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PREAMBLE
Building an ethical culture is a continual process and values are at the heart of the way we conduct ourselves. They are demonstrated in the choices and decisions we make on a daily basis. Evidence of the commitment to our values is not in any individual action or initiative but rather in the combined and systemic way in which we conduct business on an ongoing basis. It also requires a structured process established for the oversight, monitoring, reporting and improvement of ethics and compliance activities by divisional executive management and by group main board sub-committees.

PURPOSE
There are two primary objectives of this policy:
• First, to set out the minimum required standards for preventing bribery and corruption in Barloworld.
• 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 Barloworld.

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 and to non-executive directors of Barloworld. The scope of this policy is all business activities conducted with Barloworld 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 IV Report on Corporate Governance recommends a hybrid form of governance that meets regulatory requirements and incorporates appropriate voluntary principles and leading practices. Barloworld supports this...
recommended compliance framework and meets both regulatory and voluntary standards of good governance in its campaign to prevent bribery and corruption in all its business operations worldwide.

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

In conjunction with the Worldwide Code of Conduct, the Barloworld Group Ethics and Compliance Framework sets out, among other things, a framework for the governance of ethical and compliance matters throughout Barloworld and establishes internal reporting structures for the oversight, monitoring, reporting and improvement of ethics and compliance activities. It is an internal document used within Barloworld to set the required standards of governance and control for anti-bribery and corruption.

Bona fide charitable giving, contributions to public benefit organisations, local community organisations, donations to schools or other socially directed activities must comply with the Group CSI policy, in addition to this policy. Barloworld must not gain, nor be seen to gain, from any charitable or CSI activities, other than as noted under paragraph 3 below.

**POLICY STATEMENT**

<table>
<thead>
<tr>
<th>P 1.</th>
<th>The Barloworld policy on Anti-bribery and Corruption</th>
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</thead>
<tbody>
<tr>
<td>1.1</td>
<td>Barloworld is committed to maintaining the highest standards of honesty, integrity and ethical conduct.</td>
</tr>
<tr>
<td>1.2</td>
<td>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. This means that there is a prohibition of all forms of bribery and corruption throughout the group, including facilitation payments. We actively take steps to prevent bribery, extortion and other forms of corruption in our business and our dealings with third parties; and we proactively develop policies and procedures to prevent, investigate and address corruption, where it is suspected or reported.</td>
</tr>
<tr>
<td>1.3</td>
<td>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 employees or agents of Barloworld 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.”</td>
</tr>
<tr>
<td>1.4</td>
<td>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.</td>
</tr>
<tr>
<td>1.5</td>
<td>The current regulatory environment requires that we not only commit to conducting our business in an ethical and effective manner but that there is credible evidence to support these commitments. Evidence of our commitment to our values and building an ethical culture will not be found in any individual act or event but rather in the ongoing combination of activities that are integrated into the way we do business. The focus should be on maintaining a trail of evidence of the activities collectively rather than on any individual specific activity.</td>
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<table>
<thead>
<tr>
<th>P 2.</th>
<th>Procedures for preventing Bribery and Corruption</th>
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</thead>
<tbody>
<tr>
<td>2.1</td>
<td>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.</td>
</tr>
</tbody>
</table>
2.2 A risk assessment must be conducted periodically to assess key compliance risks for bribery and corruption and any other related risks in applicable legislation. It is business specific and must therefore be conducted at a divisional and/or business unit level.

It should consider the external risks of bribery and corruption at a country or regional level and at an industry level. It should also consider the internal risks of bribery and corruption in relation to the type of business transactions that are conducted and compliance with policies, procedures and other internal controls.

Divisional Heads of Legal are responsible for conducting the review and must report the outcomes and planned responses to Barloworld General Counsel.

This risk assessment is directed at bribery and corruption compliance risks and is therefore more detailed than the strategic review known as the high-level risk assessment that covers many other business risks. It is in addition to and complementary to the group-level risk management plan.

It is also a business-level risk assessment rather than a supplier-level risk assessment, as required in terms of the Barloworld Group Due Diligence policy, although there may be some areas of commonality.

2.3 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:

- Communication and training of policies that is appropriate and ongoing. Each company, division and/or business unit must have an annual communication and training plan for anti-bribery and corruption and related policies, including the Barloworld Worldwide Code of Conduct.
- Procedures to prevent and detect bribery and corruption, including procedures to prevent facilitation payments.
- 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.
- Procedures to monitor and review processes including the investigation, response and reporting of violations, incidents and other control weaknesses as well as implementing areas for improvement.

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

- 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.

2.5 Employees are required to immediately report any offers of bribes, requests for bribes or suspicions of bribes being offered or received, including facilitation payments. They must report either to their manager or alternatively using the Barloworld Ethics Line.

If, after investigation, it is found that a bribe or facilitation payment has been offered or received by an employee, for whatever reason, whether intentional or otherwise, then such amount and the details thereof must be recorded as a ‘defalcation and misappropriation’ in terms of Barloworld financial reporting requirements and reported to the divisional executive director finance.

Examples of transactions that may indicate a risk of bribery or situations where bribes can be present include, but are not limited to:

- Excessive commission payments
- Preferential treatment
- Extravagant gifts or hospitality
- Payments without documentation or receipts or where documentation is not correctly prepared or is in the name of an unknown party or an intermediary
- Contingency fees or bonuses

2.6 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.

P 3. Specific situation: Corporate Social Responsibility as a customer contract or tender condition

3.1 It is becoming a common practice in South Africa for customer contracts and tenders to include a commitment to some form of corporate social responsibility (CSR) project or expenditure as a required contract or tender condition.
condition.

The requirements set out below must be applied in addition to the existing disclosures related to customer contracts and tenders as required in other related policies set out in the table below.

These procedures apply only to those customer contracts and tenders where the conditions are:
1. openly disclosed in the contract or tender process;
2. apply to all potential suppliers; and
3. there is an independent and transparent process to approve, manage and report on the CSR spend that is a contract or tender requirement.

If these criteria are not met then the contract or tender must not be pursued.

### 3.2

The procedures set out here must be applied, as a minimum standard, for all customer contracts or tenders with a CSR commitment as a contract condition.

Procedures must comply with the standards set out in the Group CSI policy, where applicable and where this does not apply, then controls must be implemented in accordance with procedures defined, in writing, by divisional executive management.

While operational control of the CSR project may be delegated by the divisional executive committee, the approvals, oversight and reporting are the responsibility of an appropriate divisional executive committee and may not be delegated to any specific individual, executive or otherwise.

### 3.3

The procedures defined by divisional executive management must contain the following minimum requirements:

1. Approval of the contract terms related to the CSR commitment, including, but not limited to:
   a. the objectives of the CSR project;
   b. the spend amount (whether financial or otherwise);
   c. the agreed beneficiaries; and

2. Oversight of the execution of the CSR project including controls to ensure that:
   a. an appropriate due diligence review is conducted on the various parties involved in the governance and administration of the CSR project, whether as joint administrators, suppliers, service providers or beneficiaries;
   b. whether jointly managed or otherwise, that appropriate governance and administration controls are applied. These may include, but are not limited to, the establishment of appropriate governance structures, reporting requirements and independent auditing.
   c. the approved beneficiaries receive the full amount of the approved grant or contribution (whether stated as a fixed amount, a percentage of the contract value or some other basis); and not a lesser amount, a greater amount or a different benefit; and
   d. no benefit, either financial or otherwise, is received by a person or organisation that has not been approved by the divisional executive committee as a beneficiary or as a bona fide service provider.

3. Reporting on the governance and administration of the CSR project should be made at regular intervals to the designated divisional executive committee to ensure that all standards, whether group or divisional, have been applied.

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**BARLOWORLD POLICIES AIMED AT PREVENTING BRIBERY AND CORRUPTION**

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

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

<table>
<thead>
<tr>
<th>Related ABC policies</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barloworld Group Gifts and Hospitality Policy</td>
<td>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.</td>
</tr>
</tbody>
</table>
Barloworld Group Hosting Customer Events Policy

To set expected standards that must 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.

Other related policies

<table>
<thead>
<tr>
<th>Policy</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barloworld Conflicts of Interest policy</td>
<td>To ensure that the minimum expected standards related to conflicts of interest are clearly articulated and communicated to all employees. This policy sets out the definition of conflicts of interest, the responsibilities of employees and the responsibilities of management.</td>
</tr>
<tr>
<td>Barloworld Global Whistle-Blowing Policy</td>
<td>To ensure the necessary protection of whistle blowers and provide procedures in terms of which information can be disclosed.</td>
</tr>
<tr>
<td>Anti-Fraud Policy and Response Plan for Barloworld Limited</td>
<td>To ensure a consistent and effective approach to the process of fraud management and minimisation of fraud and corruption occurrences within Barloworld.</td>
</tr>
<tr>
<td>Barloworld Group Corporate Social Investment (CSI) Policy</td>
<td>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. The CSI policy is aligned with Barloworld values, policies and codes, demonstrates the organisation’s corporate social responsibility and its commitment to the local communities and the countries in which it operates, and fits logically into its drive for sustainability.</td>
</tr>
</tbody>
</table>

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.

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.

RAISING CONCERNS AND SEEKING GUIDANCE

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 manager or alternatively the Barloworld Ethics Line at www.tip-offs.com.

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.

The Barloworld Global Whistleblowing Policy applies to the use of the Barloworld Ethics Line and it contains the contact details pertaining to each company, 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.
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.

The investigations process is subject to oversight by the Group Head of Risk and Legal and in certain cases by Barloworld General Counsel. This is to ensure that the process is fair and consistent throughout the group and meets minimum requirements. Corrective action and monitoring is the responsibility of divisional executive management. Information regarding the nature of the violations, control lapses and corrective actions are submitted to the relevant main board sub-committee for scrutiny.

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 group policy requirements must be pre-approved, in writing by Barloworld General Counsel. Once approved, such deviations must be tabled, approved and recorded at an appropriate divisional executive meeting.

Any deviations that add more specific requirements, and therefore lower the minimum standard required by this Barloworld policy, may be included at the discretion of divisional executive management and then 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.

DEFINITIONS

D 1. Barloworld

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.

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%.

D 2. Bribery

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.

D 3. Corruption

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

D 4. The UK Bribery Act: Associated Persons and Adequate Procedures

The UK Bribery Act defines an “associated person” as a “person who performs services for or on behalf of the organisation” where a person may be an individual or a legal entity. 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 describes six principles that should be applied in designing “adequate procedures” to prevent bribery.

D 5. Gift

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, gift certificates, artwork, jewellery, electronics (e.g. laptops, cameras), wine, delicatessen products (e.g. food, tea, alcohol, cigarettes), discounts, loans, favourable terms on a product, donations to charity, use of vehicles or use of vacation facilities or hotels.

D 6. Hospitality

Hospitality is an event to which you accompany a third party, such as (but not limited to) a meal, sports match, event 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 accommodation and travel expenses for employees of Barloworld while on Barloworld business trips.

D 7. Travel

Travel is included in the definition of hospitality and is therefore one aspect of hospitality.

D 8. Government or public officials

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.

D 9. Facilitation payment

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.

APPROVAL AND OWNERSHIP

<table>
<thead>
<tr>
<th>Owner</th>
<th>Title</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lesibana Ledwaba</td>
<td>Group Executive: Insurance and Risk</td>
<td></td>
</tr>
</tbody>
</table>

Approved By

<table>
<thead>
<tr>
<th>Title</th>
<th>Date</th>
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</thead>
<tbody>
<tr>
<td>Group Risk and Sustainability Committee</td>
<td>11 November 2014</td>
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</tbody>
</table>

REVISION HISTORY

<table>
<thead>
<tr>
<th>Version</th>
<th>Revision Date</th>
<th>Description</th>
<th>Next review Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>V1.0</td>
<td>Annually</td>
<td></td>
<td></td>
</tr>
<tr>
<td>V2.0</td>
<td>Annually</td>
<td>Increasing scope in relation to public officials Policy descriptions updated</td>
<td>First review: November 2014</td>
</tr>
<tr>
<td>V2.1</td>
<td>Annually</td>
<td>Minor adjustments to improve clarity</td>
<td>Prior review: September 2015</td>
</tr>
</tbody>
</table>
| V 2.2   | Annually      | Paragraph 3 and 4 added.  
• Oversight of CSR expenditure linked to contract tenders in South Africa.  
• Lessons from the Standard Bank case incorporated.  
Inclusion of Group Conflicts of Interest policy as a related policy.  
Table of related policies now categorises policies as either a related ABC policy or other related policies. | Prior review: September 2016 |
<table>
<thead>
<tr>
<th>V 3.0</th>
<th>Annually</th>
<th>Amendments arising from detailed review of ABC policies by Norton Rose Fullbright London. Scope includes non-executive directors.</th>
<th>Last review: September 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Annual review conducted by policy owner but no updates arising. Report and minute at Group R&amp;S Committee.</td>
<td>Current review: September 2018</td>
</tr>
<tr>
<td>Every 2 years unless business need requires more frequent</td>
<td></td>
<td></td>
<td>Next review: September 2020</td>
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</tbody>
</table>

Changed Ethics Line contacts to refer to the Group Whistleblowing policy where full details are provided.