



ANTI-CORRUPTION COMPLIANCE POLICY

AFRICAN CIRCULAR BUSINESS
ALLIANCE (ACBA)

OUR WAY

© 2022

African Circular Business
Alliance.

CapeTown, South Africa

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MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

The anti-corruption rules of South Africa and other nations where we conduct business—commonly referred to as "Anti-Corruption Laws"—are to be followed in letter and spirit by ACBA. Although the extent and severity of anti-corruption laws might vary, ACBA's objective is to adhere to the most stringent criteria. Anyone operating on behalf of ACBA or any of its divisions or subsidiaries is not permitted to compromise or qualify this policy, and there is no exemption to it. Any infraction of the Anti-Corruption Policy of ACBA will not be excused by a claim of commercial need, improved sales or profits, or commercial opportunity.

This remark is true regardless of whether such arrangements appear to be justified or acceptable from an economic or other standpoint. As a result, every one of us has to be vigilant about any actions that may raise suspicions about corruption, including those that may just appear to be corrupt. To that aim, this document has been created to provide a more thorough explanation of the Anti-Corruption Laws and how they could apply to ACBA. This text is just meant to serve as a reference. It does not provide a comprehensive list of all anti-corruption laws, but it does highlight behaviour that should be avoided and warn you when you should ask the appointed Compliance Officer for guidance.

In order to prevent a potential violation of an anti-corruption law, persons involved are obligated to consult the Compliance Officer whenever a payment or other valuable item is requested by a public official, either directly or through an agent. No matter how modest, paying a bribe to a government official or engaging in other improper behaviour can result in significant losses for the company and serious disgrace. The ultimate sanctions may be grossly disproportionate to whatever advantage was sought to be gained. The Company, its directors, officials, and employees may face criminal penalties for breaking anti-corruption laws, including imprisonment. If someone is found guilty of breaking the Anti-Corruption Law, ACBA cannot protect them from any penalties the court may decide to impose. In addition, ACBA cannot defend or indemnify any individual who intentionally violates or who orders or who knowingly permits a subordinate to violate an Anti-Corruption Law. Furthermore, ACBA will take disciplinary action against any such person, which may include dismissal.

Each of us is responsible for making sure that all anti-corruption laws are followed in all of our interactions. You should find this manual and the ACBA policy statement helpful in fulfilling this commitment. Please bring any areas you are unsure about to my attention, the Chief Compliance Officer's attention, or the attention of the appropriate Regional Compliance Coordinator. The contact information for the Chief Compliance Officer is attached to this Policy.

Miguel Ugochukwu Peters

Chief Executive Officer

INTRODUCTION

The purpose of this Policy and Manual is to improve ACBA's commitment to upholding the Code of Ethics' mandate that the Company conduct its business in compliance with all local and international legal standards. This document offers broad guidelines for adhering to anti-corruption regulations in South Africa and other countries where we do business. Since it is difficult to anticipate and cover every scenario you could run into, general descriptive information is supplied.

You are not required to become an expert on anti-corruption law. However, you are required to familiarize yourself with the prohibitions listed here, to consult the relevant Compliance Officer whenever you come across a situation where an anti-corruption issue might exist, and to strictly abide by the ACBA's policy of compliance with all laws relevant to its business operations.

Our Code of Ethics outlines the fundamental standards of behaviour for individuals conducting business on ACBA's behalf and emphasizes ACBA's commitment to upholding high moral and ethical standards. While ACBA's business methods must be in line with the economic and social norms of the places where we operate, we think that honesty is the fundamental test of morality everywhere. The actions of ACBA are therefore to be founded on honesty, integrity, respect, and conformity with all applicable laws, particularly those laws that prevent corruption, despite the possibility that local norms may differ.

This Policy strengthens the Company's resolve to fight corruption in all of its manifestations, including corrupt payments to public authorities as well as commercial bribery like kickbacks and bid-rigging. It also enhances the Code of Ethics. All employees who have direct or indirect interaction with government representatives, including ACBA executives and managers, are expected to be fully aware of this policy and to rigorously follow the guidelines it provides.

This manual includes lists of behaviours that could be illegal under anti-corruption legislation, but it is not meant to provide you with the tools you need to represent yourself in law. Instead, it will assist you in determining when you require our Compliance Officer's counsel.

1. RESOURCES ANTI-CORRUPTION POLICY

- It is completely forbidden to utilise Company resources, including money and people, for any illegal, inappropriate, or unethical purposes
- A government official may not be offered, given, or promised anything of value with the intention of acquiring or retaining business or any other advantage
- Any kind of commercial bribery is prohibited, including offers, promises, and direct and indirect payments. You are also prohibited from accepting any kind of commercial inducement from a third party, including a kickback or other similar payment. For these purposes, a bribe is defined as cash, gift, or promise of value given in exchange for the improper execution of an act or the acquisition of an unfair competitive advantage
- Unless you abide by the company's gift/entertainment guidelines or have received prior clearance from the relevant Compliance Officer, you are not permitted to pay for any corporate entertainment or provide any gifts to government officials. Per diem payments are strongly discouraged
- You are not permitted to pay or reimburse any government official's travel costs unless you have spoken with the relevant Compliance Officer to verify the authenticity and appropriateness of the expenses
- You may not retain a consultant, agent, or intermediary who has contact with, deals with, or does business with businessmen/women or government officials until sufficient due diligence has been performed to enable ACBA to conclude with reasonable assurance that the consultant, agent, or intermediary understands and will fully abide by applicable Anti-Corruption Laws and this Policy. ACBA must have a written agreement with each of these consultants, agents and intermediaries which contains language confirming such party's binding agreement to comply with the ACBA AntiCorruption Policy
- You won't provide money to government representatives, even low-level employees, in order to hasten or guarantee the fulfilment of a regular government task (also referred to as "facilitation payments")
- You will not, on behalf of ACBA make use of corporate resources, including funds, goods, property, and/or services, for the purpose of contributing to a political party; a campaign for elected office; a nomination process for a political party; a local political constituency; and/or any individual seeking election at any level of government in any jurisdiction
- You must observe ACBA's internal controls and accounting processes, and you must make correct and full entries in its books and records

2. ADEQUATE RECORDS; ADEQUATE CONTROLS

ACBA's general accounting policies and internal audit procedures will generally ensure compliance with an adequate system of internal accounting controls, as well as ensuring that the subsidiaries and/or domestic companies comply with these records and control requirements. However, employees are expected to adhere to all applicable laws, rules, and company procedures for accounting and financial reporting when dealing with any domestic or foreign transaction.

Employees, in particular, should prepare all reports and documents as requested by management promptly and completely. Last but not least, employees shouldn't create or accept phoney bills or records from independent service providers. Making records appear to show a payment to one person when, in reality, the payment was made to someone else, setting up a "slush fund," submitting false or inaccurate expense account reports, and making records that inaccurately describe the true nature of a transaction or payment are all examples of improper record-keeping.

3. IMPLEMENTATION GUIDELINES

What is the best way to get clarification on the Policy, ask a question, clear a transaction, or report a violation?

The best method to learn more about the Policy, ask a question, clarify a transaction, or report a violation is to speak with your supervisor or the relevant Compliance Officer directly (information on how to reach them is provided in Appendix A). Please be prepared with all key information in order to prevent unnecessarily long response time.

Who is the Compliance Officer and how can I contact him/her?

The Compliance Officer is set out in Appendix A. If for any reason the Compliance Officer is not available, you can contact any member of the Company's Executive Department.

What is the role of the Compliance Officer?

The Company's compliance program must be implemented and kept up to date by the Compliance Officer. The monitoring and auditing of the program will be under the control of the compliance officer. The Compliance Officer will also collaborate with workers to do due diligence on third parties, give advice on compliance with anti-corruption laws, and look into any allegations of suspected policy breaches. The Company's Executives and board members will get frequent updates on these initiatives from the Compliance Officer.

Which Anti-Corruption Law do I follow?

Many anti-corruption laws may apply in a particular circumstance, and the laws may be in conflict with one another because most anti-corruption laws extend beyond the borders of the nation that approved them. You might want assistance from the Compliance Officer to help you understand these numerous regulations because they might be difficult to understand. Just keep in mind that, in the case of a dispute between the numerous anti-corruption legislation, the Company has pledged under this Policy to abide by the strongest regulations.

What is a government official?

Under Anti-Corruption Laws, a government official includes employees or officers of:

- governments (including regional and local departments, councils and agencies)
- enterprises owned or controlled by a government
- political parties and party officials
- public international organisations (generally organisations composed of member states, such as the U.N.)
- state-owned utility companies; and
- candidates for foreign office

In addition, anyone acting on behalf of the individuals or entities mentioned above should be treated as a government official under this Policy.

Are payments made to non-governmental officials recognized by this Policy?

The payment of any kind of bribe to any party is forbidden by the ACBA's Code of Ethics, which also contains recommendations on gifts and professional entertainment. All payments made to public officials are particularly covered by the ACBA Anti-Corruption Policy. Paying any kind of business bribe, however, is prohibited in several countries. Payments to non-governmental officials that are not in the regular course of business will be evaluated by the Compliance Officer before they are made - if there are any concerns about whether they are in compliance with the Code of Ethics or this Policy.

What is a consultant, agent, or intermediary?

As used in this Policy, a “consultant, agent, or intermediary” includes the following parties:

- a person or entity that markets ACBA’s services or otherwise assists ACBA in obtaining business and/or negotiating contracts in a foreign country
- a person or entity, including a law firm, that provides advice or assistance regarding taxes, licenses, permits, freight-forwarding, or customs, environmental, or immigration issues in a foreign country
- a person or entity that lobbies a foreign government on behalf of ACBA

- a person or entity that assists ACBA in preparing bids for new projects in foreign countries
- a person or entity that transmits payments to customers in a foreign country; and
- any other person or entity that interacts with foreign governments on behalf of ACBA

If you have any questions about whether a particular entity is a consultant, agent, or intermediary under this Policy, you should consult with the Compliance Officer.

What payments violate the Policy?

Improper payments or things of value are not always obvious. They can include:

- excessive entertainment or entertainment not connected to a legitimate business purpose
- lavish gifts
- trips not connected to a legitimate business purpose
- personal loans
- kickbacks
- unexplained fees or commissions
- charitable donations or political contributions with strings attached
- contingent or “success” fees
- cash payments to expedite services
- providing employment or other benefits to relatives of government officials

A “red flag” or cautionary note that a payment would go against the Policy is a request for more money than what is typically or customarily charged for a service. You must notify the Compliance Officer right away if you learn of any arrangements that suggest excessive fees have already been paid or will be in the future. The most typical situation is that you are requested to pay a public servant in order to obtain a result for the Company. Even if it helps the Company, you should never make an illegal payment.

The following are examples of payments which should never be made because they violate the law and are not consistent with the Company’s values or this Policy:

- a payment to improperly avoid a fine or tax
- a payment to corruptly influence an official’s decision to issue a license or permit
- a payment to improperly secure a favourable zoning ruling
- a payment to improperly influence the award of a government contract
- a payment to a legislator to support preferential legislation
- a payment to a government inspector to ignore safety regulations

Are any payments allowed under the Policy?

You may make some payments to government officials under specific conditions, as explained below, provided that they do not contravene this Policy or any relevant local laws. These circumstances are extremely rare and may be governed by the laws of the nation in which you conduct business. Before making any payment to a government official, government political party, or to anybody you know who may transfer the payment to a government official, you should check with the Compliance Officer to be sure you and the Company are both adhering to the Anti-Corruption Laws.

- **Health & Safety:** In situations where your health or safety is in danger, you are permitted to compensate a government official. If you have to make an emergency payment for health or safety concerns, you should correctly record the payment in the company's records and notify a compliance officer as soon as you can about the details of the payment
- **Gifts, Travel and Entertainment Expenses for Government Officials:** It could be common in some foreign cultures to give token gifts or provide acceptable entertainment in connection with commercial dealings. According to the anti-corruption laws, such payments are not prohibited as long as they are done legally in the official's country and are not paid corruptly to help the company win or keep business. When thinking about such presents and entertainment for government employees, you should use caution. Some foreign countries have special regulations restricting the giving of gifts to and the entertaining of public officials. These regulations might be more stringent than the laws against corruption. The Company has created Gift/Entertainment Guidelines, which are linked to this Policy, to help with the proper giving of gifts or entertainment to government officials. If your proposed gift or entertainment does not fall within these guidelines, you must contact your Compliance Officer for approval before making a gift or providing entertainment to a government official. Even if a gift or entertainment is consistent with the Gift/Entertainment Guidelines, if you entertain or provide a gift to a government official, you must also accurately record the expense in the Company's records
- **Corporate Political Contributions:** ACBA does not make use of corporate resources, including funds, goods, property, and/or services, for the purpose of contributing to a political party; a campaign for elected office; a nomination process for a political party; a local political constituency and/or any individual candidate seeking election at any level of government. This includes a prohibition on providing sponsorships, prize donations or purchasing tickets for events such as dinners, speaking engagements or golf tournaments where such funds constitute in full, or part, a political donation. This policy applies to all jurisdictions
- **Personal Political Contributions:** Any ACBA Officer or employee expected to have contact with South African government officials or government officials in other countries ACBA operates, in the course of their duties must refrain from making political donations to federal political parties in a personal capacity regardless of whether they are considered a lobbyist or not. Additionally, an ACBA employee who is expected to have contact with government officials in the

course of their duties must get approval from the Chief Executive Officer through the Chief Compliance Officer before making any personal political donation. Similarly, in all other jurisdictions, any ACBA employee who is expected to have contact with federal, state or regional government officials in the course of their duties must get approval from the Chief Executive Officer through the Chief Compliance Officer prior to making any personal political donation

- **Charitable Donations:** The Company is committed to giving back to the communities where it operates. On behalf of the Company, you are permitted to make appropriate gifts to local or foreign organisations, but you must make sure that neither the donation benefits any government officials nor violates this Policy. Therefore, all donations must adhere to the ACBA's rules for charitable giving and community investment, which forbid gifts that might unjustifiably benefit government officials
- **Third-Party Payments:** You cannot make a payment to a third-party representative or intermediary (such as an agent or consultant) which you believe might be forwarded to a government official or used to benefit or bribe a government official. The acts of your agent will be considered your acts and, as well, the acts of the Company. To help ensure that the Company's agents understand and follow this Policy, you must follow the compliance procedures established by the Company for retaining third parties

What procedures need to be taken to clear payment or retain a third-party agent under this Policy?

Any payments to public officials that aren't expressly permitted by this Policy need to be approved by the Compliance Officer. In order to speed up the procedure, you must offer enough details regarding the proposed payment to let the Compliance Officer assess the payment's nature, its intended recipient, its purpose, and any connections between it and any government officials, even any that are just implied. The Compliance Officer will next look into the payment, consult with anti-corruption legal advice as needed, and decide whether or not the payment may be made legally. Following that, the compliance officer will draft a memo for the file to document the transaction for future use. Until you get the Compliance Officer's explicit authorisation, you shouldn't make the payment.

How do we deal with third-party agents?

To make sure the third party will abide by the anti-corruption laws and to reduce the Company's exposure to potential corruption liability, specific designated procedures for selecting and appointing such third party will need to be followed before any third party consultant, agent, or intermediary is retained. To gather details regarding the third party, some due diligence must be done initially. You should check with other sources to confirm the information given in addition to the references that the third party is obligated to provide. Second, when the due diligence procedure is over, the compliance officer will help you create a suitable contract with the third party. The contract will include anti-corruption

representations and warranties that require the third party to abide by anti-corruption laws, and in some cases, by this Policy. It also requires the third party to disclose any instances of anti-corruption law infractions. In order to verify that the third party is abiding by the Anti-Corruption Laws and this Policy, the contract shall grant the Company the authority to audit the third party. If the third-party breaches the representations and warranties, the contract will also contain a right of termination by the Company. According to this Policy, the Company has determined that some third parties pose a higher risk. This greater risk categorisation is given to a third party based on a number of variables, including the services that the third party provides to the company, the possibility that the third party may interact with a government official on the company's behalf, and the nation in which they operate. A third party will need to go through more due diligence after being classified as having a greater risk. The due diligence starts with the third party filling out a questionnaire, which is reviewed by the Compliance Officer for “red flags” that would suggest the third party may have engaged in corrupt activities. The Compliance Officer will continue to investigate any red flags until all concerns are resolved. If it is determined any third party has or may have contact with governmental officials, the third party will be required to review the Company’s Anti-Corruption Policy and certify to the Company its duty to comply with the Anti-Corruption Laws and this Policy.

Do I still have to be cautious about my interactions with government representatives if I don't make a payment?

Yes. Despite the fact that the Anti-Corruption Laws concentrate on payments made to government employees, you can still break the law even if you don't give a government employee cash. The Anti-Corruption Laws are generally interpreted by enforcement authorities, who may regard many of your interactions with government officials as an offer or promise of a present or future benefit made to persuade the official to provide the Company with an unfair advantage. We must be careful to avoid soliciting or accepting an inappropriate benefit in any of our interactions with public officials or other companies since doing so would be against this Policy and the principles of the Company and put both you and the Company at risk of breaking anti-corruption laws.

Are joint ventures and other business combinations subject to any specific concerns under this Policy?

Regarding joint ventures and other commercial combinations, ACBA's risks under anti-corruption laws will differ depending on the area and whether ACBA will be the operational partner or is acquiring an existing enterprise. This Policy and its related processes shall be implemented in cases when ACBA will serve as the operational partner. When acquiring an existing operation, ACBA is required to do the necessary due diligence to ensure that the business is compliant with all applicable anti-corruption regulations. This due diligence includes history and

compliance representations and warranties in the purchase documents. Where ACBA is not the operator, or when there is a risk that a non-operating partner may represent the joint company, the operating agreement between ACBA and its venture partners must, to the extent feasible, include appropriate language obligating the business partners to comply with this Policy and all applicable Anti-Corruption Laws. The operating agreement should also, to the extent feasible, give ACBA the right to audit anti-corruption compliance and designate specific consequences in the event of non-compliance. A joint venture or partnership, which is the most common form of a business combination, can implicate Anti-Corruption Laws in a number of ways. The Company may have the opportunity to enter into a joint venture or partnership with a company that is at least partially government-owned or controlled. In such a case, you must make sure that any benefits, such as travel expenses, provided to government officials within the context of the joint venture do not violate the Anti-Corruption Laws. As an alternative, a joint venture partner may have a preferred agent or other intermediaries in its region of business and may stipulate that the joint venture collaborates with these intermediaries. Even if an intermediary is suggested by a joint venture partner, you must make sure that sufficient due diligence is carried out on any intermediaries employed to aid a joint venture. Finally, the Company may be held accountable for activities made by that joint venture partner that is in breach of the Anti-Corruption Laws.

4. GENERAL BRIBERY PROVISIONS & ACT

According to the general bribery provisions, it is illegal to offer, promise, or give another person a financial or other advantages with the intent to reward or incentivise the "improper performance" of a "relevant function or activity" or with knowledge or belief that "the acceptance of the advantage would itself constitute the improper performance of a relevant function or activity." A relevant function or activity is carried out "improperly" in violation of an expectation that it would be done in good faith, impartially, or in line with a position of trust, according to the Bribery Act. The Bribery Act makes receiving or accepting bribes in several situations a crime in addition to paying bribes. As a result, under the Bribery Act, both the giver and the taker of the bribe may face criminal penalties. Additionally, incidents of both public and private, or commercial, bribery are covered by general bribery prohibitions. Therefore, a government official does not have to be engaged in a violation of this clause.

Bribery of Foreign Public Officials

In addition, the Bribery Act creates a new, specific offence for the bribery of local and/or foreign public officials. This new, specific offence may significantly overlap with the general bribery offences, but is distinguishable in that it does not require enforcement officials to show that the financial or other advantage was intended to induce or reward "improper conduct." Rather, a person can be convicted of the

offence of bribery of a local and/or foreign public official if he or she offers, promises or gives, directly or indirectly, financial or other advantages to a foreign public official, or to any other person at the request or with the assent of a local and/or foreign public official, with the intent to influence that foreign public official in his or her official capacity and to obtain or retain business or a business advantage. In this case, only the payment, and not the receipt, of the bribe is criminalised.

Failure to prevent bribery

A commercial organisation is guilty of failing to prevent bribery where a person “associated with” the organisation bribes another person intending to obtain or retain business or a business advantage for the organisation. Under the Bribery Act, an “associated person” means a person who performs services for or on behalf of the organisation, including, but not limited to, employees, agents, and subsidiaries. The organisation can avoid liability only where it can show that it had in place “adequate procedures” designed to prevent such conduct at the time the bribery occurred.

5. GIFT/ENTERTAINMENT GUIDELINES

According to the company's anti-corruption policy, which refers to anti-corruption laws, it is legal for the company to give gifts and entertainment to government officials as long as they are not given corruptly to help the company win or keep business and (ii) they are not prohibited by the relevant national or international laws. The Company has created the following gift/entertainment standards to reduce the administrative load of the Compliance Officer in approving each and every case when a gift or entertainment is given to a government official in accordance with the aforementioned criteria.

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| <p>if the value of the gift or entertainment is less than \$100</p> | <p>No reporting or pre-clearance is needed</p> |
| <p>if the entertainment or present is worth more than \$100 but less than \$200. OR The entertainment, regardless of its financial worth, comprises taking part in a public industrial, philanthropic, or community event that the company is hosting, sponsoring, or engaging in while an official from the government is there as the company's guest.</p> | <p>No prior approval is required, however, you must inform the Compliance Officer of the specifics of the gift or entertainment within 30 days of the event.</p> |

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| If the gift or entertainment costs more than \$200 and is not excluded under any of the aforementioned conditions, | Before giving a gift or providing entertainment, you must request permission from the Compliance Officer. |
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6. APPENDIX

Chief Compliance Officer

Name: Nair de Sousa

Email: nair.sousa@acba.africa

Whistleblower policy: <https://acba.africa/about-us/#whistleblower>

Changes to our Anti-Corruption Compliance Policy

We may update our Anti-Corruption Compliance Policy from time to time. We will or may notify you of any changes by posting the new Policy on our website. You are advised to review this Policy periodically for any changes. Changes to this Policy are effective when they are posted on our website.