



## Anti-Bribery and Corruption Policy

<b>Policy #</b>	BW-GRP-ABC-01	<b>Effective Date</b>	30 September 2015	<b>Email</b>	hilaryw@barloworld.com
<b>Version</b>	V2.1	<b>Contact</b>	Hilary Wilton	<b>Phone</b>	011 445 1168

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### PURPOSE

There are two primary objectives of this policy:

- First, to set out the minimum required standards for preventing bribery and corruption within the Barloworld Group.
- Second, to provide a summary of the various Barloworld policies that are relevant, in whole or in part, to address anti-bribery and corruption requirements in the Barloworld Group.

This policy reflects not only our cultural and ethical commitment to preventing bribery but also compliance with applicable legal and regulatory requirements in the various jurisdictions in which Barloworld operates.

### SCOPE

The policy applies to all employees at all Barloworld Group companies, divisions and business units. The scope of this policy is all business activities conducted within the Group whether with the private or public sector.

### REGULATORY BACKGROUND

Bribery is a criminal offence in many countries and corrupt acts expose Barloworld and its employees to the risk of prosecution, substantial fines and imprisonment, as well as endangering the reputation of the business.

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. Barloworld 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.

#### Regulatory standards

The Barloworld policies support the objectives of the South African legislation of 2004 on the Prevention and Combating of Corrupt Activities Act and the Organisation for Economic Cooperation and Development (OECD) Anti-Bribery Convention, to which South Africa is a signatory.

The policy recognises all applicable legal and regulatory requirements in the countries in which Barloworld operates. It recognises the requirements of the UK Bribery Act, the US Foreign Corrupt Practices Act and other legislation which may

be specific to certain Barloworld entities and/or operations. The Barloworld policy has been developed in line with the UK Bribery Act for businesses to implement “adequate procedures” to prevent bribery.

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

### Voluntary Standards

The Barloworld Worldwide Code of Conduct sets the tone and provides the overall values-based framework that confirms the common principles applied throughout the Group and the top-level commitment to upholding ethical standards.

In conjunction with the Worldwide Code of Conduct, the Barloworld Group Ethics and Compliance Programme sets out, among other things, a framework for the governance of ethical conduct and creating practical anti-bribery and corruption preventative measures throughout the Barloworld Group. It is an internal document used within the Group to set the required standards of governance and control.

Barloworld is a signatory to the United Nations Global Compact (UNGC) which is a voluntary international standard for conducting business. One of the principles set out in the UNGC, is that business should work against corruption in all its forms, including extortion and bribery.

## DEFINITIONS

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.

Corruption is defined broadly as ‘the abuse of power for personal gain’ and bribery and fraud are considered to be aspects of corrupt practices.

The UK Bribery Act defines an “associated person” as a “person who performs services for or on behalf of the organisation” and the full definition set out in the UK Bribery Act is applied for the purposes of this policy.

The Guidance to the UK Bribery Act issued by The UK Ministry of Justice defines facilitation payments as small bribes paid to facilitate routine government action. It also describes six principles that should be applied in designing “adequate procedures” to prevent bribery.

## POLICY STATEMENT

<b>1.</b>	<b>The Barloworld policy on Anti-bribery and Corruption</b>
<b>1.1</b>	The Barloworld Group is committed to maintaining the highest standards of honesty, integrity and ethical conduct.
<b>1.2</b>	This and other Barloworld policies uphold our commitment to the fight against bribery and corruption, in both private and public sector transactions, including facilitation payments.
<b>1.3</b>	The Barloworld Worldwide Code of Conduct is communicated to all employees. It clearly states that: “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 by Barloworld employees or agents for the completion of routine governmental administrative actions (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.”
<b>1.4</b>	Unethical conduct may or may not constitute illegal or corrupt behaviour. The Barloworld Worldwide Code of Conduct defines ethical behaviour and required standards of conduct
<b>2.</b>	<b>Procedures for preventing Bribery and Corruption</b>
<b>2.1</b>	The procedures adopted by Barloworld to prevent bribery and corruption include applying appropriate due diligence procedures and taking a risk based approach to ensure compliance with all applicable laws and regulations related to anti-bribery and corruption.
<b>2.2</b>	A high-level risk assessment is conducted periodically to assess key compliance risks including the risks of bribery and corruption and any other related risks in applicable legislation.
<b>2.3</b>	Appropriate due diligence procedures for all relevant third party service providers and associated persons are applied in accordance with the Barloworld Group Due Diligence policy.

<b>2.4</b>	<p>The response to the risk assessments is proportionate to the related business risks, the business context and surrounding circumstances. Each Barloworld company, division or business unit is responsible for implementing a proportionate response, including but not limited to:</p> <ul style="list-style-type: none"> <li>• Training and communication of policies that is comprehensive and ongoing.</li> <li>• Procedures to prevent and detect bribery and corruption, including procedures to prevent facilitation payments.</li> <li>• Approved guidelines on contractual arrangements with third parties in high risk areas and other associated persons, including requirements for compliance with all applicable laws and regulations related to anti-bribery and corruption.</li> <li>• Procedures to monitor and review processes including the investigation, response and reporting of violations, incidents and other lapses in control as well as implementing areas for improvement.</li> </ul>
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## BARLOWORLD POLICIES AIMED AT PREVENTING BRIBERY AND CORRUPTION

Barloworld has adopted and implemented various Group policies aimed at preventing bribery and corruption. These policies apply to all Group companies, divisions and business units and to business conducted with the private and public sectors.

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

Name of Policy	Purpose
Barloworld Group Gifts and Hospitality Policy	To set out the minimum required 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.
Barloworld Group Hosting Customer Events Policy	To set expected standards that should be applied when Barloworld acts as a host to customers at marketing events, including product marketing, industry expositions, product or technical launches, demonstrations, training sessions and plant visits to manufacturers and product suppliers.
Barloworld Group Marketing Sponsorships Policy	To set out the minimum required standards relating to sponsorship activities for marketing and promotional purposes.
Barloworld Group Due Diligence Policy	To set out the minimum required due diligence procedures for doing business with all relevant third party service providers and suppliers (TPSP&S) so that appropriate risk based procedures are applied in order to prevent bribery and corruption when doing business with TPSP&S.
Barloworld Global Whistle-Blowing Policy:	To ensure the necessary protection of whistle blowers and provide procedures in terms of which information can be disclosed.
Anti-Fraud Policy and Response Plan for Barloworld Limited	To ensure a consistent and effective approach to the process of fraud management and minimisation of fraud and corruption occurrences within the Group.
Barloworld Group Corporate Social Investment (CSI) Policy	<p>The CSI policy is not aimed at anti-bribery and corruption but is included here as it should be read in conjunction with the Group Marketing Sponsorships policy, which does address anti-bribery and corruption directly.</p> <p>The CSI policy is aligned with the Barloworld Group's values, policies and codes, demonstrates the organisation'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.</p>

## ROLES AND RESPONSIBILITIES

Executive management of each company, division and business unit 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 operational management to ensure that all procedures are implemented in accordance with this policy and divisional policies, where applicable.

## RAISING CONCERNS AND SEEKING GUIDANCE

The Barloworld Ethics Line is an independent and confidential system for reporting allegations of unethical behaviour, illegal actions or actions that violate The Barloworld Worldwide Code of Conduct.

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

Any person who wishes to report allegations of bribery, corruption or unethical conduct may use the confidential Barloworld Ethics Line or the website at [www.tip-offs.com](http://www.tip-offs.com).

Barloworld 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 Barloworld Ethics Line are as follows:

- Free Call: 0800 003 248 (outside South Africa: +27 31 571 5633)
- E-mail: [barloworld@ethics-line.com](mailto:barloworld@ethics-line.com)

Website: [www.tip-offs.com](http://www.tip-offs.com)

## BREACH OF POLICY

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

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 disciplinary action, up to and including termination with cause.

## APPROVAL AND OWNERSHIP

Owner	Title	Date
Hilary Wilton	Group Ethics and Compliance Champion	
Approved By	Title	Date
Group Risk and Sustainability Committee	Group Risk and Sustainability Committee	11 November 2014

## REVISION HISTORY

Version	Revision Date	Review Date	Description
V1.0	Annually	September 2014	
V2.0	Annually	September 2015	Increasing scope in relation to public officials Policy descriptions updated
V2.1	Annually	September	Minor adjustments to improve clarity