



## Group Gifts and Hospitality Policy

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<b>Version</b>	V 2.1	<b>Contact</b>	Hilary Wilton	<b>Phone</b>	011 445 1168

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### PURPOSE

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.

### SCOPE

The policy applies to all employees at all 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 and includes the giving or receiving of gifts, invitations, entertainment and other benefits. This policy is not intended to cover ex-gratia payments by Barloworld related to genuine competitions for employees or customers.

This policy should be read in conjunction with the Barloworld Group Policy on Anti-Bribery and Corruption and the 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.

### REGULATORY BACKGROUND

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

Other country legislation is also relevant, such as the South African Prevention and Combating of Corrupt Activities Act 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 Group Anti-Bribery and Corruption policy.

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

## PREAMBLE

It is generally understood that gifts and hospitality expenditure is an area that may be abused and misused if not carefully controlled. It is recognised that such expenditure or benefits received may be intended to be or even perceived to be a bribe as defined in the UK Bribery Act and other country specific laws.

However, it is also recognised 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.

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.

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 international best practice.

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.

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

## POLICY STATEMENT

<b>1.</b>	<b>Specific Provisions</b>
<b>1.1</b>	When offering or receiving a gift, invitation or other hospitality: <ul style="list-style-type: none"><li>• Do not offer, give or receive a gift or invitation in the period leading up to the conclusion of a contract, sale or purchase.</li><li>• Do not offer, give or receive any gifts of cash or cash equivalents</li><li>• Do not accept or offer any gift or invitation that is conditional upon the completion of specified actions</li><li>• Do not accept or offer any gifts or invitations for or on behalf of family members</li></ul>
<b>2.</b>	<b>Maintaining gifts registers</b>
<b>2.1</b>	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.
<b>2.2</b>	The nominal value of R1500 may not be increased. Divisional policies should determine an equivalent value in local currency or <u>lesser</u> value where applicable. The value is per person in the case of entertainment.
<b>2.3</b>	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.
<b>2.4</b>	The gifts registers must be made available to Barloworld's Group Internal Auditors for inspection when requested.
<b>2.5</b>	The deemed nominal value will be reviewed in accordance with the policy review cycle and may be amended as required at that time.
<b>3.</b>	<b>Receiving gifts or invitations</b>
<b>3.1</b>	It is our policy not to accept gifts or invitations unless they are infrequent and are of nominal value.
<b>3.2</b>	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.

3.3	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.	<b>Offering gifts or invitations</b>
4.1	Care should be taken in making any offer of a gift or invitation to a customer or potential customer to avoid any real or perceived intention to unduly influence a customer's decision or reason for awarding contracts or other business.
4.2	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.
4.3	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.
4.4	In cases where any gift is offered or invitation is extended that exceeds the nominal value then it must be pre-approved by executive management and declared in the gifts register.
4.5	It is important to be aware of the corporate policies of major customers so that we comply with their procedures and approvals where required.
5.	<b>Additional provisions when dealing with Government or public officials</b>
5.1	In this section, the words 'Government or public officials' means: Government, quasi-government, political parties or employees of any of these organisations or public officials, representatives of political parties or other politically connected persons or family members of any of these persons.
5.2	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.
5.3	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.
5.4	<p>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.</p> <p>Facilitation payments are not gifts and they are prohibited under this policy.</p> <p>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.</p> <p>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 Barloworld employee.</p>
5.5	<p><b>Business conducted using agents, distributors and/or intermediaries.</b></p> <p>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 Barloworld or provides a service for or on behalf of Barloworld in any transactions or dealings with Government or public officials, then it is the responsibility of the responsible person at Barloworld to ensure that:</p> <ul style="list-style-type: none"> <li>• this policy is communicated to the agent, distributor and/or intermediary and that this is acknowledged in writing</li> <li>• 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</li> <li>• in the event that the need arises to extend hospitality then they should obtain approval from Barloworld in advance for all entertainment to be provided to and/or accepted from Government or public officials by the agent, distributor and/or intermediary</li> <li>• a separate register is kept specifying the nature and value of all gifts and entertainment provided to and accepted from Government or public officials by any agent, distributor and/or intermediary</li> </ul>

<b>5.6</b>	<p><b>Business interactions with political parties or politically connected persons</b></p> <p>Barloworld prohibits donations to political parties or politically connected persons and this includes gifts of any nature.</p> <p>No gifts, payments or benefits may be offered to or received from any political party or politically connected person.</p> <p>The nature and value of any entertainment provided to or accepted from any representative of any political party by any Barloworld employee must be approved in advance and recorded in the gifts register.</p> <p>Extreme caution must be exercised in the event that any Barloworld 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.</p>
<b>6.</b>	<b>Surrounding circumstances</b>
<b>6.1</b>	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.
<b>6.2</b>	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.
<b>6.3</b>	There are also practices that are commonly applied within the Barloworld group that demonstrate our commitment to ethical business practices.
<b>6.4</b>	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.

## RELATED DOCUMENTS

For other customer hospitality expenditure such as visits to manufacturing plants, product launches, product demonstrations or product training, there may be significant costs including airfares, accommodation and other related expenditure. For these situations, reference should be made to the Barloworld Group Policy: Hosting Customer Events.

## COMMUNICATION

We encourage all employees to speak to their direct reporting manager if they have any questions about this policy or if they are faced with a situation where they are unsure about how the policy should be applied.

If any employee is faced with a potential breach of the policy, they should immediately report the matter to their reporting manager.

In the event that an employee may wish to report unethical behaviour confidentially, the Barloworld Ethics Line is available to all employees in all regions of the world and details are available at all local offices.

## 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.

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.

## 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	
V 2.0	Annually	September 2015	Addition of Government and public officials Inclusion of agents and intermediaries
V 2.1	Annually	September	Wording adjusted to provide greater clarity