

AfriSam (South Africa) (Pty) Ltd**Department Name: Legal, Governance, Risk & Compliance****FRAUD AND IRREGULAR CONDUCT POLICY,
GUIDELINES AND PROCEDURES**

Document Number:	LGRCD005
Compiled by:	Legal, Governance, Risk and Compliance Department
Reviewed by:	E Diack
Approved by:	Executive Committee
Revision Number:	V0
Date:	15/11/2021

TABLE OF CONTENTS

1.	Background	3
1.1.	INTRODUCTION.....	3
1.2.	Purpose	3
1.3.	Applicability	3
1.4.	Consequences of non-compliance	3
2.	AFRISAM’S FRAUD AND IRREGULAR CONDUCT POLICY.....	4
3.	Understanding THE PRINCIPLES OF AFRISAM’S policy	5
3.1.	WE DO NOT ENGAGE IN FRAUD AND IRREGULAR CONDUCT	5
3.2.	WE ESCALATE MATTERS OF MATERIAL FRAUD AND IRREGULAR CONDUCT RELATING TO FINANCIAL RESULTS AND REPORTING	6
3.3.	WE HAVE A ZERO-TOLERANCE APPROACH TO FRAUD AND IRREGULAR CONDUCT	6
3.4.	WE REPORT AND INVESTIGATE FRAUD AND IRREGULAR CONDUCT	7
3.5.	WE PROTECT THOSE WHO RESPONSIBLY DISCLOSE BRIBERY AND CORRUPTION	7
3.6.	WE TRAIN OUR EMPLOYEES ON THEIR COMPLIANCE OBLIGATIONS	9
4.	Implementing OUR policy: Procedures	9
4.1.	Procedure: DEALING WITH FRAUD AND IRREGULAR CONDUCT.....	9
4.2.	IMPORTANT	11
5.	RECORDS	11
6.	AMENDMENTS.....	11
7.	DISTRIBUTION LIST	11
8.	REFERENCES.....	11

1. BACKGROUND

1.1. INTRODUCTION

AfriSam strives to conduct the day-to-day running of its business activities in accordance with the highest standards of business ethics and in line with its Code of Ethics and all principles related thereto. In line with compliance best practice, AfriSam has therefore adopted this stand-alone Fraud and Irregular Conduct Policy and its incorporated Guidelines and Procedures.

1.2. PURPOSE

This document sets out AfriSam (South Africa) Pty Limited's (and its holding and associated companies') ("AfriSam") policy on fraud and irregular conduct and the procedures that must be followed in order to ensure that we:

- conduct our business professionally and with integrity;
- mitigate our risks with regard to fraud and irregularities;
- timeously report fraud and irregularities to the authorities as required by law; and
- provide guidance on how to prevent, report and investigate fraud and irregularities in the workplace.

1.3. APPLICABILITY

All AfriSam employees, consultants, suppliers, customers, contractors and other providers of goods or services to AfriSam must comply with this policy and its procedures.

1.4. CONSEQUENCES OF NON-COMPLIANCE

A breach of this policy by any of the above parties, may result in:

- Disciplinary action, which could lead to dismissal;
- Criminal action and jail sentences where appropriate for the individuals involved;
- Actions to ensure redress for any losses incurred by AfriSam as a result of the breach; and/or
- Severe harm to our reputation.

It is thus imperative that you contact your Senior Manager, AfriSam's Fraud and Corruption Investigator or the Legal, Governance, Risk and Compliance Department if you have or receive any questions about this document.

AfriSam's Tip-Offs Anonymous is an independent and confidential system for reporting allegations of unethical behaviour, illegal acts or violations of AfriSam's Code of Conduct.

2. AFRISAM'S FRAUD AND IRREGULAR CONDUCT POLICY

Fraud undermines the fundamental and enduring values of acting with honesty, integrity and trust.

In pursuit of these values AfriSam, is committed to fight fraud and irregular conduct and we expect that those in our employ and anyone with whom we transact or interact, do the same.

In so doing, we are dedicated to aligning with best practice and complying with all relevant legislation applicable to the prevention of fraud and irregular conduct within South Africa and abroad.

In this regard, and so as to ensure that we effectively mitigate our risk in this regard, AfriSam is committed to conducting its business activities in line with the following fundamental principles:

- We do not engage in fraud and irregular conduct.
- We escalate matters of material fraud and irregular conduct relating to financial results and reporting.
- We have a zero-tolerance approach to fraud and irregular conduct.
- We report and investigate fraud and irregular conduct.
- We protect those who responsibly report fraud and irregular conduct.
- We train our employees on the content of this policy.

Eric Diack
CEO
AfriSam (South Africa) (Pty) Ltd

3. UNDERSTANDING THE PRINCIPLES OF AFRISAM’S POLICY

3.1. WE DO NOT ENGAGE IN FRAUD AND IRREGULAR CONDUCT

<p>What is “fraud”?</p>	<p>Fraud is defined as the unlawful and intentional making of a misrepresentation to the actual or potential prejudice of another. This means that fraud takes place when:</p> <ul style="list-style-type: none"> • one party knowingly lies to another party • with the intention to mislead that person, and as a result, the person lied to, suffers - or could suffer - harm or loss
<p>What is “irregular conduct”?</p>	<p>Irregular conduct includes, but are not limited to the following:</p> <ul style="list-style-type: none"> • Any dishonest act • Forgery or wrongful alteration of any document • Misappropriation of funds, securities, supplies or other assets • Impropriety in the handling or reporting of money or financial transactions • Profiteering as a result of insider knowledge of the company’s activities • Disclosing confidential and proprietary information to outside parties • Disclosing confidential activities engaged in or contemplated by the company to other persons • Destruction, removal or inappropriate use of records, furniture, fixtures, and equipment or any other asset belonging to the company • Knowingly providing false information on job applications or when requesting reimbursement of expenses • Maladministration or malpractice • Collusion • Any similar or related inappropriate conduct
<p>Note!</p>	<p>You may also not use a third party as a conduit to act fraudulently or irregularly. Third parties include:</p> <ul style="list-style-type: none"> • family members • actual and potential customers • suppliers • distributors • business contacts • agents • advisers • government and public bodies, including their advisers, representatives and officials • politicians and political parties
<p>Note!</p>	<p>You may never accept or offer cash payments and cash equivalents (coupons/vouchers/gift cards).</p>

	All gifts to government officials, agents or representatives, or politicians or political parties must be dealt with in compliance with the AfriSam Donations Policy and AfriSam’s Procedure for Governing Gifts and Courtesies .
--	--

3.2. WE ESCALATE MATTERS OF MATERIAL FRAUD AND IRREGULAR CONDUCT RELATING TO FINANCIAL RESULTS AND REPORTING

What is a material matter?	Material matters are all matters relating to manipulation, omissions or misrepresentation of financial results or financial reporting.
How are these matters escalated?	<p>AfriSam’s Fraud and Corruption Investigator will escalate a claim of bribery and corruption to:</p> <ul style="list-style-type: none"> • notify the Audit, Risk and Compliance Committee, should it be found that fraudulent or corrupt activity/ies have occurred • provide the assurance to the Social and Ethics Committee that the design of the controls aimed at the prevention and detection of fraud and corruption within AfriSam are adequate and intact. <p>Any fraudulent transactions must be reported to the South African Police Service by the Responsible Line Manager (General Manager equivalent or above), under guidance from the Legal, Governance, Risk and Compliance Department and AfriSam’s Fraud and Corruption Investigator.</p> <p>Note: AfriSam’s Fraud and Corruption Investigator is responsible for reporting to the Audit, Risk and Compliance Committee.</p>

3.3. WE HAVE A ZERO-TOLERANCE APPROACH TO FRAUD AND IRREGULAR CONDUCT

What is meant by “zero-tolerance”?	<p>Zero tolerance means that we do not tolerate fraud and irregular conduct by anyone in the organization, irrespective of their title/position, length of service or relationship to AfriSam.</p> <p>Any person who breaches this policy may face disciplinary action, which could result in dismissal for gross misconduct.</p> <p>We also reserve our right to terminate our contractual relationship with any party with whom we transact, if they breach this policy.</p>
Why is it important to have a “zero-tolerance” approach?	<p>We are bound by the laws of South Africa, as well as accepted international standards, to counter fraud and irregular conduct in the jurisdictions in which we operate.</p> <p>We therefore take this responsibility seriously and we expect those in our employ and those with whom we transact, in whatever manner, to do the same.</p>

Note!	<p>All information received will be treated confidentially to the extent possible, while allowing a full investigation to be conducted into the suspected allegation.</p> <p>The judgement of senior management will be required to ensure that the economic and practical realities of taking any steps are adequately considered and applied appropriately in the particular circumstances.</p>
--------------	---

3.4. WE REPORT AND INVESTIGATE FRAUD AND IRREGULAR CONDUCT

Who must report fraud and irregular conduct?	<p>The prevention, detection and reporting of fraud and irregular conduct are the responsibility of all those working for us or under our control, our directors, shareholders, consultants, vendors, contractors, outside agencies, customers and/or parties who do business with us. Managers must report any suspected or actual fraud to AfriSam’s Fraud and Corruption Investigator as soon as it has been discovered. Do not:</p> <ul style="list-style-type: none"> • personally conduct investigations or interviews/interrogations; or • contact the suspected individual in an effort to determine facts or demand restitution.
How must you report suspicion of fraud and irregular conduct?	<ul style="list-style-type: none"> • AfriSam encourages employees to adhere to the obligation to report any act of fraud and irregular conduct by following the procedures in this document.
Who investigates allegations of fraud and irregular conduct?	<p>AfriSam’s Fraud and Corruption Investigator in conjunction with the relevant senior member of management, have the primary responsibility to co-ordinate the investigation of all suspected fraudulent acts reported under this policy, including the appointment of any suitable service provider to conduct an investigation.</p>
How must verified cases of fraud and irregular conduct be reported?	<p>All verified incidents are to be reported to:</p> <ul style="list-style-type: none"> • the South African Police Service; • the Chief Executive Officer’s office; • Audit, Risk and Compliance Committee

3.5. WE PROTECT THOSE WHO RESPONSIBILY DISCLOSE BRIBERY AND CORRUPTION

Who do we protect?	<p>In line with AfriSam’s Protection of Whistle Blowers Policy, we protect anyone who, in good faith,</p> <ul style="list-style-type: none"> • refuses to accept or offer a bribe; and • raises concerns; or • reports another’s wrongdoing.
---------------------------	--

<p>What do we mean by “responsibly disclosing”?</p>	<p>We do this even if it turns out the person had (in good faith) made a mistake.</p> <p>We only protect those employees and other stakeholders who have</p> <ul style="list-style-type: none"> • disclosed their identity; • followed the reporting process in this policy; • reported in good faith.
<p>What does it mean to disclose in “good faith”?</p>	<p>Good faith is the sincere belief or motive without any malice or the desire to defraud others. It requires that you come forward with all the information you have about a situation that you believe violates the law or our policies and be motivated by a genuine concern or suspicion that criminal or irregular conduct is occurring.</p> <p>Bad faith is intentional or malicious deceit, for instance where the person making the report knowingly provides false information or where the person attempts to unduly taint the image of a person or organisation to gain some advantage.</p>
<p>Note!</p>	<p>This protection does not apply to those employees and other stakeholders who have opted to disclose information based on their own irregular conduct.</p> <p>Note: the whistle blower is protected against any form of retaliation occurring as a result of his/her tipping-off in good faith but is not protected from actions associated with any direct involvement in the matter reported. When such a matter is reported it is investigated through the AfriSam Fraud and Corruption Investigator and included in the "Fraud Report" to the Audit, Risk & Compliance Committee.</p> <p>Therefore, while whistle blower is protected against any form of retaliation occurring as a result of his/her tipping-off in good faith he or she is not protected from actions associated with any direct involvement in the matter reported.</p> <p>Any employee, who makes allegations maliciously, for personal gain, or reward, will not be protected in terms of the law and this policy. Any disclosures made with ulterior motives may lead to disciplinary action being taken against the employee.</p>
<p>Why do we protect those who report?</p>	<p>We aim to encourage openness and will support anyone who raises genuine concerns.</p>
<p>How do we protect those who report bribery and corruption?</p>	<p>In order to ensure that employees are not afraid to report suspected and actual fraud, employees will not be subjected to detrimental treatment or victimisation by AfriSam on account of having made a disclosure that is made in accordance with the procedure set out in this document.</p> <p>Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern.</p> <p>Information relating to fraud that is received and reported to any Manager or an Executive Committee Member shall be treated with the utmost confidentiality and in line with the Protected Disclosures Act, 26 of 2000.</p>

	<p>The progression of the investigation will be handled in a confidential manner and will not be disclosed or discussed with any other person(s) other than those who have a legitimate right to such information.</p> <p>This is important in order to avoid harming the reputations of the suspected person(s) who may be subsequently found innocent of any wrongful conduct.</p>
--	--

3.6. WE TRAIN OUR EMPLOYEES ON THEIR COMPLIANCE OBLIGATIONS

Why do we train our employees?	Employees are required to acquaint themselves with this policy and its procedures and to participate in the training sessions organised by the company to raise awareness of the fight against fraud and irregular conduct.
Who is responsible for facilitating training of employees on this policy?	<p>The Legal, Governance, Risk and Compliance Department will facilitate the appropriate training on the content of this policy and its procedures, and the Line Manager will be responsible for assuring that the employee attend to such training.</p> <p>It is the responsibility of each Manager to ensure that all employees, consultants, suppliers, contractors and other providers of goods or services to AfriSam are made aware of and if appropriate, receive training and education with regard to this policy and procedure.</p>
How often do we train our employees?	<p>New employees are made aware of the content of this policy immediately upon assuming their duties within the company.</p> <p>All employees, other than new employees, are trained every two years.</p>

4. IMPLEMENTING OUR POLICY: PROCEDURES

In line with best practice recommendations regarding clear, practical and accessible procedures to prevent corruption, AfriSam sets out below the applicable Procedures in terms of which its Policy is implemented:

4.1. PROCEDURE: DEALING WITH FRAUD AND IRREGULAR CONDUCT

Step 1: Report it internally	<p>Report any act of fraud or irregular conduct to your immediate Manager or to AfriSam’s Fraud and Corruption Investigator. Name: Fraud and Corruption Investigator Cell: 083 252 1279 E-mail: report.fraudandcorruption@za.afrisam.com</p> <p>Use the following contact details for anonymous reporting: All employees are encouraged to report all suspected and actual fraud or corruption anonymously through AfriSam’s Tip-Offs Anonymous, which details will be displayed at all of AfriSam’s business premises. The following contact details are relevant: Tip-Offs Anonymous E-mail: afrisam@tip-offs.com Website: www.tip-offs.co.za</p>
-------------------------------------	---

<p>Step 2: Investigate</p>	<p>SA FreeCall: 0800 00 48 29 SA FreeFax: 0800 00 77 88 SA FreePost: KZN 138, Umhlanga Rocks, 4320 International Hotline number: +27 31 571 5368 Botswana FreeCall: 0800 600 644</p> <p>AfriSam's Fraud and Corruption Investigator in conjunction with the relevant Senior Manager have the primary responsibility to coordinate the investigation of all suspected fraudulent or irregular acts reported under this procedure and to keep a detailed register of such activities.</p>
<p>Step 3: Notify / Report</p>	<p>AfriSam's Fraud and Corruption Investigator will, through the office of the Executive: Legal, Governance, Risk and Compliance:</p> <ul style="list-style-type: none"> • report any fraudulent or irregular activity/ies that have been reported to the Audit, Risk and Compliance Committee, and provide details of the actions taken • provide the assurance to the Safety, Social and Ethics Committee that the design of the controls for prevention and detection of fraud and irregular conduct within AfriSam is adequate and intact. <p>All fraudulent transactions must be reported to the South African Police Service by the Responsible Line Manager (General Manager equivalent or above), under guidance from the Legal, Governance, Risk and Compliance Department and AfriSam's Fraud and Corruption Investigator.</p>
<p>Step 4: Implement consequences</p>	<p>Follow process in terms of our Disciplinary Procedure.</p> <p>When an investigation results in a recommendation to terminate an individual's employment, approval by Human Resources is required.</p>
<p>Step 5: Record</p>	<p>Details regarding the incidents will be recorded by AfriSam's Fraud and Corruption Investigator by virtue of this Procedure and through his desk to the Audit Risk and Compliance Committee and effectively the Board.</p> <p>Full details of these investigations are contained in the Forensic Reports issued and in the underlying investigation records for each case.</p>
<p>Step 6: Review controls</p>	<p>Executive Committee members to immediately review the controls which have been breached in order to prevent similar irregularities from taking place in future.</p> <p>AfriSam's internal auditors should be consulted when necessary for assistance in this regard.</p>
<p>What should you do if you suffer any harm due to reporting bribery and corruption?</p>	<p>If you are an employee, you should raise a complaint formally in accordance with the AfriSam Grievance Handling Procedure found on the Pulse.</p>

4.2. IMPORTANT

<p>Who is ultimately responsible for compliance with this policy?</p>	<p>The Chief Executive Officer is responsible for ensuring that this policy and procedures are:</p> <ul style="list-style-type: none"> • communicated and understood; • observed and complied with; <p>and must foster an open environment for employees to discuss possible violations.</p>
<p>What other documents should you read?</p>	<p>This policy should be read and implemented in conjunction with and consideration of the following relevant policies:</p> <ul style="list-style-type: none"> • AfriSam Donations Policy • AfriSam Procedure for Governing Gifts and Courtesies • AfriSam Conflict of Interest Policy • AfriSam Code of Conduct • AfriSam Anti-Bribery and Corruption Policy • AfriSam Disciplinary Procedure
<p>Where can these documents be found?</p>	<p>These documents can be found on the Intranet.</p>

5. RECORDS

Records generated as a result of this procedure are as follows:

Record	Location/Custodian	Retention Time	Disposition
<p>Fraud reports and relevant supporting documents (including evidence relating to the matter) should not be destroyed where there is knowledge of an imminent or on-going investigation</p>	<p>AfriSam Fraud and Corruption Investigator</p>	<p>7 Years</p>	<p>Shred/Delete/Destroy</p>

6. AMENDMENTS

Date	Rev	Reason for Change	Changed by
<p>15/11/21</p>	<p>0</p>	<p>New Procedure</p>	<p>LGRC</p>

7. DISTRIBUTION LIST

This procedure will be distributed to all Company employees and saved on the Intranet.

8. REFERENCES

As set out in section 4.2 above.