



Gifts and Hospitality Policy

Classification	External		
Document Type	Policy		
Policy Reference Number	BW-GROUP- ABC- 03		
Area of Applicability	Barloworld Group		
Policy Owner	Executive: Ethics and Compliance		
Policy Owner Contact Information	Email: yondelan@barloworld.com Tel: 011 445 1045		
Version	4.0		
Date Approved	22 September 2022		
Approved by	Social, Ethics and Transformation Committee		
Policy Sponsor	Group Executive: Risk, Ethics and Governance		
Effective Date	1 October 2022		
Next Review Date	September 2024		
Documentation Status	<input type="checkbox"/> Working draft	<input type="checkbox"/> Consultation Release	<input checked="" type="checkbox"/> Final version

APPROVAL AND OWNERSHIP

Policy Owner	Date
Executive: Ethics and Compliance	1 October 2022

Approved By	Date
Social, Ethics and Transformation Committee	22 September 2022

REVISION HISTORY

Version	Revision Date	Description	Review Date
V1.0	Annually		
V 2.0	Annually	Addition of Government and public officials Inclusion of agents and intermediaries	First review: November 2014
V 2.1	Annually	Wording adjusted to provide greater clarity	Prior review: September 2016
V 2.2	Annually	Minor improvements to wording and paragraph heading in paragraphs 2, 3 and 5. Standardized wording on reporting policy violations.	Prior review: September 2016
V 2.2	Annually	Annual review conducted by policy owner but no updates arising. Report and minute at Group R&S Committee.	Prior review: September 2017
V 3.0	Annually	Amendments arising from detailed review of ABC policies by Norton Rose Fulbright London Scope includes non-executive directors. Approved at the Group R&S Committee in October 2018.	Prior review: September 2018
		To consult internally with various stakeholders as no consultation took place for the previous amendments. To format, fix flow and readability, clarify principles, and remove contradictions.	Prior review September 2019
V4.0	Every Two Years	To comply with the two-year review cycle and removed repetition under 1,1	Current Review: 21 September 2021
V4.0		Updated to include annual attestation of compliance with the policy in line with the KPMG audit findings.	September 2022

Contents

APPROVAL AND OWNERSHIP	2
REVISION HISTORY	2
DEFINITIONS AND ABBREVIATIONS	4
1 Preamble and Policy Summary	5
2 Purpose & Objective	5
3 Scope	5
4 Roles and Responsibilities	5
5 Regulatory Background	6
6 Policy Statement	6
6.1 Specific Provisions	6
6.2 Deemed Nominal Value	8
6.3 Maintaining Gift Registers	8
6.4 Receiving Gifts and Invitations	8
6.5 Additional Provisions when dealing with Government or public officials	9
6.6 Surrounding Circumstances	10
7 Communication	10
8 Related Policies & Other Documents	11
9 Raising Concerns and Seeking Guidance	11
10 Breach of Policy	11
11 Deviations from Policy	12
11 Summary Table	13

DEFINITIONS AND ABBREVIATIONS

Table 1: Definitions

Terminology	Description
Barloworld	<p>Barloworld means Barloworld Limited and its subsidiaries, divisions and business units in all countries in which it does business, or any individual subsidiary in its own capacity.</p> <p>It does not include joint ventures, other than those where Barloworld exercises management control, nor does it include investments where Barloworld owns less than 50%.</p>
Bribery	<p>Bribery is where a person offers, promises, gives or receives, demands, solicits or accepts something of value, whether it is 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</p>
Corruption	<p>Corruption is defined broadly as ‘the abuse of power for personal gain’ and bribery and fraud are considered to be aspects of corrupt practices.</p>
Gift	<p>A gift is anything of value offered or given to an individual, a member of their family or business partner, and could include, for example: cash or cash equivalent (e.g. vouchers and prepaid cards), stocks or securities, tickets (e.g. for travel, sports events, theatre, movies or concerts), gift certificates, artwork, jewellery, electronics (e.g. laptops, cameras), wine, delicatessen products (e.g. food, tea, alcohol, cigarettes), use of vehicles or use of vacation facilities or hotels.</p>
Hospitality	<p>Hospitality is an event to which you accompany a third party, such as (but not limited to) a meal, artistic and sports events, or concert, and includes any travelling, accommodation and refreshments. For the purposes of this policy, hospitality also comprises third party travel, which includes payment of accommodation and travel expenses of third parties, such as customers and public officials. This does not include Barloworld’s staff own accommodation and travel expenses while on Barloworld business trips.</p>
Travel	<p>Travel is included in the definition of hospitality and is therefore one aspect of hospitality.</p>
Government or public officials	<p>Government or public officials’ means local, provincial, federal or national government, quasi-government, political parties or employees of any of these organisations. 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.</p>
Facilitation payments	<p>Facilitation payments are small payments made to facilitate routine government action. They are not gifts and they are a criminal offence under the UK Bribery Act.</p>

1. Preamble and Policy Summary

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 carry compliance risks and may be intended to be or even perceived to be a bribe as defined in the UK Bribery Act and other country specific laws. In addition, receiving or giving gifts and hospitality that is excessive, inappropriate, in breach of applicable laws and Barloworld policies, can be damaging to Barloworld's reputation, create conflicts of interests, and harm our business relationships.

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 Barloworld, presenting our products and services and/or establishing cordial relations with suppliers, service providers, customers and potential customers.

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 suppliers, service provider or customer related expenditure or benefits received.

This policy does not detract from or diminish any genuine and general marketing expenditure or promotional expenditure in the ordinary course of business

2. Purpose and Objective

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

It is aimed at ensuring that the procedures for the offering and receiving of gifts and hospitality incorporate appropriate controls to prevent bribery, conflicts of interests, fraud and corruption.

3. Scope of Application

The policy applies to all employees and to non-executive directors of Barloworld.

The scope of this policy is all business activities conducted by Barloworld whether with the private or public sector and includes the giving or receiving of gifts, invitations, entertainment, and other benefits.

4. Roles and Responsibilities

Executive management has 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.

5. Regulatory Background

Barloworld is a multinational industrial corporation and many of our operating companies are owned by its UK based intermediate holding company or interact with the subsidiaries of this UK holding company. Barloworld recognizes that the UK Bribery Act now sets the most rigorous legal standards that must be applied by Barloworld businesses.

Other country legislation is also relevant, such as the South African Prevention and Combating of Corrupt Activities Act 12 of 2004 and the US Foreign Corrupt Practices Act.

This policy must be effectively managed to comply with all applicable laws in the countries in which Barloworld operates and these may include specific provisions to restrict or prohibit gifts and entertainment of public officials. 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 Barloworld does business. Small payments made to facilitate routine government action, so called facilitation or "grease" payments, are a criminal offence under the UK Bribery Act.

Such payments are not gifts and they are prohibited under this policy. Further details may be found in the Barloworld Anti-Bribery and Corruption policy.

This policy must be implemented whilst complying with all applicable privacy and data protection legislation.

6. Policy Statement

6.1. Specific Provisions

6.1.1. Prohibited Gifts and Hospitality

When offering or receiving a gift, invitation or other hospitality, employees must apply the following directives:

DO NOT OFFER OR RECEIVE:

- ▮ a gift or invitation during contract negotiations, or in the period leading up to the conclusion of a contract, sale or purchase;
- ▮ any cash or cash equivalents;
- ▮ any gift or invitation that is conditional upon the completion of specified actions;

- ▮ gifts and hospitality that are lavish or excessive, not proportionate under the circumstances, inappropriate in a business context, or that you know are prohibited by law or the recipient's policy;
- ▮ gifts and hospitality with an expectation of any current or future business transactions;
- ▮ gifts and hospitality with an intention of reciprocity of any commercial benefit, or to place undue influence on a person responsible for a decision, or to obtain an improper business advantage;
- ▮ gifts and hospitality from a competitor after careful consideration of the totality of facts and circumstances;
- ▮ gifts and hospitality, where the host is not present;
- ▮ gifts and hospitality at establishments featuring sexual, inappropriate, or obscene entertainment;
- ▮ gifts and hospitality that can impact your judgment and can be viewed as attempts to impact the performance of duties; and
- ▮ any gifts or invitations for or on behalf of friends, family members, non-employees, or any other person(s) with whom you have a personal relationship.

6.1.2. **Acceptable Gifts and Hospitality**

- ▮ A gift or invitation of a nominal value is acceptable as long as it is an infrequent / *ad hoc* occurrence. Frequently received gifts / hospitality from the same source will be subject to scrutiny;
- ▮ Moderately priced meals with business partners that are customary and commonly accepted business courtesies;
- ▮ The intention of the gift or invitation is not related to any current or future business expectations;
- ▮ Small promotional items like t-shirts, pens, diaries, notebook, or coffee mugs bearing a company logo;
- ▮ *Bona fide*, modest, of nominal value, and reasonable based on the industry norms and international best practice; and
- ▮ Aimed at improving the image of Barloworld, presenting our products and services, and/or establishing cordial relations with suppliers, service providers, customers, and potential customers.

6.1.3. All employees of Barloworld are expected to sign an annual attestation as per Annexure A: (i) acknowledging that they have read and understand the contents of this Policy; and (ii) providing an undertaking to comply with the contents of this Policy.

6.2. Deemed nominal value

6.2.1. 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 an infrequent *ad hoc* gift or invitation. The value refers to the estimated retail value of the gift or invitation and not the cost value.

6.2.2. The nominal value of R1500 may not be increased. Divisional policies should determine an equivalent value in local currency or lesser value where applicable. The value is per person in the case of gifts and entertainment.

6.3. Maintaining gifts registers

6.3.1. All gifts or invitations received or offered must be declared and recorded in the gifts register or declaration system, which must be maintained by the Human Capital function at all business units.

The register should record the following mandatory information:

- || Date of giving or receipt of the gift and hospitality;
- || Name of Recipient/Donor;
- || Description of gift or invitation/s;
- || Estimated value;
- || Occasion or purpose of the gift and hospitality;
- || Nature of the business relationship;
- || Whether there is a conflict of interest;
- || Whether there are any pending proposals for business with Barloworld;
and
- || Motivation for offer or acceptance and the relevant approval.

6.3.2. The gifts registers must be made available to Barloworld's Group Internal Auditors for inspection when requested.

6.4. Receiving gifts or invitations

- 6.4.1. Gifts or invitations received that are below the nominal value do not require prior written approval but should be declared in the gift register or declaration system.
- 6.4.2. Gifts or invitations received that are above the nominal value should preferably be declined and the Barloworld 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.
- 6.4.3. In cases where it is not possible to decline a gift or invitation received, it must be declared to your reporting manager for prior written approval and in the gifts register or declaration system. 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.

6.5. Additional provisions when dealing with Government or public officials

- 6.5.1. All dealings by Barloworld (including Barloworld employees in the conduct of their responsibilities for or on behalf of Barloworld) with government or public officials must be on a strictly commercial basis.
- 6.5.2. 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 government or public official or to/from their family members, may be strictly prohibited at all times.
- 6.5.3. 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 in advance and recorded in the gifts register; and
 - || Any gifts and hospitality provided to government officials or public officials must never be for the purpose of inducing, gaining an improper advantage, or to improperly influence an official decision.

6.5.4. Business conducted using associated persons

Particular care must be taken if business with government or public officials is conducted through associated persons. Where an associated person is engaged

by Barloworld to provide services for or on behalf of Barloworld in any transactions or dealings with government or public officials, then divisional executive management at Barloworld must ensure that:

- || this policy is communicated to the associated person agent, broker, distributor and/or intermediary and that this is acknowledged in writing;
- || it is a term of the written or oral agreement with any agent, broker, distributor and/or intermediary that gifts must 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 must obtain approval from Barloworld in advance for all entertainment to be provided to and/or accepted from government or public officials by the agent, broker, distributor and/or intermediary; and the nature and value of all entertainment provided to or accepted from government or public officials by any agent, broker, distributor and/or intermediary must be recorded in the gifts register.

6.5.5. **Business interactions with political parties**

Barloworld prohibits donations to political parties and this includes gifts of any nature. No gifts, payments or benefits may be offered to or received from any political party.

6.6. **Surrounding Circumstances**

- 6.6.1. Surrounding facts and 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.
- 6.6.2. There are factors that should be avoided that could potentially damage the reputation of Barloworld.
- 6.6.3. There are also practices that are commonly applied within Barloworld that demonstrate our commitment to ethical business practices.
- 6.6.4. 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.

7. **Communication**

This policy should be communicated to all employees.

Communication and training for new and existing employees must be included in annual training plans for anti-bribery and corruption as appropriate.

Training content should be refreshed periodically so that it remains current and relevant. Training records must be maintained as evidence of completion of training and these records should be monitored and included in reports to divisional executive management at least annually.

8. Roles and Responsibilities

Divisional executive management 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.

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

9. 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 manager or alternatively to contact the Barloworld Ethics Line.

The Barloworld Global Whistleblowing Policy applies to the use of the Barloworld Ethics Line and it contains the contact details pertaining to each subsidiary, division, or business unit. Barloworld is committed to ensuring that no employee suffers any occupational detriment as a result of reporting a genuine concern in good faith.

10. Related Documents

This policy should be read in conjunction with the following policies:

Anti-Bribery and Corruption policy,
Conflicts of Interest policy,
Hosting Customer Events policy, and
Barloworld Worldwide Code of Conduct.

In the event of a contradiction between this policy and a divisional policy, this policy must be taken as the authoritative.

11. Breach of Policy

It is the responsibility of every employee to comply with this policy and failure to do so could amount to misconduct, and a material breach of the contract of employment, and fines or penalties. Furthermore, Barloworld 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.

All cases of alleged bribery and corruption will be investigated and followed up by the application of all available remedies. Employees who commit an act of bribery or corruption, violate the Barloworld Worldwide Code of Conduct or breach this policy, will be subject to a disciplinary action.

12.Deviations from Policy

It is the responsibility of divisional executive management to ensure that this policy is adopted and approved by an appropriate divisional executive committee.

Any deviations to this Barloworld policy that amend the meaning or raise the minimum standard of the Barloworld policy requirements must be pre-approved, in writing by Barloworld Executive: Compliance and Ethics. Once approved, such deviations must be tabled, approved and recorded at an appropriate divisional executive meeting.

Language translations of Barloworld policies must be conducted or checked by a professional language translator to avoid translation errors that may change the meaning of the policy requirements.

13.Summary Table

For ease of reference, the following table summarizes the main requirements as set out in the policy statement with regards to approvals and recordkeeping.

Gift/Hospitality Value		Approval Requirements*	Recording Requirements*
Under R1500 (or equivalent in local currency)		No pre-approval required but must be <i>ad hoc</i> and infrequent and the intention of the gift/hospitality cannot be related to the expectation of any current or future business transactions. See also P1 and P2.	Recording in the gifts register or declaration system.
Over R1500 (or equivalent in local currency)	Receipt	Decline and explain Barloworld’s policy. Pre-approval in writing by relevant senior / executive management required.	Recording in the gifts register or declaration system.
	Offer	Pre-approval in writing by relevant senior / executive management required.	Recording in the gifts register or declaration system.
<ul style="list-style-type: none"> ▮ Government or Public Officials: Written approval must be obtained before offering or receiving any gift or hospitality expenses (regardless of value) where the offeror or recipient is a Government or Public Official. ▮ Any and all gifts and hospitality to government or public officials must also be recorded in the gifts register or declaration system. 			

EMPLOYEE ATTESTATION

I, the undersigned, _____,

- Have carefully read the Policy(-ies) and undertake to comply
- Know the contact person in case of any questions on this or other E&C Policies
- Undertake to comply with all of the requirements of the Policy(-ies)
- Am not aware of any ongoing breaches of the Policy(-ies) and undertake to report any breaches that I become aware of through the appropriate channels
- Understand Barloworld commitment to zero tolerance to bribery, corruption, violations of the Code of Conduct and will act accordingly, even if some situations are not specifically mentioned in the Barloworld policies.

Signature: _____

Name: _____

Date: _____

Place: _____