

### 1. Background

Tsebo Solutions Group Holdings SA (Tsebo or The Group) has adopted a Code of Ethics and Good Business Practice. In accordance with the principles set out therein, Tsebo has produced a policy designed to regulate and control the receiving and giving of Gifts and Entertainment externally and internally.

### 2. Definitions

For the purposes of this policy the following definitions are relevant:

- > **Benefit:** Includes any tangible or intangible advantages or profits gained, such as tickets to sporting events, theatrical or other events, invitations to lunches, dinners, promotions or travel;
- > **Client:** Includes existing and potential future Clients or customers' external to Tsebo;
- > **Corruption:** The abuse of a position of employment by the offering or acceptance of a benefit that is not legally due, for the commission of an act in connection with that position of employment, as defined in the Prevention and Combating of Corrupt Activities Act, No 12 of 2004;
- > **Employee:** Includes employees, temporary employees, independent contractors and directors of Tsebo;
- > **Employee's Family:** Includes the Employee's spouse or equivalent, sibling, parent, grandparent, child, grandchild and any person who is a blood relation of the Employee or through marriage;
- > **Entertainment:** Refers to any form of hospitality or outing afforded to an Employee by a Client, Supplier or any other person outside of Tsebo or offered to a Client, Supplier or Government Official by an Employee of Tsebo. This includes and is not limited to meals or drinks paid for by anyone outside of Tsebo, any attendance of sporting events, concerts and the like.
- > **Gifts:** Includes items, goods, services or information in whatever form, from which the recipient may derive benefit, as well as any other benefit or gratuity, but does not include:
  - Gifts in the form of entertainment for/of Suppliers or Clients where the monetary value is below the Monetary Thresholds below;
  - Official Tsebo branded goods or items;
  - Official Tsebo sponsored functions, promotions or hospitality events;
  - Official donations made on behalf of Tsebo; or
  - Items, goods, services, information or money in whatever form provided or obtained from third parties in terms of an official contract with Tsebo.

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- > **Gratuity:** Includes any sum of money paid in respect of any defined task or project other than the contracted remuneration paid by Tsebo;
- > **Monetary Thresholds:** Tsebo has established a maximum Rand amount for any gift given and/or received by Group Management and/or employees considering reasonableness, practicality and operational exposure.
  - **Group and Divisional Exco Members:** Gifts and/or entertainment from and for/of Suppliers or Clients may not exceed R2 000 (two thousand Rand);
  - **Other Employees:** Gifts and/or entertainment from and for/of Suppliers or Clients may not exceed R500 (five hundred Rand).

Gifts and entertainment exceeding the abovementioned thresholds must be disclosed as per the procedural requirements described under clause 6.

- > **Supplier:** Includes existing and potential vendors, contractors, sourcing partners, service providers, distributors, and consultants who supply goods to Tsebo as well as any other third parties who may in future become suppliers or vendors of goods or services to Tsebo.

### 3. Objectives

Tsebo recognises that in executing its business and in applying industry norms, Employees may be required to receive, or give Gifts and Entertainment as a means of gratitude or cultural diplomacy. It is the objective of Tsebo to engage in business based on the principles of quality, service excellence, pricing and technical ability, and to avoid any impropriety in the receipt, and giving of Gifts and Entertainment.

The primary objectives of this policy therefore are to:

- > Provide guidance on the behaviours expected in accordance with Tsebo's values;
- > Promote transparency and avoid business-related conflicts of interest;
- > Ensure fairness in the interests of Employees and Tsebo;
- > Document the process for the receiving and giving of Gifts and Entertainment; and
- > Comply with the requirements of the law relating to the prohibition of corruption.

By ensuring the above is implemented, Tsebo will be able to:

- > allow Employees, where appropriate, to receive and give Gifts and Entertainment, provided that these Gifts and Entertainment do not interfere with or have the potential to interfere with their responsibilities to Tsebo, improperly influence the judgments expected of them or 3<sup>rd</sup> parties who are recipients of gifts from Tsebo, when acting on behalf of Tsebo or their own employers or amount to corruption in any way;
- > protect Employees from misplaced charges of conflict of interest or corruption by providing a mechanism for the receipt, and giving of Gifts and Entertainment by Employees;
- > avoid any unjustified perception of bias or self-interest by Employees acting in situations where Tsebo has approved the acceptance, receipt, and giving of Gifts and Entertainment by Employees; and
- > ensure that work related entertainment, office teas and meals occur in a controlled environment and in the best interest of Tsebo and its employees. It further strives to improve internal control and accountability regarding these expenditures.

### 4. Scope

The requirements outlined in this policy apply to all employees and executive directors of the Tsebo Group.

This policy regulates processes and procedures in accordance with existing legal duties and obligations that an Employee owes an employer in terms of the law and should therefore not be construed or applied in a manner contrary to such duties and obligations, nor is it designed to replace such duties and obligations.

## **5. Process and Requirements**

### **5.1 Ownership**

Tsebo management is responsible for implementing this policy and for taking reasonable steps to ensure that all Employees are aware of the contents thereof.

### **5.2 General Prohibition**

In accordance with an Employee's obligation to act in the best interest of his or her employer, all Employees are prohibited from soliciting, accepting or receiving, or from agreeing to solicit, accept or receive, any Gifts and Entertainment directly or indirectly, other than in terms of the procedures prescribed in this policy.

An Employee's Family is prohibited from soliciting, accepting or receiving any Gifts and Entertainment directly, or indirectly on behalf of the Employee, where such Gifts and Entertainment are obtained from Suppliers, Clients or third parties, and where the Employee has a professional relationship with those Suppliers, Clients or third parties on behalf of Tsebo.

In the event of uncertainty as to whether a disclosure should be made in terms of this policy, it is the duty of an Employee to seek advice and to make a disclosure as per the appropriate procedures described below.

### **5.3 Specifically Prohibited Gifts**

All travel at the expense of Suppliers, Vendors, Clients or third parties by Employees or Employee's family is specifically prohibited. Any travel by an Employee at the invitation of Suppliers, Clients or third parties may only be undertaken if the costs are being borne by Tsebo, and where prior written approval has been obtained from the responsible Divisional CEO.

The acceptance or receipt of cash (bank notes or equivalent) is specifically prohibited.

Any deviation from the prohibition on the acceptance or receipt of cash, or the principle that travel costs must be borne by Tsebo, may only take place with the prior written permission of the Divisional CEO.

## **6. Procedure for the Acceptance and Receipt of Gifts and Entertainment**

### **6.1 General procedure**

When receiving or accepting any Gifts or Entertainment exceeding the monetary threshold, the following conditions apply:

- > The Employee must disclose the acceptance or receipt of any Gift and Entertainment as soon as practicably possible, but within 2 (two) days, by completing a [Tsebo Gifts and Entertainment Form](#) or sending completed form to [compliance@tsebo.com](mailto:compliance@tsebo.com).
- > The Employee must submit a Pre-Approval Request for Entertainment by completing the [Tsebo Gifts and Entertainment Form](#) to Group Compliance and to the relevant line manager for processing and approval.
- > An Employee may not accept or receive more than 1 (one) Gift or form of Entertainment from the same Supplier, client or third party in any given 3 (three) month period.

### **> 6.2 Staff Entertainment and Gifts**

Events like baby showers, bridal showers and farewells are often celebrated at work for Employees and paid for by the Company. A threshold of R250 per person, to a maximum of 20 people, for

such events has been established. All work-related events for more than 20 people must get preapproval from Divisional CEO and may not exceed the R250 threshold per person.

A pre-approval form for the entertainment must be completed under the [Tsebo Gifts and Entertainment Form](#).

This threshold has been established to ensure that work related entertainment, office teas and meals occurs in a controlled environment and in the best interest of Tsebo and its employees. It further strives to improve internal control and accountability regarding these expenditures. Employees must get pre-approval from their Divisional Heads when paying for such Entertainment for Employees.

Internal gift giving between staff members is permitted provided that company funds are **NOT** used to purchase these gifts and the act of giving or receiving does not lead to a conflict of interest between Employees and is in accordance with the Code of Ethics & Good Business Practice.

### **6.3 Special considerations**

Where it would be reasonably deemed to be impractical, inappropriate or insulting to refuse to accept or receive a Gift or form of Entertainment that has been offered, an Employee may accept the Gift or Entertainment, with the proviso that the Employee must disclose the acceptance or receipt of any Gift or Entertainment as soon as practicably possible, but within 2 (two) days, by emailing a completed Gifts & Entertainment Declaration form to [compliance@tsebo.com](mailto:compliance@tsebo.com).

## **7. Conditions for the giving of Gifts or providing any form of hospitality or Entertainment**

Gifts and Entertainment may only be given by an Employee, whilst acting in his or her capacity as an Employee of Tsebo to Suppliers, Clients or third parties, under the following conditions:

- > The Employee must provide a record of any Gifts and/or Entertainment accepted/received and in the case of entertainment given, evidence the approved Pre-Approval Request referred to in 6 above.
- > An Employee may not give more than 1 (one) Gift or offer of Entertainment to the same Supplier, Client or third party in any given 3 (three) month period;
- > The acceptance or giving of the Gift or Entertainment will not negatively affect Tsebo's reputation or amount to a conflict of interest as defined in the Code of Ethics and Good Business Practice or Corruption;
- > The Supplier or Client contract must not be due for renewal at the time of giving or receiving the Gift or Entertainment.

Attempts by Suppliers, Clients or third parties to solicit Gifts and/or a form of Entertainment during the course of their interaction with an Employee should be reported immediately to Internal Audit or the Tip-Offs Anonymous Hotline.

## **8. Branded Gifts**

Gifts must preferably be purchased from the client gifting catalogue that is available on the various procurement platforms within Tsebo. There is a wide range of Tsebo branded gifts offered for Employees to purchase. The catalogues are available on the various procurement platforms and by emailing the Marketing department. If Employees experience any issues with placing orders for gifts through these platforms, they must contact the Procurement division. Please note gifts given from the Tsebo branded gifts catalogue do not need to be declared.

## **9. Gift and Entertainment Declaration Form**

Group Compliance will monitor and oversee all disclosures made. Declarations for the acceptance and giving of Gifts and Entertainment must be made using the [Tsebo Gifts and Entertainment Form](#) which is also available on Tsebo SharePoint. Any Disclosures which could pose a threat to the reputation of Tsebo will be referred to the Group CEOs for review.

## **10. Non-compliance and Reporting**

Non-compliance with this policy and the procedures described in it may be considered to be misconduct and Employees may be subject to disciplinary action that could lead to dismissal or could be reported to the Police in terms of Tsebo's reporting obligation under Prevention and Combatting of Corrupt Practices Act 12 of 2004.

All suspected incidents of corruption and contraventions of this policy should be reported to Internal Audit for investigation or to the Tip-Offs Anonymous Hotline.

## **11. Role of Internal Audit and Compliance**

Internal Audit is to conduct periodic reviews to provide assurance to the Tsebo Social Ethics and Transformation Committee and the Tsebo board of directors that this policy is implemented and followed, and that the risks are being appropriately assessed, managed and controlled.

Compliance will summarise the gifts and/or entertainment given/received during the period under review, to the Tsebo Social Ethics and Transformation Committee.

Internal Audit in consultation with other relevant role players, must ensure that contraventions of this policy are investigated in accordance with the Tsebo Policy on Fraud, Theft and Corruption.

## **12. Related Policies**

- Anti-Bribery and Anti-Corruption Policy
- Code of Ethics and Good Business Practice Policy
- Whistle Blower Policy and Procedure
- Sustainability Policy