

## Anti-Fraud Management Policy

<b>Policy #</b>	BW-IA-001	<b>Effective Date</b>	(01/10/2018)	<b>Email</b>	(georgiad@barloworld.com)
<b>Version</b>	1.3	<b>Contact</b>	(Head of Internal Audit)	<b>Phone</b>	(+27114451211)

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### GLOSSARY OF TERMS

Throughout this document, unless otherwise stated, the words in the first column below have the meanings stated opposite them in the second column:

“Group”	The Barloworld Limited group of companies. This includes divisions, companies, joint ventures where the joint partner is in agreement are to comply with the policy.
“Fraud”	<p>Fraud, in the context of this policy, means the unlawful and intentional misrepresentation or concealment of facts resulting in actual or potential prejudice to another. Examples would include breach of confidentiality and dishonest or unfair practice aimed at personal gain, whether financial or otherwise. Personal gain applies not only to an individual but extends to family, friends and business associates or partners.</p> <p>Fraudulent activities include, but are not limited to: theft, misappropriation of assets, misrepresentation, misuse of assets, misuse of intellectual or private property, aiding and abetting a crime, insider trading, improper business practices, misstatement of financial transactions and reports, and concealing transactions.</p> <p>Unethical conduct may or may not constitute illegal or fraudulent behaviour. The Barloworld Worldwide Code of Conduct defines ethical behaviour and required standards of conduct.</p>
“Employee”	Any person who works for the Group and who receives, or is entitled to receive, any remuneration and; in any manner, assists in carrying on or conducting the business of the Group.
“BGIAS”	Barloworld Group Internal Audit Services.
“Policy”	Anti-Fraud Management Policy.

**PURPOSE**

The Group is committed to maintaining the highest standards of integrity and ethical conduct. This Policy is intended to ensure a consistent and effective approach to the process of fraud management, and minimisation of fraud occurrences within the Group.

The Group reserves the right to utilise all avenues available to the full extent of the law to prosecute any perpetrators.

**SCOPE**

This Policy applies to all allegations, attempts and incidents of fraud which impact or has the potential to impact the Group. All employees must comply with the policy.

**POLICY**

1.	<b>Supervision of Fraud Management</b>
1.1	The Policy is reviewed annually by BGIAS.
1.2	The various Group Divisional Audit Review Committees and Barloworld Group Audit Committee are tasked with divisional supervision, implementation and assessment of the Policy. Divisional Management report to the Divisional Audit Review Committees and Barloworld Group Audit Committee and are tasked with the execution of this Policy within their divisions.
2.	<b>The Process of Fraud Management</b>
2.1	There are five phases of fraud management, namely, fraud risk assessment, prevention, detection, investigation, and recovery and mitigation.
2.2	<p>The diagram illustrates the five phases of fraud management arranged in a circle around a central 'Fraud Risk Assessment' box. The phases are: <b>Prevention</b> (top left), <b>Detection</b> (top right), <b>Investigation</b> (bottom left), and <b>Recovery and Mitigation</b> (bottom right). The central box is <b>Fraud Risk Assessment</b>. Each phase has a descriptive text box below its title.</p> <ul style="list-style-type: none"> <li><b>Prevention:</b> Actions taken to deter or prevent fraud from occurring.</li> <li><b>Detection:</b> Actions aimed at uncovering or revealing the presence of fraud or fraud attempts.</li> <li><b>Investigation:</b> Gather evidence and build a case to stop the perpetrator, recover assets, obtain resolution, and facilitate successful prosecution and conviction.</li> <li><b>Recovery and Mitigation:</b> Action taken to recover assets or losses, stop fraud and avert further losses resulting from the fraud.</li> <li><b>Fraud Risk Assessment:</b> To identify potential fraud threats and implement appropriate measures.</li> </ul>
3.	<b>Fraud Risk Assessment</b>
3.1	This involves the process of identifying potential fraud risks, assessing the likelihood and impact of the potential fraud risk and taking the necessary steps to prevent, detect and/ or minimise losses.

3.2	All Divisions in the performance of their own risk assessments should include an assessment of potential fraud risks and how to mitigate those risks.
4.	<b>Prevention</b>
4.1	Although a sound control environment cannot fully eliminate the risk of fraud due to inherent limitations of an internal control system, adequate design and effective implementation of internal preventative controls could minimise the risk of fraud.
4.2	It is the responsibility of all Divisions to ensure that adequate preventative controls are designed, documented and implemented to prevent fraudulent activity.
4.3	Divisions should develop on-going monitoring processes to evaluate, remedy and continuously improve fraud prevention controls. Controls should be reviewed and updated as necessary, but in any event on an annual basis.
4.4	<p>Divisional Management should promote an anti-fraud working environment through:</p> <ul style="list-style-type: none"> <li>• Creating an environment which is intolerant to fraud;</li> <li>• Implementing adequate controls to prevent fraud; for example authorisation and audit checks, segregation of duties and authorisation powers and similar protective measures (“adequate controls”);</li> <li>• Communication to and training of employees to ensure awareness of this policy and the Whistleblowing Policy;</li> <li>• Ongoing communication and support of the Barloworld Worldwide Code of Conduct; and</li> </ul> <p>Reporting as requested by the Divisional Audit Review Committee and Barloworld Group Audit Committee regarding the operation of the Policy in the Division.</p>
4.5	In implementing preventative measures, consideration should be given to the feasibility, practicality and proportionality of the controls and procedures implemented.
5.	<b>Detection</b>
5.1	The detection of fraud is achieved through adequate controls designed for this purpose.
5.2	It is the responsibility of all Divisions to ensure that adequate controls to detect fraudulent activity are designed, documented, communicated and implemented.
5.3	Divisions should develop on-going monitoring processes to evaluate, remedy and continuously improve fraud detection controls.
5.4	The divisions are responsible for creating and maintaining an awareness of the Whistleblowing Policy, including the Barloworld Ethics Line.
5.5	In implementing detection measures, consideration should be given to the feasibility, practicality and proportionality of the controls and procedures implemented.

<b>6.</b>	<b>Insurance Requirements</b>
<b>6.1</b>	All detected instances of fraud must be reported immediately to the <u>Group Executive: Legal and Insurance (GE; L&amp;I)</u> for purposes of notification to the Group's insurers, where applicable. All correspondence to the insurers will be channeled through the <u>Group Executive: Legal and Insurance (GE; L&amp;I)</u> . The insurer may appoint a loss adjuster to direct the investigation.
<b>7.</b>	<b>Investigation</b>
<b>7.1</b>	All fraud will be investigated and followed up by the application of any remedies available within the full extent of the law.
<b>7.2</b>	The Divisional Management should exercise their discretion to determine the nature and extent of resources applied to the investigation process.
<b>7.3</b>	Before commencing an investigation, Divisional Management must seek guidance from the <u>Group Executive: Legal and Insurance (GE; L&amp;I)</u> , on the proposed investigation; thereafter inform the Divisional Head of Legal.
<b>7.4</b>	All investigations must be treated as strictly confidential.
<b>8.</b>	<b>Recovery and mitigation</b>
<b>8.1</b>	Employees who commit fraud are in material breach of the contract of employment amounting to gross misconduct; and will be subjected to appropriate disciplinary action, in accordance with HR policies. Barloworld will pursue all appropriate action to the full extent available in the law.
<b>8.2</b>	The Group retains the full discretion to pursue full recovery of all losses resulting from fraud.
<b>8.3</b>	When a fraud occurs, Divisional Management will immediately review all relevant controls in order to prevent similar frauds occurring.
<b>9.</b>	<b>Reporting</b>
<b>9.1</b>	Any employee who becomes aware of, or reasonably suspects, fraud should report it immediately to their Supervisor, Manager or HR Manager, which person is then responsible for reporting the matter immediately to the Divisional Legal Counsel.
<b>9.2</b>	Alternatively, matters can be reported anonymously by contacting the Barloworld Ethics Line as set out in appendix A. This is an independent and confidential system through which employees can report, inter alia, fraud or suspected fraud.
<b>9.3</b>	The Barloworld Ethics Line is intended to encourage employees to raise serious concerns relating to fraud or suspected fraud without fear of victimisation. Employees are protected against occupational detriment when they have reported suspected fraud in terms of the procedures contained in this Policy and the Whistleblowing Policy.
<b>9.4</b>	Employees will be subject to disciplinary action and may be subject to legal liability if malicious and/or false allegations are deliberately made.
<b>9.5</b>	Divisional Management is responsible for ensuring that reported matters are escalated to the Divisional Audit Review Committee and Barloworld Group Audit Committee.

<b>10.</b>	<b>Disclosure to Third Parties</b>
<b>10.1</b>	The Group Financial Director, where applicable, will be responsible for any necessary disclosures to any third parties as required by the laws or regulations of any country in which the Group operates.
<b>11.</b>	<b>Communication and Training</b>
<b>11.1</b>	It is the responsibility of all Divisions to ensure that all employees are made aware of this policy. All appropriate employees should receive appropriate communication and training with regard to this Policy.
<b>12.</b>	<b>Administration</b>
<b>12.1</b>	The custodian of this Policy is the Head of Barloworld Group Internal Audit Services.
<b>12.2</b>	The Head of Barloworld Group Internal Audit Services is responsible for the revision of this Policy.

#### ROLES AND RESPONSIBILITIES

Executive management of each division has the responsibility to formally adopt and comply with this policy. Any additions to this policy shall be communicated to the policy owner before adoption. Divisions shall have the discretion to define the process, procedures and other mechanisms by which the policy is implemented within the division.

#### RELATED DOCUMENTS

This policy should be read together with the Whistleblowing policy.

#### Approval and Ownership

<b>Owner</b>	<b>Title</b>	<b>Date</b>
<i>Georgia Dimitriadis</i>	<i>Head of Group Internal Audit</i>	<i>(24 July 2018)</i>
<b>Approved By</b>	<b>Title</b>	<b>Date</b>
<i>(Gordon Hamilton- on behalf of the Audit Committee )</i>	<i>(Chairperson of the Barloworld Audit Committee)</i>	<i>(29 September 2015)</i>
<i>(Sango Ntsaluba- on behalf of the Audit Committee )</i>	<i>(Chairperson of the Barloworld Audit Committee)</i>	<i>(25 July 2017)</i>
<i>(Sango Ntsaluba- on behalf of the Audit Committee )</i>	<i>(Chairperson of the Barloworld Audit Committee)</i>	<i>(24 July 2018)</i>

Independent Service Provider: Tip-Offs Anonymous (Deloitte)	
Within South Africa	<ul style="list-style-type: none"> <li>▪ Free Calls: 0800 203 242 0800 003 248 0800 004 825 0800 004 832 0800 121 282</li> <li>▪ SMS (Text messaging) (SA Only) Text: "Please Call Me" to 32840</li> <li>▪ Fax: (031) 560 7394</li> <li>▪ Free Fax: 0800 00 77 88</li> <li>▪ Internet website: <a href="http://www.tip-offs.com">www.tip-offs.com</a> (Online Reporting)</li> <li>▪ E-mail: <a href="mailto:pi@toanon.co.za">pi@toanon.co.za</a> <a href="mailto:barloworld@ethics-line.com">barloworld@ethics-line.com</a> <a href="mailto:Barloworld-equipment@ethics-line.com">Barloworld-equipment@ethics-line.com</a> <a href="mailto:bec@tip-offs.com">bec@tip-offs.com</a> <a href="mailto:bmr@ethics-line.com">bmr@ethics-line.com</a> <a href="mailto:avis@ethics-line.com">avis@ethics-line.com</a></li> <li>▪ Free Post (SA only): KZN 138, Umhlanga Rocks, 4320</li> </ul>
Outside South Africa	<ul style="list-style-type: none"> <li>▪ Tel: 0027 31 560 7380/1/2</li> <li>▪ E-mail: <a href="mailto:pi@toanon.co.za">pi@toanon.co.za</a> <a href="mailto:barloworld@ethics-line.com">barloworld@ethics-line.com</a> <a href="mailto:Barloworld-equipment@ethics-line.com">Barloworld-equipment@ethics-line.com</a> <a href="mailto:bec@tip-offs.com">bec@tip-offs.com</a> <a href="mailto:bmr@ethics-line.com">bmr@ethics-line.com</a> <a href="mailto:avis@ethics-line.com">avis@ethics-line.com</a></li> <li>▪ Internet website: <a href="http://www.tip-offs.com">www.tip-offs.com</a> (Online Reporting)</li> <li>▪ Postal Address: P.O. Box 774, Umhlanga Rocks, 4320</li> </ul>
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Botswana	<ul style="list-style-type: none"> <li>▪ Free Call: 0800 600 644 7111 9496</li> <li>▪ E-mail: <a href="mailto:pi@toanon.co.za">pi@toanon.co.za</a> <a href="mailto:barloworld@ethics-line.com">barloworld@ethics-line.com</a> <a href="mailto:Barloworld-equipment@ethics-line.com">Barloworld-equipment@ethics-line.com</a> <a href="mailto:Barloworld-logistics@ethics-line.com">Barloworld-logistics@ethics-line.com</a> <a href="mailto:bec@tip-offs.com">bec@tip-offs.com</a></li> </ul>

	<p><a href="mailto:bmr@ethics-line.com">bmr@ethics-line.com</a> <a href="mailto:avis@ethics-line.com">avis@ethics-line.com</a></p> <ul style="list-style-type: none"> <li>Internet website: <a href="http://www.tip-offs.com">www.tip-offs.com</a> (Online Reporting)</li> <li>Postal Address: P.O. Box 774, Umhlanga Rocks, 4320</li> </ul>
Namibia	<ul style="list-style-type: none"> <li>Free Call: 0800 001 126</li> <li>E-mail: <ul style="list-style-type: none"> <li><a href="mailto:pi@toanon.co.za">pi@toanon.co.za</a></li> <li><a href="mailto:barloworld@ethics-line.com">barloworld@ethics-line.com</a></li> <li><a href="mailto:Barloworld-equipment@ethics-line.com">Barloworld-equipment@ethics-line.com</a></li> <li><a href="mailto:Barloworld-logistics@ethics-line.com">Barloworld-logistics@ethics-line.com</a></li> <li><a href="mailto:bec@tip-offs.com">bec@tip-offs.com</a></li> <li><a href="mailto:bmr@ethics-line.com">bmr@ethics-line.com</a></li> <li><a href="mailto:avis@ethics-line.com">avis@ethics-line.com</a></li> </ul> </li> <li>Internet website: <a href="http://www.tip-offs.com">www.tip-offs.com</a> (Online Reporting)</li> <li>Postal Address: P.O. Box 774, Umhlanga Rocks, 4320</li> </ul>
Vostochnaya Technica: Russia	<ul style="list-style-type: none"> <li>Free Call: 810 800 253 31012</li> <li>Email: <a href="mailto:vosh-tech@ethics-line.com">vosh-tech@ethics-line.com</a></li> <li>Internet website: <a href="http://www.tip-offs.com">www.tip-offs.com</a> (Online Reporting)</li> <li>Postal Address: P.O. Box 774, Umhlanga Rocks, 4320</li> </ul>

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Dubai (UAE)	<ul style="list-style-type: none"> <li>Free Call: 8000 177 230</li> <li>Email: <ul style="list-style-type: none"> <li><a href="mailto:pi@toanon.co.za">pi@toanon.co.za</a></li> <li><a href="mailto:barloworld@ethics-line.com">barloworld@ethics-line.com</a></li> <li><a href="mailto:Barloworld-equipment@ethics-line.com">Barloworld-equipment@ethics-line.com</a></li> <li><a href="mailto:Barloworld-logistics@ethics-line.com">Barloworld-logistics@ethics-line.com</a></li> <li><a href="mailto:bec@tip-offs.com">bec@tip-offs.com</a></li> <li><a href="mailto:bmr@ethics-line.com">bmr@ethics-line.com</a></li> <li><a href="mailto:avis@ethics-line.com">avis@ethics-line.com</a></li> </ul> </li> <li>Internet website: <a href="http://www.tip-offs.com">www.tip-offs.com</a> (Online Reporting)</li> <li>Postal Address: P.O. Box 774, Umhlanga Rocks, 4320</li> </ul>
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Angola	<ul style="list-style-type: none"> <li>International Dialling: 0027 31 571 5364</li> <li>Email: <ul style="list-style-type: none"> <li><a href="mailto:pi@toanon.co.za">pi@toanon.co.za</a></li> <li><a href="mailto:barloworld@ethics-line.com">barloworld@ethics-line.com</a></li> <li><a href="mailto:Barloworld-equipment@ethics-line.com">Barloworld-equipment@ethics-line.com</a></li> <li><a href="mailto:Barloworld-logistics@ethics-line.com">Barloworld-logistics@ethics-line.com</a></li> <li><a href="mailto:bec@tip-offs.com">bec@tip-offs.com</a></li> <li><a href="mailto:bmr@ethics-line.com">bmr@ethics-line.com</a></li> </ul> </li> </ul>
Botswana – Logistics	
DRC	
Lesotho	
Malawi	
Mozambique	
Namibia	
Swaziland	
United Kingdom	

Zambia	<p><a href="mailto:avis@ethics-line.com">avis@ethics-line.com</a></p> <ul style="list-style-type: none"> <li>▪ Internet website: <a href="http://www.tip-offs.com">www.tip-offs.com</a> (Online Reporting)</li> <li>▪ Postal Address: P.O .Box 774, Umhlanga Rocks, 4320</li> </ul>
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Group Head of Internal Audit (BGIAS)	<p>Georgia Dimitriadis  <a href="mailto:GeorgiaD@barloworld.com">GeorgiaD@barloworld.com</a>            Tel: +27 11 445 1211</p>