with the Company Policy on Anti-Bribery and Corruption. In the event of a contradiction between this policy and any other policy, this policy must be taken as the authoritative.

### **2. REGULATORY BACKGROUND**

- 2.1. The Company is a national organization and as such it must apply the provisions of the South African Prevention and Combating of Corrupt Activities Act of 2004. This policy must be effectively managed to comply with all applicable laws in the Republic of South Africa as these laws may include specific provisions to restrict or prohibit gifts and entertainment of public officials.
- 2.2. Particular attention should be given to business conducted with Governments and any dealings with public officials. This policy applies equally to any transactions involving a public official, in South Africa and in any other country in which the Company does business.
- 2.3. This policy must be implemented whilst complying with all applicable privacy and data protection legislation.

### **3. PREAMBLE**

- 3.1. It is generally understood that gifts and hospitality expenditure is an area that may be abused and misused if not carefully controlled. It is recognized that such expenditure or benefits received may be intended to be or even perceived to be a bribe.
- 3.2. However, it is also recognized that certain gifts, promotional material and hospitality expenses are bona fide, reasonable and necessary business expenses aimed at improving the image of the Company, presenting our products and services and/or establishing cordial relations with suppliers, service providers, customers and potential customers.
- 3.3. Particular attention should be given to the intention of the payment or benefit offered or accepted as this determines whether the value, whether in cash or kind, may be construed as a bribe. The criterion is whether the intention, actual or perceived, is aimed at inducing improper performance, regardless of the actual outcome of the offer. If the intention is to give or gain an improper business advantage, or to place undue influence on a person responsible for a decision, a service or a contract, then the gift or invitation should be declined or not given.
- 3.4. Such expenditure or benefits need to be managed and must at all times be proportionate to the business circumstances to which the expenditure or benefit relates. Expenditure must be modest and reasonable based on industry norms and national best practice.
- 3.5. Care should be taken to review how industry norms and practices have changed in recent years and to ensure a conservative approach is taken to all types of supplier, service provider or customer related expenditure or benefits received.
- 3.6. This policy does not detract from or diminish any genuine and general marketing expenditure or promotional expenditure in the ordinary course of business.



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#### **4. POLICY STATEMENT**

##### **4.1. Specific Provisions**

4.1.1. When offering or receiving a gift, invitation or other hospitality:

- Do not offer, give or receive a gift or invitation in the period leading up to the conclusion of a contract, sale or purchase.
- Do not offer, give or receive any gifts of cash or cash equivalents
- Do not accept or offer any gift or invitation that is conditional upon the completion of specified actions
- Do not accept or offer any gifts or invitations for or on behalf of family members

##### **4.2. Deemed Nominal Value**

4.2.1. Any gift or invitation, whether received or offered, with a value under R1500 or the equivalent thereof, is deemed to be of nominal value as long as it is a once-off gift or invitation. The value refers to the estimated retail value of the gift or invitation and not the cost value.

4.2.2. The nominal value of R1500 may not be increased.

4.2.3. The deemed nominal value will be reviewed in accordance with the policy review cycle and may be amended as required at that time.

##### **4.3. Maintaining Gift Registers**

4.3.1. In cases where gifts or invitations are received or offered that are above a deemed nominal value, they should be recorded in a gifts register which must be maintained at all business units. The register should record the date, name of recipient, name of donor, description of gift or invitation/s, estimated retail value, motivation for offer or acceptance and the relevant approval.

4.3.2. The gifts registers must be made available to the Company's Internal Auditors for inspection when requested.

4.3.3. The Finance Director of the Company to be the custodian.

##### **4.4. Receiving gifts or invitations**

4.4.1. Gifts or invitations received that are above the nominal value should preferably be declined and our Company policy explained to the supplier, service provider, customer or other party. Care should be taken to avoid any potential embarrassment or disrespect to the supplier, service provider or customer.

4.4.2. In cases where it is not possible to decline a gift or invitation received that is above the nominal value, it must be declared in the gifts register and should be declared in writing to your reporting manager. The detailed contents and procedures for maintaining a gifts register must be clearly specified, communicated and monitored by each business unit in order to meet the requirements of this policy.

##### **4.5. Offering gifts or invitations**

4.5.1. No gift or invitation should be offered to a customer or potential customer with the intention to unduly influence a customer's decision or reason for awarding a contract or conducting a business transaction. Where a gift or invitation is made to a customer or



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potential customer, care should be taken to avoid any real or perceived intention to gain an improper business advantage.

- 4.5.2. A gift or invitation of a nominal value is acceptable as long as it is once-off and the intention of the gift or invitation is not related to any current or future business expectations. Gifts to thank a customer for placing business would generally not be acceptable unless it is proven local custom to do so.
- 4.5.3. Customary business gifts that are commonly exchanged as a local custom should be respected but limited to a nominal value and presented within traditional rules of etiquette.
- 4.5.4. In cases where any gift is offered or invitation is extended that exceeds the nominal value then it must be preapproved by executive management and declared in the gifts register.
- 4.5.5. It is important to be aware of the corporate policies of major customers so that we comply with their procedures and approvals where required.

#### 4.6. **Additional provisions when dealing with Government or public officials**

- 4.6.1. In this section, the words 'Government or public officials' means: Government, (local, provincial, federal or national), quasi-government, political parties or employees of any of these organizations. It also means politically connected persons, including but not limited to political candidates, party officials, representatives of political parties, legislators, public officials, or family members of any of these persons.
- 4.6.2. All dealings by the Company (including employees in the conduct of their responsibilities for or on behalf of the Company) with Government or public officials must be on a strictly commercial basis.
- 4.6.3. Specific legislation in each country must be complied with and in some countries the giving or receiving of gifts, entertainment or any other benefit to/from a public official or to/from their family members, may be strictly prohibited at all times.
- 4.6.4. In addition to the provisions set out above, this policy requires that the following additional requirements must be applied when dealing with Government or public officials. Facilitation payments are not gifts and they are prohibited under this policy. In the case of any bona fide gifts, promotional material and hospitality expenses, all amounts, whether offered or received and whether or not they are of a deemed nominal value, must be properly approved and recorded in the gifts register. The gifts register must specify the nature and value of all gifts and entertainment provided to and accepted from Government or public officials by any employee.
- 4.6.5. **Business conducted using agents, distributors and/or intermediaries.** Particular care must be taken if business with Government or public officials is conducted through the use of agents, distributors and/or intermediaries. Where an agent, distributor and/or intermediary is engaged by the Company or provides a service for or on behalf of the Company in any transactions or dealings with Government or public officials, then it is the responsibility of the responsible person at the Company to ensure that:
  - this policy is communicated to the agent, distributor and/or intermediary and that this is acknowledged in writing
  - it is a term of the written or oral agreement with any agent, distributor and/or intermediary that gifts should not be offered or accepted in any circumstances and wherever possible entertainment should be avoided
  - in the event that the need arises to extend hospitality then they should obtain approval from the Company in advance for all entertainment to be provided to and/or accepted from Government or public officials by the agent, distributor and/or intermediary



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- a separate register is kept specifying the nature and value of all entertainment provided to and accepted from Government or public officials by any agent, distributor and/or intermediary

4.6.6. **Business interactions with political parties or politically connected persons.** The Company prohibits donations to political parties or politically connected persons and this includes gifts of any nature. No gifts, payments or benefits may be offered to or received from any political party or politically connected person. The nature and value of any entertainment provided to or accepted from any representative of any political party by any employee must be approved in advance and recorded in the gifts register. Extreme caution must be exercised in the event that any employee has business interactions with representatives of political parties. This also applies to all politically connected persons including but not limited to political candidates, legislators, party officials, government officials or employees or their family members, whether in local, provincial, federal or national government.

#### 4.7. **Surrounding circumstances**

- 4.7.1. Surrounding circumstances may be persuasive in determining the intention for the hospitality expenditure. Care should be taken to avoid circumstances that may create the perception that the intentions are not fair, honest and transparent.
- 4.7.2. There are factors that should be avoided as either individually or collectively, they may convey the wrong impression and could potentially damage the reputation of the Company.
- 4.7.3. There are also practices that are commonly applied within the Company that demonstrate our commitment to ethical business practices.
- 4.7.4. The detailed practices that should be avoided and those that are commonly applied may differ in accordance with the appropriate business needs of each division.

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## D. **HOSTING CUSTOMER EVENTS**

### 1. **REGULATORY BACKGROUND**

- 1.1. This Policy defines our values and sets out guidance on acceptable practices that define the Atlas way of doing business. We are proud of our reputation for integrity and excellence and the high ethical standards to which we hold ourselves accountable. It is a fundamental expectation that we obey the laws and regulations and apply the best practices. The Company upholds the South African Act on the Prevention and Combatting of Corrupt Activities of 2004 and the OECD Anti Bribery Convention adopted by the South African Government in 2007.

### 2. **PREAMBLE**

- 2.1. It is recognized that bona fide business expenditure to market and improve the image of the Company and/or its represented brands, to better present products and services and to establish cordial relationships with customers is an important part of doing business. The Company does not prohibit reasonable and proportionate expenditure for hospitality or promotional activities. It is however expected that such expenditure is controlled and managed in order to avoid any actual or perceived impropriety in the way in which events are conducted.



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- 2.2. In order to effectively represent our national principals, certain marketing expenditures are both necessary and important. Such expenditures must also be proportionate to the business needs and must be justified in terms of the potential business benefits.
- 2.3. In order to balance these requirements, this policy sets out the expected standards for managing and controlling marketing expenditure for hosting customer events, functions and activities.
- 2.4. Care should be taken to consider how industry norms and practices have changed in recent years and to ensure a conservative approach is taken to all expenditure in hosting customer events. Given that the Company represents a number of significant national brands and principals, the interaction with customers periodically involves national events and these include industry functions as well as events, functions or activities planned to meet the needs of specific customers or groups of customers. It is recognized that certain industry events and other customer specific marketing activities may involve significant expenditures including, but not limited to:
  - Cost of venues and functions, including entrance tickets, registration fees or other fees
  - Airfares, (local) and other transport costs
  - Local accommodation costs
  - Meals, entertainment and hospitality expenses
- 2.5. The expenditure may be related to the event or conference itself as well as other planned activities such as branch visits, visits to other businesses and certain leisure activities.

### **3. POLICY STATEMENT**

The overall principles that should be applied when planning and managing a marketing event are as follows:

- Expenditure should be proportionate to the nature of the business obligations and responsibilities to the Company principals
- Transparency is expected in the planning, communication and reporting processes related to the event and this includes a post-event review. This would include such steps as the disclosure and approval of detailed budgets and the criteria used to extend invitations; detailed accounting for actual expenditures; and reporting of outcomes and any variations from budgets.
- Expenditure should be incurred for the benefit of all invited customers on a fair and equitable basis. While it is recognized that not all invited customers will participate in all arranged activities, the extension of invitations should be done without favoring any specific individual or group of individuals.
- Expenditures and activities should be planned with awareness that it is not only actual intentions but also perceived intentions that may be under scrutiny. Care should be taken to ensure that perceptions are considered when planning the nature and content of customer interactions.
- It is important to be aware of and to consider any and all surrounding circumstances that may lead to perceptions of impropriety and to avoid such circumstances.

#### **3.1. Planning an event for customers**

When planning an event to host customers and/or suppliers for marketing and/or business purposes, the following procedures should be applied:



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- The event should be carefully managed as a project, with clear responsibilities assigned, project plans and detailed task assignments allocated and monitored. It is recommended that for large events, a project manager is appointed, reporting to a business unit or Divisional director.
- On the expectation that it will be the senior management and/or executive management and/or owners of supplier businesses and customers that will be invited to such events, it is essential that a director host such an event and that executives and senior management attend and interact with suppliers and/or customers.
- The criteria for extending invitations to suppliers and/or suppliers should be documented and supported with relevant data such as historical sales activity, strategic targets for expanding certain lines of business, product training or other specific business purpose.
- To uphold the objectives of fairness and equity, suppliers and/or customers with common needs or that meet common criteria, should be subject to the same level of consideration and attention. It is therefore preferable to plan for group activities rather than functions aimed at individuals.
- This does not preclude functions such as product training or product demonstrations aimed at a specific customer, but the objectives of specific customer functions must be clearly documented and motivated.
- At large industry events it is also common practice for individual meetings to take place and meeting rooms may be booked at the conference venue for this purpose. However, this should be done in accordance with the conference protocols.
- In the event that spouses or partners are included in the group arrangements, then this should be documented. Unless otherwise motivated and pre-approved, all expenditures for spouses or partners should be for the employees' own accounts. For example, if there is a block booking for a group activity which includes spouses and partners, then the cost pertaining to spouses and partners should be itemised to the extent that the Company is responsible for such costs.
- A detailed expenditure budget should be prepared. This should include detail with itemised expenditures for all aspects of the event. Detailed costs per person should be included.
- Details of customer contributions to towards expenditure must be itemised. Criteria should be set for each group as to what contribution is considered to be appropriate. Any deviations or exceptions to the expected criteria should be highlighted and motivated.
- If there are any Government officials, whether local, provincial or national government or management of parastatals then this should be separately documented with motivations including full disclosures of any pending or potential contracts with a six month period either before or after the event. This information must be documented by the project manager.
- While it is expected that there will be contracts in the normal course of business, any known pending or anticipated contracts that are imminent or within three months of the event, should be disclosed. In the interests of transparency, the more information provided on pending or anticipated contracts, the better. Indeed, the planned event may be directly related to a bid process. Disclosure in advance is the key to avoiding perceptions of impropriety that may arise after the fact. Utmost care should be taken in such circumstances.
- Any exceptions that are proposed must be separately documented and motivated.
- In addition, if there are any exceptions made and approved, then it is a requirement that the customer activity be hosted by a business unit or Divisional Director in order to gain maximum business benefit from developing customer relationships.
- Furthermore, for any such exceptions, there must be at least two Company executives and/or senior managers in attendance to avoid the appearance of any impropriety.
- Certain supplier organizations have their own approval processes for the acceptance of invitations and these should be respected and incorporated into the invitation process.



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- Formal invitations from the host executive should be extended to the selected supplier delegates.

### 3.2. Responsibilities of persons hosting an event

- All persons involved in hosting customers for or on behalf of the Company (the hosting team) should understand their responsibilities. This includes all members of the sales, marketing, administration and management team that will be hosting the event, whether as employees of the Company or as consultants acting on behalf of the Company.
- Their responsibilities are to understand that for the Company to effectively represent our national principals, certain marketing expenditures are both necessary and important business expenditure. The purpose of hosting customers at an event is to improve the image of the Company, to better present products and services and/or to establish cordial relationships with customers and that all expenditure incurred should be in good faith with the aim of meeting these objectives.
- It is the responsibility of all persons involved in hosting customers to ensure that all expenditure for which they are accountable is controlled and managed and in accordance with the preapproved budget. It should be recognized that such expenditures, while necessary, must also be proportionate to the business needs.
- All members of the hosting team, including Executives, should be formally briefed prior to the event. In the event that an Executive has attended a similar briefing within the past twelve months, then the signed declaration noted below would suffice as evidence of their understanding of requirements.
- The briefing should take the form of a workshop at which this policy is explained and discussed. An interactive question and answer session is recommended to ensure that all involved understand their responsibilities and the requirements of this policy. Discussion should include examples of acceptable and unacceptable activities.
- Each member of the hosting team should be required to sign an attendance register as well as a declaration acknowledging their commitment to uphold this policy.
- It is the responsibility of the responsible Executive director to ensure that all members of the hosting team are briefed and complete a declaration acknowledging their commitment to uphold this policy.

### 3.3. Approval of plans

- The plans described above should be checked and approved by the responsible executive director prior to any invitations being extended.
- The responsible executive director should formally table the plan and the budget for approval at a business unit and/or divisional executive meeting. Specific approval must be sought for any exceptions or any planned activities that may be considered as unusual or separate from the norm. Any event where there is a disproportionate amount of leisure activities would be viewed as an exception as would an event where a specific customer is extended an invitation but other customers are excluded.
- In the case of exceptions, a separate memorandum should be prepared setting out the motivation, the director responsible and the planned expenditure. This request must be approved in advance, in writing, by the Divisional CEO or the CFO. It should not be assumed that such requests will be approved and care should be taken to avoid making any commitments to the customer prior to obtaining the required approval.



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#### 3.4. **Business activities during the event**

- It is inevitable that activities during the event will deviate from approved plans. It is therefore essential that members of the hosting team consider carefully before extending an invitation to a customer that is outside the scope of the planned and approved activities.
- Where this does occur, the team member must exercise their discretion in obtaining approval from the responsible director or executive prior to making any arrangements.

#### 3.5. **Accountability after the event**

- The project manager should compile a report on the actual expenditure and compare this to the approved budgeted expenditure. All deviations must be fully documented and explained.
- The budget deviation must be reported and tabled for approval at the business unit or divisional executive meeting or by the CEO.

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### **E. SPONSORSHIP AND DONATIONS**

#### **1. SCOPE AND OBJECTIVES**

The objective of the policy is to set out the minimum expected standards that must be applied, and it is not exhaustive. Additional requirements may be added by divisions according to their specific business needs.

This policy is related to and must be read in conjunction with several other Company policies. In the event of a contradiction between this policy and another Company policy, this policy must be taken as authoritative.

If there is any uncertainty about requirements, then divisional or group legal counsel must be consulted.

##### **1.1. Standard Operating Procedures and Staff Policy**

The policy should be read in conjunction with the Standard Operating Procedures (“SOP”) and Staff Policy (“SP”) and any related divisional policies.

##### **1.2. Corporate social responsibility and Enterprise Development**

In many cases, the intention for the sponsorship or donation will have a dual purpose. While the primary purpose may be a marketing or business purpose, there may also be a well-considered corporate social responsibility or social investment (CSI) or a related Enterprise Development project. It is therefore essential that this policy be read in conjunction with the Company’s Guidelines for CSI (herein referred to as the Company CSI Guidelines) and where appropriate, in consultation with the Enterprise Development function. Please note that any charitable giving, contributions to local community organizations, donations to schools or other socially directed activities must comply with the Company CSI Guidelines in addition to this policy.



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### 1.3. Gifts and Hospitality

Notwithstanding the Company CSI Guidelines, a donation is regarded as a gift and the applicable sections of the gifts and hospitality policy should therefore be read in conjunction with the Company CSI Guidelines. Donations must not be made or offered in connection with any bid, tender, contract renewal or prospective business opportunity other than those required, approved and disclosed as part of a formal tender process.

The Company must not gain, nor be seen to gain, from any charitable donations.

## 2. DEFINITION

- 2.1. Sponsorship is defined as a business relationship between the Company, as a provider of funds, resources or services and an individual, event or organization which offers rights and association that may be used for marketing purposes in return for the sponsorship investment. Sponsorship in the context of this policy is specifically aimed at marketing activities and not directly at CSI. Where the latter is also involved, then the Company CSI Guidelines apply in addition. Sponsorship is a contribution in money or kind made by the Company to a third party or an external organization in support of an event, publication or activity. Sponsorship typically involves the payment of a fee or a payment in kind, such as employee time or use of premises or Company assets. Sponsorship is not a donation, for which nothing is to be received in return, but rather a mutually beneficial activity for marketing purposes.
- 2.2. For clarification, it is preferable to avoid the word donation in relation to marketing expenses as it is sometimes used incorrectly to mean a sponsorship. Similarly, the word sponsorship should not be used when the intention is to make a donation. The controls and procedures that apply to the giving to or supporting of charitable organizations, schools, healthcare or other welfare organizations are included in the Company CSI Guidelines or equivalent divisional CSI policies and these should not be confused with marketing sponsorships. When donations are made, it must be on the basis that no commercial benefits are being sought in exchange, and there should be no intention or expectation that any such benefits may be forthcoming.

## 3. REGULATORY BACKGROUND

- 3.1. The Company CSI Guidelines, SOP & SP defines our values and sets out guidelines on acceptable practices that define the Atlas way of doing business. We are proud of our reputation for integrity and excellence and the high ethical standards to which we hold ourselves accountable. It is a fundamental expectation that we obey the laws and regulations and apply best practices. The Company upholds the South African law in the Prevention and Combatting of Corrupt Activities Act of 2004 and the OECD Anti Bribery Convention adopted by the South African Government in 2007.

## 4. PREAMBLE

- 4.1. This policy is only concerned with sponsorship on behalf of the Company for marketing purposes and not sponsorship by individual employees of the Company in their personal capacity, for example an employee sponsoring a friend running a marathon for charity. It is



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- recognized that sponsorship arrangements are a common marketing tool and that this may include in some instances, the use of Company assets or Company time.
- 4.2. This policy is not intended to prevent genuine sponsorship for bona fide marketing purposes, however, it is recognized that such expenditure may be intended to be, or perceived to be, a bribe. Such expenditure therefore needs to be carefully managed and monitored.
  - 4.3. For the avoidance of doubt, a bribe need not be paid in money. A bribe can also be a request or payment in kind which may include promotional items, the use of Company assets or Company time. These may be called sponsorships or donations in an attempt to conceal the true nature of the request. Care should therefore be taken to consider the underlying intention and ensure that it does not breach any of the legislation set out under Clause 2 of this policy.
  - 4.4. Cash payments must be avoided, including cash donations or sponsorships for staff members in sporting events, sports clubs, school or other activities, unless these form part of approved CSI activities. The Company prohibits the making of donations or contributions for political purposes to any politician, political party or political groups or a related organization or official, either directly or indirectly through a third party. Where any donations are related to local or national Government bodies and to ensure that such interactions are conducted in a transparent and ethical manner, the Company CSI Guidelines must be followed and care should be taken to ensure that the provisions of this policy are not contravened. The Company does not support religious organizations other than recognized welfare activities which also need to meet Company CSI Guidelines.

## **5. POLICY STATEMENT**

### **5.1. General**

Sponsorship encompasses a wide range of activities including funding and in-kind support. When offering or providing sponsorship:

- It is important to consider the intention for the expenditure and surrounding circumstances that may be related or seen to be related to the expenditure. It is important to always consider the perception as well as the facts.
- If the intention of the sponsorship is to gain an improper business advantage or to place undue influence on a person responsible for a decision, a service or a contract, then the sponsorship may not be given.
- If there is, or may be, a perception by any other party, that the sponsorship is to gain an improper business advantage, or to place undue influence on any person to secure a decision, a service or a contract, or to induce a person to breach a position of trust, and then the sponsorship should not be given.
- Prior to any sponsorship or donation being given, a due diligence must be completed. Such due diligence checks are directed at confirming the good standing of the organization and ensure there is no risk of bribery or corruption in its activities. Records should be kept of the due diligence procedures and outcome of the review.

### **5.2. Offering or giving sponsorship**

The Company may only sponsor activities if they can be shown to be compatible with and promote the legitimate best interests of the Company. The arrangements for sponsorship must be transparent and must not conflict with other Atlas business initiatives, values or business interests. For example, any



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person responsible for awarding a contract for which the Company has tendered should not have a personal preference or interest in the sponsorship recipient or beneficiary.

All sponsorship must comply with all laws in the relevant jurisdiction. All proposed sponsorships must be approved in advance by the CEO and then subsequently tabled and reported at an Executive Board meeting. The CEO may delegate this authority to the business unit executives, but the authority limits must first be specified, tabled and approved at a Divisional Executive Board meeting. A written record of all sponsorships should be maintained by each division and/or business unit and be available for audit. Should this pre-approval authority be delegated to the business unit executives, the actual sponsorships given will still need to be subsequently tabled and ratified at a Divisional Executive Board meeting.

Sponsorship to any single organization or person with a value greater than or equal to R 100000 (or local currency equivalent) on a cumulative basis, must be pre-approved by the CEO.

### 5.3. Surrounding circumstances

Surrounding circumstances may be important in determining whether a particular sponsorship complies with this policy. Care should be taken to avoid circumstances that may create the perception that the Company's intentions are not fair, honest and transparent.

There are factors that should be avoided as either individually or collectively, they may convey the wrong impression and could potentially damage the reputation of the Company. There are also practices that are commonly applied within the Company that demonstrate our commitment to ethical business practices.

### 5.4. Prohibited types of sponsorship

The Company will not offer or provide:

- political sponsorships, in the RSA or elsewhere, including to any political party, to the campaign of any candidate for elected office or in support of any elected official;
- sponsorship of organizations that discriminate on the basis of race, ethnicity, nationality, religion, gender, sexual orientation, age or disability;
- sponsorship of any activities which could reasonably be seen to create a potential reputational risk for the Company.

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## F. DUE DILIGENCE

### 1. REGULATORY AND VOLUNTARY STANDARDS

#### 1.1. Regulatory Standards

- 1.1.1. These additional due diligence procedures are aimed at combating corruption in the value chain and are a key requirement of legislation which may be applicable to certain entities and/or operations. These procedures also support the objectives of the South African legislation of 2004 on the Prevention and Combating of Corrupt Activities Act.



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- 1.1.2. Due diligence is firmly established as an element of good governance and therefore the due diligence procedures should be “proportionate to the identified risk.”

## 1.2. Voluntary Standards

- 1.2.1. This Policy, the SOP and the SP sets out our values and voluntary commitment to combat fraud and corruption.
- 1.2.2. Due diligence reviews are directed at assessing the risk area and making recommendations to manage, mitigate or avoid the risk.

## 2. DEFINITIONS APPLIED IN THIS POLICY

### 2.1. Due Diligence

- 2.1.1. A due diligence review is a structured and systematic process of understanding with whom the Company is doing business. It means applying one’s mind with due care and skill and applying one’s business knowledge and experience to assessing TPSP&S.
- 2.1.2. The due diligence process is essentially a risk based approach so that TPSP&S rated as higher risk will require a more rigorous process than areas rated as lower risk. In some cases, the business may motivate limited or no action for low risk areas.

### 2.2. Third party service providers and suppliers

- 2.2.1. Third party service providers and suppliers (TPSP&S) means all third parties that fall under the definition of “associated person” and in addition, any other suppliers of products and services to the Company that may be included at the discretion of the relevant business unit taking into account the related risk assessment of the TPSP&S.

### 2.3. Associated person

- 2.3.1. An “associated person” is defined as a “person who performs services for or on behalf of the organization”.

## 3. DUE DILIGENCE GENERAL REQUIREMENTS

### 3.1. A risk based approach to due diligence

- 3.1.1. The policy requires that a risk based approach to due diligence be applied and, at the division’s discretion, integrated with existing procurement or other TPSP&S engagement processes. The risk assessment process and action plan should be specific to each division and or business unit according to the nature of their business.
- 3.1.2. The due diligence process is on-going and should include a risk rating for existing and new TPSP&S. At the division’s discretion, an initial risk assessment may be exercised which applies certain reasonable risk based criteria, as defined by the division in consultation with divisional legal advisors. This will categorize the TPSP&S pool for the purposes of prioritizing subs equant, more detailed due diligence and other actions over time.
- 3.1.3. The criteria for risk rating should consider that a risk process is aimed at assessing, amongst other criteria both the probability and the severity of risk.



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- 3.1.4. There should be specified criteria for conducting the risk rating so that there is a consistent approach within the relevant business unit(s) and/or territories. The criteria to be considered by the division may include, inter alia:
- The average monthly or annual spend with the TPSP&S expressed as a percentage of external procurement spend as a measure of the severity and/or probability of bribery or corruption occurring.
  - The nature of the business relationship such as agent, intermediary, service provider, contractor, sub-contractor and whether there is an inherent risk or probability of bribery or corruption. Consideration should be given to the manner of compensation such as commission based, fee for service; hours worked or agreed contractual charge.
  - Known vulnerability of the industry sector or product to fraud and corruption.
  - The type of business such as listed Company or owner managed business.
  - Country of origin of the TPSP&S with reference to the Transparency International Corruption Perception Index.
- 3.1.5. According to the applicable risk rating determined for the relevant TPSP&S, further due diligence and other related activities should be defined and deployed by the divisions for TPSP&S within a particular risk category. The division must define a proportionate process and deployment plan for each risk category comprising, inter alia, the following steps:
- Information gathering to obtain pertinent information on each TPSP&S
  - Assessment, analysis and validation process
  - Approval process
  - Reporting and assurance
- 3.1.6. On-going reviews will be required periodically depending on the risk rating of each TPSP&S as defined by the division in accordance with this policy.
- 3.1.7. For new business relationships, a risk related due diligence should be conducted before any contracts are approved and before any business transactions may be commenced. However, there may be valid business reasons where, at the discretion of business unit management and in consultation with divisional legal advisors, an exception may be approved by Executive management of the business unit. These cases must be managed in accordance with a predefined and approved procedure by business unit management, under specific conditions and within a limited time period.

### **3.2. Information Gathering**

- 3.2.1. Subject to the risk assessment, information gathering may require a variety of procedures including interviews, questionnaires, documentation, and review of publically available information, site visits, credit checks and declarations.
- 3.2.2. While some of this information may already be required in the procurement or other TPSP&S engagement process to meet financial control requirements, quality control or product specifications, these procedures should be supplemented as necessary with additional due diligence processes pertaining to the risk of bribery, fraud and corruption.
- 3.2.3. The nature and extent of the information required will ultimately be determined by the risk ranking process and the level of risk involved. Notwithstanding this, provision is permitted for management discretion and justification.

### **3.3. Assessment, analysis and validation process**

- 3.3.1. Collecting the information itself does not constitute a due diligence review. The review requires that the data is assessed and analyzed.



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- 3.3.2. Documents should be carefully scrutinized to confirm and check the information provided.
- 3.3.3. The procedures for assessing and validation will vary according to the risk rating, from a limited validation that checks consistency to detailed corroboration which may include site visits, interviews or checks with regulatory authorities as appropriate.

#### **3.4. Approval process**

- 3.4.1. A process of approvals must be devised that is practical and that does not create undue delays in the procurement or other TPSP&S engagement process.
- 3.4.2. The approval process should be appropriate to the risk rating. It is suggested that standard formats are agreed whereby the relevant information and motivations are summarized.

#### **3.5. Reporting and assurance**

- 3.5.1. A reporting process should be defined according to the risk ratings and the required approval process.
- 3.5.2. It is the responsibility of operational management, in the first instance, to ensure that procedures are being properly applied. Operational or business unit management and/or the divisional compliance function may establish periodic reviews or supervisory controls to confirm that the required procedures are being complied with. The nature and extent of controls will be determined by the division to suit the needs of each business.
- 3.5.3. If a high risk TPSP&S is involved in public allegations of any form of bribery or corruption, this information must be immediately drawn to the attention of the Company Head of Risk Management.
- 3.5.4. The internal auditors may from time to time review the due diligence process and/or the documentation and control of high risk TPSP&S in accordance with this policy. This is an independent process that is determined by the Company Internal Audit Services.

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## **G. DEALING WITH PUBLIC OFFICIALS, AGENTS, DISTRIBUTORS AND INTERMEDIARIES**

### **1. GENERAL**

- 1.1. You may not make or offer to make any payment or inducement of any kind to any individual, Company or entity which may be regarded under relevant laws or internationally accepted business practices, as being improper and/or illegal.
- 1.2. You may not offer anything of value to obtain any advantage when selling the Company's goods or providing services, conducting financial transactions, or in your interaction with any political or government representative.
- 1.3. A payment to gain advantage in a situation that is construed as unacceptable by the community in a particular country or under relevant laws exposes you and the Company to reputational, financial and criminal risk. The Company does not condone improper payments in any business dealings, in any country, to either governments or the private sector.
- 1.4. Improper payments should not be confused with reasonable and necessary limited expenditure for gifts and business entertainment directly related to the promotion of products or services or the execution of a contract, and permitted by practice and law.



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- 1.5. You should ensure that consultants, agents, sales representatives, distributors and contractors are aware of this policy and have acknowledged in writing that they will abide by the conditions of this policy.
- 1.6. A violation of this policy may result in disciplinary action being taken against you and could result in your dismissal from the employ of the Company or in termination of the contract with the Company.
- 1.7. You will not be adversely affected if you report any violation of this policy by others. Should you wish to report any violation of this policy, you may report the violation to the Company's General Counsel or Company Risk Manager. Alternatively, you may report the violation using the Customer Care Line.

## **2. GOVERNMENT AND PUBLIC OFFICIALS**

- 2.1. The Company conducts business with governments and government owned enterprises. In the course of this business, the Company frequently interacts with government, quasi-government and public officials and therefore in every instance you should apply the highest ethical standards and comply with applicable laws and regulations, including certain special regulatory requirements associated with government or public transactions.
- 2.2. You may not make, offer, or authorize payments or inducements to political candidates, legislators, political parties, party officials, government officials or employees or their family members, whether locally, provincially, federally or nationally, in order to obtain or retain business or for any improper purpose. This prohibition includes officials and employees of government owned enterprises and of public international organizations and their family members.
- 2.3. You are advised to use caution when giving or receiving a gift, anything of value or providing entertainment to or accepting entertainment from any public official or their family members in any country. This may be strictly prohibited in some countries.
- 2.4. All Company dealings with political and government officials or employees and their family members should be on a strictly commercial basis.
- 2.5. You may not offer or make any payment, gift, bribe, secret commission or give any other benefit to influence the decision or action of any government or quasi-government employee, public official, candidate or political party.
- 2.6. Entertainment of government, quasi-government and public officials is frequently prohibited or restricted in certain countries and it is your responsibility to understand all such prohibitions and restrictions in each individual country in which you do business and to comply with all laws, regulations and policies applicable in a particular country.
- 2.7. In any transaction with a government or quasi-government department or agency, you should adhere to the highest standards of honesty and integrity.
- 2.8. A register must be kept specifying the nature and value of gifts and entertainment provided to and accepted from government, quasi-government and public officials by any employee, agent, distributor and/or intermediary and must be made available to the internal auditors for inspection when requested.

## **3. BRIBERY AND CORRUPTION**

- 3.1. The direct or indirect offer, payment, solicitation or acceptance of bribes in any form is unacceptable. Such payments include actions that may be construed as unethical and/or violate any anti-corruption or bribery laws in that particular country, including laws relating to foreign corrupt practices.
- 3.2. You may not suggest (even indirectly), offer, accept or give a bribe or kickback for any reason whatsoever. A bribe or kickback includes the giving or accepting of money, gifts,



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loans, services, favorable treatment or anything of value which is either directly or indirectly provided in return for favorable treatment. This should not be confused with reasonable and necessary limited expenditure for gifts and business entertainment directly related to the promotion of products or services or the execution of a contract, and permitted by practice and law.

- 3.3. Most countries have laws that prohibit corruption. In some instances countries have adopted laws prohibiting bribery even when it is committed outside the borders of those countries. Indirect and unsuccessful attempts to procure undue influence and the offering or suggesting of a bribe are generally treated in the same way as bribery.
- 3.4. A breach of any of these laws is a serious offence which can result in penalties or fines for companies and imprisonment for employees.
- 3.5. Where the appearance of a breach, as opposed to an actual breach, of such laws occurs, this could be extremely harmful to the Company's reputation and should be avoided.

#### **4. AGENTS, DISTRIBUTORS AND INTERMEDIARIES**

- 4.1. The use of agents, distributors and intermediaries may at times be necessary to conduct business due to the skills and assistance they provide. The intervention of these agents and intermediaries is justified only in this context and provided they provide real services.
- 4.2. Be diligent and exercise the utmost good judgement in selecting and monitoring consultants, agents, sales representatives, distributors or contractors.
- 4.3. Do not use any agent, distributor or intermediary who is in the employ of any government department or parastatal. Enquire into whether an agent, distributor and intermediary has left the employ of any government department or parastatal in the last three years or has a family member presently employed in any government department or parastatal. If the agent, distributor or intermediary has recently left the employ of any government department or parastatal or has a family member presently employed in such government department or parastatal, seek advice on whether the use of the agent, distributor or intermediary breaches any local law, and seek the advice of your line manager and senior management before using the agent, distributor or intermediary to ascertain whether the connection could be harmful to the Company's reputation.
- 4.4. When retaining agents and intermediaries to represent the Company's direct or indirect interests in any country, ensure that payments are commensurate with the work to be undertaken, constitute no more than fair remuneration for actual services provided and are in accordance with the accepted legitimate market practice in that particular country.
- 4.5. If possible, ensure that there is a written agreement in place when dealing with agents and intermediaries. Such agreement must be in compliance with the laws of South Africa, the laws of the countries in which the contracting parties are resident as well as the laws of the countries in which such business is conducted, and must clearly define the respective roles and responsibilities of the agent, distributor and intermediary as well as the basis of the remuneration. Such agreement should also ensure that agents, distributors and intermediaries comply with the intent of this policy document.
- 4.6. A register must be kept giving the names and employment conditions of all agents, distributors and intermediaries and must be made available to the Company's internal auditors for inspection when requested.
- 4.7. It must be a term of the written or oral agreement with any agent, distributor and/or intermediary that, wherever possible, he or she obtain approval from the Company in advance for all gifts and entertainment to be provided to and to be accepted from government and public officials by the agent, distributor and/or intermediary. Where it is not possible to obtain approval for this in advance, then immediately upon giving or



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- receiving any such gift and/or entertainment, the Company must be advised of the nature and value of the gift and/or entertainment.
- 4.8. You shall not permit an agent, distributor or intermediary to take questionable actions without proper scrutiny i.e. “by looking the other way”.
  - 4.9. Where any agent, distributor or intermediary guarantees results without explaining what is to be done and/or requests advance cash payments, you should proceed with caution.
  - 4.10. When appointing or making payment to an agent, distributor or intermediary, ensure that you seek the advice of your line manager, legal advisor and senior management beforehand.

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## H. PROTECTED DISCLOSURES (WHISTLE BLOWING)

### 1. GLOSSARY OF TERMS

Throughout this document, unless otherwise stated, the capitalized words in the first column below have the meanings stated opposite them in the second column. Defined terms used as plurals will retain the meanings stated below, unless the contrary is clear from the context.

<b>“Associated Person”</b>	Any natural or juristic person, who is not an employee of the Company, and who (disregarding any bribe under consideration) performs services for or on behalf of the Company.
<b>“Disclosure of Impropriety”</b>	Within the framework of this policy refers to the disclosure by a whistleblower of Improper Conduct (as defined below).
<b>“Effective Date”</b>	The date of last signature authorizing the adoption of this Policy.
<b>“Impropriety” or “Improper Conduct”</b>	<ol style="list-style-type: none"><li>(a) an actual or suspected criminal offence relating to fraud, bribery corruption or theft;</li><li>(b) that which is committed by a person who has failed, is failing, or is likely to fail to comply with such person’s legal obligations;</li><li>(c) improper behaviour which has taken, is taking or is likely to take place (e.g. financial or non-financial mismanagement, including fraud, bribery or corruption; improper conduct or unethical behaviour);</li><li>(d) a threat or a potential threat to the security and/or safety of the personal information of the Company employees, clients or suppliers;</li><li>(e) conduct that results in the health or safety of an individual being, or likely to be seriously threatened;</li><li>(f) that which harms or is seriously likely to harm the</li></ol>



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natural environment;

- (g) conduct that unfairly discriminates against an employee, as defined in the laws of the country in which such employee is employed or
- (h) any matter referred to above that has been, or is being concealed deliberately.  
means when an employee is as a result of a specific Protected Disclosure of Impropriety:

**“Occupational Detriment”**

- (a) subjected to disciplinary action;
- (b) dismissed, suspended, harassed or intimidated, or demoted;
- (c) transferred involuntarily;
- (d) refused a transfer or promotion;
- (e) subjected to conditions of employment or retirement that were changed to his/her disadvantage;
- (f) refused a reference, or given an adverse reference;
- (g) denied an appointment to any service or position;
- (h) threatened with any of the above actions; or
- (i) otherwise adversely affected in respect of his/her service or position, including employment opportunities and work security;

by any Company within the Company or an employee of any Company within the Company.

**“Policy”**

means this Global Whistle-blowing Policy

**“Protected Disclosure”**

means disclosure made in terms of section 4.1 of this Policy.

**“Whistleblower”**

means an employee of the Company or an Associated Person (who is also a natural person), who has made a Protected Disclosure

**“Whistleblowing Facility”**

means the independent reporting facilities set out in section N to this Policy.

**2. SCOPE**

This Policy:



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- 2.1. is applicable to all employees of the companies within the Company and business divisions or an Associated Person;
- 2.2. is applicable to all Whistle-blowers.

### **3. THE POLICY**

- 3.1. This Policy applies to Protected Disclosures made after the commencement of this Policy, irrespective of whether or not the Impropriety or Improper Conduct has taken place before or after the Effective Date.
- 3.2. The Company does not tolerate any Impropriety or Improper Conduct impacting or having the potential to impact the Company and supports the fundamental principles of sound corporate governance and a workplace culture within which the rights and freedom of individuals are respected.
- 3.3. The Company supports the responsible disclosure of information related to Impropriety and Improper Conduct. Such disclosures are supported and encouraged in accordance with this Policy and other policies irrespective of whether the disclosure may prejudice the Company, its management, and shareholders, service providers, employees, Associated Persons or their business interests.
- 3.4. The Company does not tolerate any form of Occupational Detriment.
- 3.5. All allegations of Impropriety will be investigated and followed up.
- 3.6. Employees who commit Improper Conduct will be subject to disciplinary action, including possible termination of employment.
- 3.7. Where possible and practicable, the Company will pursue full recovery of all losses resulting from Improper Conduct.
- 3.8. The audit committee of the Company undertakes to:
  - 3.8.1. Review arrangements made by companies in the Company to enable employees to confidentially report Improper Conduct that may have a direct or an indirect effect on integrated reporting; and
  - 3.8.2. Inform the external auditors of all material Improprieties disclosed during the course of the financial year.

### **4. REPORTING PROCEDURES AND RESOLUTION OF REPORTED INCIDENTS**

#### **4.1. Protected Disclosures**

##### 4.1.1. Disclosures made in good faith to:

- The management of the Company or any division of the Company (any person in a supervisory position) in accordance with the existing grievance procedure in the particular Company with which the Whistleblower is engaged; or
- Where a Whistle-blower reasonably believes that the grievance procedure is not the appropriate medium, to the office of Human Resources, the Divisional Executive or Customer Care. Such disclosure may be addressed to the office of Human Resources, the Divisional Executive or Customer Care by means of e-mail, facsimile or telephone; or
- To the Company's internal Whistle-blower Facilities, particulars of which are included in section N; and

##### 4.1.2. Under the following circumstances

- When the Whistle-blower honestly and reasonably believes that the disclosed information and any allegations contained therein are substantially true;
- When such Whistle-blower does not disclose the information solely for personal gain (excluding any reward payable in terms of legislation); and

- When such Whistle-blower does not disclose the information solely for a malicious cause.

#### 4.1.3. What information needs to be communicated

- Comprehensive information will be required in order to effectively investigate Improper Conduct.
- Information on aspects such as who, what, when, where, how and, should the answer be available, why, must be provided.
- Whistle-blowers must provide supporting information, since allegations based upon rumors without any corroborative evidence may affect the reputations of innocent persons.

#### 4.1.4. Disciplinary action

- If malicious and/or false allegations are deliberately made by an employee of the Company, that employee will be subject to disciplinary action which may include dismissal and may be subject to other legal liability.
- The Company is committed to prompt and impartial handling of all allegations of Improper Conduct. It is the responsibility of the managers to ensure that all allegations of Impropriety disclosed to them are reported immediately to the relevant Divisional Structure, Head of Internal Audit and the Head of Risk Management.

#### 4.1.5. Confidentiality

- All information received as part of a Protected Disclosure will only be disclosed to the extent necessary for the purposes of investigating the allegations or as required by law. The Company reserves the right to pass on any information to the proper law enforcement agency in order that such entity may determine whether criminal charges are warranted.
- Depending on the nature of the disclosed Impropriety and the availability and expertise of internal resources, the Head of Internal Audit will report to the Audit Committee on material disclosures made in terms of this Policy which, after due investigation has been made, have been found to be substantially true and on the subsequent actions taken.
- If the investigation indicates that significant Improper Conduct has occurred, the Head of Internal Audit has the responsibility to notify the Audit Committee on a timely basis of such activities.
- Relevant senior divisional management are also responsible for including details of any such allegations of Impropriety in their bi-annual reporting of defalcations to the divisional Audit Committees.

## I. ANTI-FRAUD POLICY AND RESPONSE PLAN

### 1. GLOSSARY OF TERMS

#### “Fraud and Corruption”

Includes, but is not limited to, the following:

- (a) The following legal definitions:
  - (i) Fraud, i.e. “the unlawful and intentional false representation or concealment of facts resulting in actual or potential prejudice to



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- another”;
- (ii) Corruption which can be summarized as: “giving or offering; receiving or agreeing to receive; obtaining or attempting to obtain any benefit which is not legally due to or by a person who has been charged with a duty or power by virtue of any employment, to do any act or omit to do any act in relation to that power or duty”; and
- (iii) Theft, i.e. “the unlawful and intentional misappropriation of another’s property or property which is in his/her lawful possession, with the intention to deprive the owner of its rights”.

Fraud is often combined with Theft, therefore the need to encompass Theft within the definition of this policy. It should be noted that the definition of Fraud encompasses any manipulation, omission or misrepresentation of financial results or financial reporting.

## 2. ETHICS

2.1. The Company’s Code of Ethics has the following elements:

- 2.1.1. Obey the law
- 2.1.2. Respect others
- 2.1.3. Be fair
- 2.1.4. Be honest
- 2.1.5. Protect the environment

2.2. The Company maintains a Customer Care Line where employees and other stakeholders can report non-compliance with Company policies and fraud. These provide an opportunity to anyone wishing to report anonymously on unethical activities or dishonest behaviour that affects the Company.

## 3. THE POLICY

- 3.1. The policy of the Company is zero tolerance to fraud and corruption.
- 3.2. In addition, all fraud and corruption will be investigated and followed up by the application of all remedies available within the full extent of the Law, as well as the application of appropriate prevention and detection controls.
- 3.3. Employees who commit an act of fraud will be subject to disciplinary action, up to and including termination with cause.
- 3.4. Where possible and practicable, the Company will pursue full recovery of all losses resulting from an act of fraud.

## 4. CONFIDENTIALITY



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- 4.1. All information relating to fraud and corruption must be treated confidentially. The progression of investigations will be handled in a confidential manner and will not be disclosed or discussed with any person(s) other than those who have a legitimate right to such information. The opinion of the Company Legal Counsel will be sought in assessing this legitimate right in the event of a dispute. This is important in order to avoid harming the reputations of suspected persons who are subsequently found innocent of wrongful conduct.

## **5. PUBLICATION OF SANCTIONS**

- 5.1. The Company's Chief Executive Officer will decide, in consultation with appropriate senior managers, whether any information relating to corrective actions taken or sanctions imposed, regarding incidents of fraud and corruption should be brought to the direct attention of any person or made public through any other means.

## **6. APPLICATION OF PREVENTION CONTROLS AND DETECTION MECHANISMS**

- 6.1. In respect of all reported incidents of fraud and corruption, managers are required to immediately review, and where possible, improve the effectiveness of the controls which have been breached in order to prevent similar irregularities from taking place in future.
- 6.2. The Head of Internal Audit will assist in deciding, in consultation with appropriate senior managers, whether any information relating to control deficiencies should be brought to the direct attention of any other senior member of management in an unaffected division, in order to assist all Company divisions to implement adequate preventative controls.
- 6.3. The Head of Internal Audit will ensure that all identified control deficiencies are considered in future internal audits conducted within the affected business unit and similar businesses within the Company.

## **7. CREATING AWARENESS**

- 7.1. It is the responsibility of all managers to ensure that all employees are made aware of and receive appropriate training and education with regard to this policy.
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## **J. CORPORATE SOCIAL INVESTMENT (CSI)**

### **1. PREAMBLE**

- 1.1. In Corporate Social Investment (CSI) is aligned with the Company's values, policies and codes, demonstrates the organization's corporate social responsibility and its commitment to the local communities and the countries in which it does business, and fits logically into its drive for sustainability.
- 1.2. The Company strives to be responsive to the needs of the communities in which it does business and contribute to their social and economic development, and to the stewardship of the natural environments in which it operates. This commitment is underpinned by the Company's value-based management (VBM) approach which ensures that it moves beyond the



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conventional approach of trade-offs between its stakeholders and searches for solutions which add value for all over time.

- 1.3. In the course of business, through extensive, on-going interactions, the Company will engage with a wide range of stakeholders to understand their interests and concerns and construct their value propositions, which include its leadership playing a meaningful role in society.
- 1.4. CSI is one of several methods used to build enduring relationships, enhance business value propositions, gain competitive advantage in capital, labour and customer markets, and to positively influence regulatory frameworks and service delivery systems.
- 1.5. The Company, through the framework of its values and codes, provides guidance for CSI to its divisions, who adapt their local CSI approaches according to the social conditions and development needs in the territories in which they do business, with the aim, where appropriate, of delivering local solutions.

## **2. THE POLICY**

- 2.1. The Company is committed to playing a leadership role in society through active corporate citizenship. CSI is viewed as an investment in the future, in the Company's people around the world and their various communities, and in the environmental sustainability of the planet.
- 2.2. The Company allocates a minimum of 1% of its net profits after tax to CSI, an approach which represents international best practice on the part of companies which manage their businesses and their externalities, such as their impacts on the environment, in an ethical and responsible manner.
- 2.3. Investments made are proportionate to the scale of the operations in a particular region.
- 2.4. CSI activity involves the following aspects:
  - 2.4.1. A central CSI program which represents Company operations across diverse industries and geographic locations, and attempts to address the foremost problems in society in a structural manner. These activities are funded from a CSI levy on South African-based operations of 0.75% of annual net profits after tax. This program adds value in society and contributes socio-economic development (SED) points for the contributing divisions' broad-based black economic empowerment scorecards.
  - 2.4.2. At operations level in the organization, donations or CSI aimed at addressing social causes take place, support being offered to a wide range of projects, NGO's and charities, often with local community, industry, product or workplace linkages. In South Africa, in terms of the dti's Codes of Good Practice on BBBEE, divisions' combined CSI levy and direct CSI spend should be equal to at least 1% of annual net profits after tax.
  - 2.4.3. Through volunteerism, employees are encouraged to become involved in their communities through structured team forums or individually. To facilitate this process, the Company is committed in principle to allowing one working day off per employee per annum for volunteerism, at the discretion of the employee's divisional CEO and his or her direct manager.



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- 2.5. The Company should not gain or be seen to gain materially or financially from a donation or CSI.
- 2.6. The Company prohibits financial contributions or support for political causes or organizations, for organizations that discriminate unfairly on the basis of race, ethnicity, religion, sexual orientation, age or disability or for organizations the activities of which may present a business or reputation risk to the organization.
- 2.7. This policy is complementary to the SOP & SP, and should be applied in conjunction with the Company Policy on Sponsorships and Donations.

### **3. OPERATIONAL GUIDELINES ON CORPORATE SOCIAL INVESTMENT**

#### **3.1. Preamble**

3.1.1. The Company strives to be responsive to the needs of the communities in which it does business and contributes to their social and economic development, and to the stewardship of the natural environments in which it operates. In the course of their business, through extensive, on-going interactions, the Company will engage with a wide range of stakeholders to understand their interests and concerns and construct their value propositions.

#### **3.2. Definitions**

3.2.1. A charitable donation is a gift to a worthwhile cause without the establishment of a development partnership, conferring accountability on the part of the recipient for the achievement of stated objectives.

3.2.2. CSI is aimed at achieving and sustaining positive social and environmental developments in the communities in which the Company operates. In its best manifestation, CSI is an attempt to address the structure of problems in society, and is a considered and sustained investment in an appropriate intervention rather than merely a good cause.

3.2.3. Sponsorships are support for events, activities, persons, or organizations financially or through the provision of products or services with the purpose of creating publicity for the sponsor. Sponsorships are deemed to be a marketing expense, not CSI.

#### **3.3. 'Due Care' guidelines for CSI**

3.3.1. Policy Framework: Establish at business unit and/or divisional level a CSI or donations policy or approach to determine how best resources should be invested. Policies and/or approaches should be aligned with the Company policy, with brand and Company values, and be consistent with business interests, the nature and size of operations, the geographies and cultures in which business is being conducted, the identified impacts and issues related to your industry, and take into account regional, national and international priority areas, such as the South African dti's BBBEE Codes of Good Conduct socio-economic and enterprise development objectives, and the Millennium Development Goals.

3.3.2. Compliance Framework: Appropriate compliance criteria and levels of authority for expenditure on CSI or donations should be established and approved by the relevant

divisional [social & ethics/ risk/audit/ executive] committees. Records of due diligence studies on beneficiaries should be retained for audit.

3.3.3. Due Diligence: As a general rule, the success of development partnerships with non-governmental organizations (NGO's) depends on their leadership and management capacity, the relevance and sustainability of their interventions, and their strategic partnerships. Exercising 'due care' in considering a CSI should involve the following activities:

3.3.3.1. Conduct a due diligence on potential beneficiaries that includes investigations into:

- The organization, its history and key role-players
- Vision, mission and strategic objectives
- Scope of its programs and projects, geographic locations, products and services offered
- Defined beneficiaries
- Legal identity, tax status, (in South Africa) BEE CSO verification
- Strategic partnerships
- Funding sources, financial management and costs

3.3.3.2. Meet the beneficiary regularly, visit its sites, interview its beneficiaries and other funders

3.3.3.3.

3.3.3.4. Measure and evaluate: agree on how and how often the beneficiary will demonstrate accountability and return on investment, such as reporting its performance against defined strategic objectives and key performance indicators at agreed intervals

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## **K. SCOPE AND PURPOSE**

All the policies in this policy applies to all Branches and Divisions of the Company Nationwide.

## **L. ROLES AND RESPONSIBILITIES**

Executive management of each division have the responsibility to ensure compliance with this policy and the discretion to define the processes, procedures and other mechanisms by which the policy is implemented within each division.

It is the responsibility of business unit operational management to ensure that all procedures are implemented in accordance with this policy and divisional policies, where applicable.

## **M. BREACH OF POLICY**

It is the responsibility of every employee to comply with this policy and failure to do so could amount to a material breach of the contract of employment amounting to gross misconduct.



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Furthermore, the Company could be held criminally liable for failing to prevent bribes wherever in the world they are paid. The penalties for a corporate body that fails to prevent bribery are severe and include criminal liability, an unlimited fine and serious reputational damage.

#### **N. RAISING CONCERNS AND SEEKING GUIDANCE**

If any person becomes aware of a circumstance or action that violates or appears to violate this policy, they are encouraged to contact their supervisor or manager or in the event that this does not resolve the issue, to contact the Customer Care Line.

The Customer Care Line is an independent and confidential system for reporting allegations of unethical behavior, illegal actions or actions that violate any of the Company's Policies and Procedures.

The Company is committed to ensuring that no employee suffers any occupational detriment as a result of reporting a genuine concern in good faith.

The contact details for the Customer Care Line are as follows:

- Call: 0800 204 679
- E-mail: [customercare@atcorp.co.za](mailto:customercare@atcorp.co.za)