

Anti-Bribery and Anti- Corruption Policy

Target audience	All employees and third parties	
Reviewer	Legal	Sicelo Kula and John Giles
Responsible Person	CCO	Tiffany Dunsdon
Approver: Committee	Chairman: Social and Ethics Committee	Oliver Fortuin
Approver: Board	Chairman: Board	Craig Chambers
Annexure Attached	No	
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Next Revision Date	1 November 2020	
Other relevant policies	Code of Ethics and Conduct; Fraud Prevention	

1. INTRODUCTION

- 1.1. Adapt IT recognises that bribery and corruption is a growing concern for corporate and public life in many countries across the world. Acts of bribery and corruption are strictly prohibited by ABC laws that require companies, such as Adapt IT, to develop comprehensive and robust ABC processes and procedures.
- 1.2. Adapt IT is committed to doing business on an ethical and sound basis and in-line with applicable legislation, Adapt IT is committed to complying fully with ABC laws applicable to it. Adapt IT is also committed to continuously conduct its business with integrity and with proper regard for ethical business practices. Adapt IT has a zero tolerance approach to acts of bribery and corruption by business partners, employees, vendors and all third parties with which it engages.
- 1.3. The board will actively and visibly lead the organisation's Anti-bribery and anti-corruption policy, and ensure that this policy is implemented consistently and with clear lines of authority. Adapt IT is committed to continually improving its anti-bribery and corruption controls.

2. PURPOSE

This policy details the measures that Adapt IT has taken to prevent bribery and corruption, and the procedures that should be followed if any incident of bribery and corruption occurs within the purview of its

business. This policy does not form part of any employee's contract of employment and it may be amended at any time. Be that as it may, all employees are required to comply with this policy at all times and any failure to do so may result in appropriate disciplinary action being taken against any employee concerned.

3. POLICY STATEMENT

No employee or business partner of Adapt IT may engage in any act of bribery and corruption in relation to the business of Adapt IT and/or distribution, sale and/or use of its products and services.

4. POLICY

4.1. This policy applies to all Adapt IT employees and to business partners (when engaging in activities for and on behalf of Adapt IT), wherever located. All employees and business partners must read, become familiar and comply with this policy. Where business partners are juristic entities, the business partner must ensure that its employees and agents that engage in activities for and on behalf of Adapt IT are familiar with this policy.

4.2. Any breach of this policy will be regarded as a serious matter, which may result in disciplinary action being taken against employees, which could result in dismissal and criminal proceedings. For business partners, a breach of this policy may have implications for the ongoing contractual relationship between the business partner and Adapt IT, and in terms of the applicable ABC laws, Adapt IT may be under a legal obligation to report acts of bribery and corruption to the relevant authorities.

4.3. Facilitation Payments

4.3.1. Adapt IT does not make, and will not accept, facilitation payments of any kind and prohibits all employees and business partners from making these payments for or on behalf of Adapt IT, even to secure or expedite a routine government action by a government official. It is also not permitted to establish accounts or internal budgets for the purpose of facilitation payments to public officials.

4.3.2. All employees and business partners must avoid any activity that might lead to, or suggest, that a facilitation payment or kickback will be made or accepted by or on behalf of Adapt IT, recognising that refusal to make such payments may result in commercial delays and that there may be additional costs attributable to adherence with this policy. If any employee or business partner encounters a demand for a facilitation payment whilst working within the purview of Adapt IT's business, or think they are likely to do so, they should report the situation to the **Chief Commercial Officer** of Adapt IT or legal services on legal@adaptit.co.za (Legal Services) without delay.

4.3.3. Adapt IT however recognises that there may be exceptional circumstances where an individual's health and safety may be at risk. In such circumstances, there may be no alternative but to make a facilitation payment in order to protect the individual and/or company. Any such payment should be reported to the the **Chief Commercial Officer** of Adapt IT or Legal Services of Adapt IT without delay.

4.4. Gifts, entertainment and hospitality

4.4.1. Whilst conducting business for or on behalf of Adapt IT, employees and business partners may not offer to, or accept from any third parties (including, but not limited to, any public official), any gift, entertainment or hospitality that could affect either party's impartiality, influence a business decision or lead to the improper performance of an official duty.

4.4.2. Notwithstanding the above, gifts and entertainment, such as meals or invitations to local sporting events may be offered and accepted where these are deemed to be 'reasonable' and 'proportionate' when considering the value of the gift or benefit as well as the frequency with which the gift or benefit is offered or accepted. Gifts must be given or received openly, unconditionally and must be of modest value. For the sake of clarity, lavish and unreasonable gifts, entertainment and hospitality are prohibited (such as luxury goods and/or overseas trips). In addition to this, the following specific prohibitions apply:

4.4.2.1. No cash and cash equivalent gifts may be given;

4.4.2.2. No gifts, entertainment or hospitality may be provided to any public official (without prior written approval from **the CEO**);

4.4.2.3. No gifts, entertainment or hospitality may be provided to the family members of a customer or prospective customer (without prior written approval from **the CEO**); and

4.4.2.4. No gifts, entertainment or hospitality of any kind may be provided to any South African Municipal official involved in any procurement process, or any other person that represents a South African Municipality in any procurement process.

4.4.3. When any gift, entertainment and/or hospitality is given or received by an employee or business partner (whilst acting on behalf of Adapt IT), the full particulars thereof must be recorded in the Gifts Registry that shall be kept by **the Company Secretary**. In addition, no gift, entertainment and/or hospitality that is given or received may exceed R3,000 (excl. VAT) in value unless the prior written approval of **the CEO** has been obtained.

4.4.4. This policy may from time to time be supplemented by a stand-alone Gifts & Entertainment Policy.

4.5. Dealing with public officials

4.5.1. Dealing with public officials poses a particularly high risk in respect of bribery and corruption by virtue of the power vested in these officials. Furthermore, engaging in any bribery or corruption in respect of public officials is an offence in terms of the ABC laws applicable to Adapt IT.

4.5.2. Adapt IT strictly prohibits the provision of money or anything else of value, no matter how small, to any public official for the purpose of influencing such official inappropriately.

4.5.3. Notwithstanding the above, Adapt IT recognises that the laws applicable in certain jurisdictions may provide for legitimate payments to public officials under specific circumstances, such as the payment of *per diems* (which cover daily living expenses such as travel, accommodation and food). The following guidelines apply in respect of the payment of *per diems*:

- The *per diem* must be required to be paid by government (NOT by the public official), and clearly addressed in applicable laws;
- The rates must be the official rates provided for in the applicable law (and cannot be arbitrarily arrived at through negotiation);
- An official invoice must be received, and if this is not practicable, the official must sign for receipt of payment;
- Payment in cash should, as far as reasonably practicable, be avoided. Where possible, payment should be made to the service provider directly or alternatively into the official account of the government department (NOT the account of the public official); and
- Prior written approval from the CEO is required for all *per diem* payments.

5. ABC COMPLIANCE PROCEDURES

5.1. Ethical principles

5.1.1. Adapt IT expects that all employees and business partners should at all times act in accordance with the following principles:

- Behave honestly, be trustworthy and set a good example;
- Use the resources of Adapt IT in the best interests of Adapt IT and not misuse those resources;

- Make a clear distinction between the interests of Adapt IT and private interests to avoid any conflict of interest, and if such conflict does arise, to report it to your line manager and Human Capital Management immediately;
- Ensure that any community support, sponsorship and charitable donations do not constitute bribery and corruption, and if in doubt, to immediately consult **the CFO**;
- Confidentially report all incidents, risks and issues which are contrary to this policy to **Legal Services and/or** the Adapt IT Ethics Line using the toll free number 0800 20 50 37 or the email address: fraud@kpmg.co.za, in the strictest confidence; and
- Not offer or accept any bribes and not be involved with any act of bribery and corruption.

5.2. Due diligence

5.2.1. Adapt IT recognises the importance of conducting due diligence on third parties in appropriate circumstances. In this regard, Adapt IT requires due diligence to be done in the following circumstances:

- When engaging a vendor to provide goods or services that exceed **R200,000** in value;
- When engaging a business partner for the first time, and thereafter at reasonable intervals (not exceeding 2 years);
- When entering into a joint-venture or similar arrangement with any third party;
- Prior to acquiring any business or entity (or part thereof); and
- Prior to disposing of any business or entity (or part thereof).

5.2.2. The nature and extent of the due diligence conducted should be based on the degree of bribery risk in the particular circumstances. Adapt IT engages specific third party service providers to conduct the due diligence on its behalf. It is the responsibility of the person engaging in the above activities to contact the appointed third party service provider in order to ensure that appropriate information is obtained from the third parties involved, and to ensure that appropriate due diligence is then conducted.

5.2.3. This policy may from time to time be supplemented by a stand-alone Due Diligence Policy.

5.3. Contracts with business partners

All business partners are required to agree to appropriate terms and conditions that prohibit engaging in bribery or corruption. When entering into new contracts, the responsible employees from Adapt IT are required to contact Legal Services to get guidance on the relevant terms and conditions.

5.4. Charitable and Political Donations

5.4.1. As part of its Corporate Social Responsibility, Adapt IT provides charitable donations on a strategic basis in line with its B-BBEE programme, particularly to support local communities and to serve a legitimate public purpose. Any charitable donations made by or on behalf of Adapt IT must be approved by the Chief Financial Officer.

5.4.2. While Adapt IT recognises and accepts that every individual has the right to their own political activities and opinions, political contributions, donations, gifts or sponsorships made to a politician, political party or political campaign are not permitted to be made by or on behalf of Adapt IT.

5.5. Record-keeping

5.5.1. Financial records must be kept and appropriate internal controls must be in place, which will evidence the business reason for making payments to third parties. In this regard, all books and records should be prepared and maintained with strict accuracy and completeness. No transactions will be accounted for off-record to facilitate or conceal improper payments.

5.5.2. In addition to recording the full particulars of any gifts, entertainment and hospitality in the Gifts Registry referred to above, all expense claims relating to such gifts, entertainment and/or hospitality incurred in relation to third parties must contain sufficient details of the nature, purpose and reason for the expenditure (and should be supported by original invoices, where possible. Such expense claims must be submitted to your line manager. Should the the line manager identify any abnormal and/or unexplained expense claims, he or she should inform the Finance Department.

5.5.3. When invoices are received from third parties acting for or on behalf of Adapt IT, the descriptions of services rendered and/or disbursements must be properly interrogated and vague or suspicious descriptions (for example “special services”, “special bonus” and “administrative expense”) should be properly interrogated by the responsible person before submitting the account for payment. A failure to do so on the part of any employee may result in disciplinary action being taken against such employee.

5.6. Training and communication

5.6.1. Adapt IT will make this policy available to all employees and business partners. Internally, this policy will be made available on the intranet. Externally, the policy will be made available on the

website of Adapt IT and it will be furnished to vendors as part of the on-boarding process of Adapt IT.

5.6.2. Training on this policy will form part of the Employee Induction Program for all new employees of Adapt IT and all existing employees will receive *ad hoc* refresher training, when required.

5.7. Whistleblowing

5.7.1. Adapt IT encourages all employees, business partners and other stakeholders to raise concerns about any issue or suspicion of bribery and corruption without delay. “Red flag” situations that may indicate bribery or corruption are set out in Annexure A to this policy.

5.7.2. Issues or suspicions of bribery and corruption may be reported through the following channels:

5.7.2.1. Directly to an employee’s line manager, human resources or Legal Services;

5.7.2.2. Through the Adapt IT Ethics Line using the toll free number 0800 20 50 37 or the email address: fraud@kpmg.co.za.

5.7.3. Where bribery and corruption is suspected, or where it occurs:

5.7.3.1. All pertinent details should be recorded as soon as possible to enable the investigation thereof.

5.7.3.2. Any instance of actual or potential bribery and corruption will be properly and promptly investigated.

5.7.3.3. The objectives of an investigation should be to:

- Confirm whether or not bribery and corruption has taken place, and to identify who was responsible;
- Confirm whether internal controls and anti-bribery and corruption procedures have worked in practice; and
- Identify any improvements required to the anti-bribery and corruption controls of Adapt IT.

5.7.4. Depending on the findings of the investigation, remedial action will be determined. This may involve disciplinary action against employees involved or external reporting to the authorities or a regulator, whichever is appropriate. It may also involve the termination of a business partner’s contract.

5.7.5. Adapt IT encourages openness and will fully support anyone who raises genuine concerns in good faith under this policy. Adapt IT is committed to ensure that no one suffers any detrimental treatment as a result of refusing to take part in bribery and corruption, or because of reporting in good faith their suspicion that an actual or potential bribery and corruption has taken place, or may take place in future. Detrimental treatment connected with raising a concern should be reported to Human Capital Management immediately.

5.7.6. This policy may from time to time be supplemented by a stand-alone Whistleblowing Policy.

Annexure A

ABC “RED FLAGS”

The following is a list of potential ABC “red flags” that should raise concern. The list is not intended to be exhaustive and is for illustrative purposes only. Any of these “red flags” must be reported to INSERT:

- a) if a business partner or other relevant third party engages in, or has been accused of engaging in, improper business practices;
- b) if a business partner or other relevant third party has a reputation for paying bribes, or requiring that bribes are paid to them, or has a reputation for having a “special relationship” with public officials;
- c) if a business partner or other relevant third party insists on receiving a commission or fee payment before committing to sign a contract with Adapt IT, or carrying out a government function or process for Adapt IT;
- d) if a business partner or other relevant third party requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for payments made;
- e) if a business partner or other relevant third party requests that payment is made to a country or geographic location different from where the third party resides or conducts business;
- f) if a business partner or other relevant third party requests an unexpected additional fee or commission;
- g) if a business partner or other relevant third party demands lavish entertainment or gifts before commencing or continuing contractual obligations or services;
- h) if a business partner or other relevant third party requests that a payment is made to “overlook” potential legal violations or to reimburse unsubstantiated expenses or requests a blank value sheet in order to insert their own value of goods supplied;
- i) if a business partner or other relevant third party requests employment or other benefit to a friend or relative;
- j) if a business partner or other relevant third party insists on the use of side letters or refuses to put agreed terms in writing;

- k) an invoice for a commission or fee payment that appears vague or excessive, given the nature of the services provided;
- l) an invoice from a vendor that appears to be non-standard or customised; and
- m) an unusually generous gift or lavish hospitality offered by a third party.

Annexure B

DEFINITIONS

"ABC"	Anti-bribery and corruption
"ABC law"	The South African Prevention and Combating of Corrupt Activities Act, 2004, or any other applicable national or international regulatory enactment of similar import that may have a bearing on the activities of the commercial organisation concerned
"Adapt IT"	Adapt IT Holdings Limited and its group of companies. This includes divisions, subsidiaries, joint ventures or any other entities where Adapt IT exercises control
"board"	The Governing Board of Adapt IT
"books and records"	Accounts, invoices, correspondence, papers, CDs, tapes, electronic storage media, memoranda and any other document or transcribed information of any type
"bribery risk"	The risk or likelihood of a bribery and corruption incident occurring within the course and scope of a commercial organisation's business activities
"bribery and corruption"	<p>A "bribe" is the direct or indirect offer, authorization, gift or promise to give anything of value to a government/public official or any other person, with the intent to obtain or retain business or gain an improper advantage. This includes facilitation payments. For the sake of clarity, bribery and corruption include, inter-alia, the following:</p> <ul style="list-style-type: none"> • any payment or anything else of value to any official of any government or public international organization (including any officer or employee of any government department, agency or instrumentality) to influence or reward his or its decision, or to gain any other undue advantage; • any payment or anything else of value to any representative of a private enterprise (whether for profit or otherwise) to improperly, dishonestly and outside the ordinary course of ethical

	<p>business practice, influence or reward his or its decision, or to gain any other undue advantage; and</p> <ul style="list-style-type: none"> any act or omission that constitutes a contravention of any applicable ABC Laws
“business partner”	<p>A “business partner” is a person who performs services for or on behalf of Adapt IT, which involve engaging with third parties on behalf of Adapt IT. A business partner can be an individual or an incorporated or unincorporated body. The following persons may, depending on the circumstances, be business partners:</p> <ul style="list-style-type: none"> A third party who engages with customers or prospective customers in order to win or retain business for Adapt IT; and A third party who engages with any public official for and on behalf of Adapt IT
“employee/s”	<p>All Adapt IT employees working at all levels and grades (whether permanent, fixed-term or temporary), including directors, senior managers, officers, trainees, seconded staff, home based staff, casual staff, agency staff, volunteers and interns</p>
“facilitation payment”	<p>Facilitation payments are low value payments made to public officials to induce them to perform routine functions expeditiously</p>
“improper advantage”	<p>An “improper advantage” is broadly defined to mean something to which Adapt IT is not clearly entitled, such as improper influence on a decision to purchase Adapt IT products or services at a government institution, contract award, grant of operating permits, product registration approval, favourable court decision, or a tax dispute settlement</p>
“PEP”	<p>A politically exposed person, which includes any current or former public official (as defined below), as well as any relative or close associate of such a person</p>
“public official”	<p>The term “public official” is interpreted very broadly around the World and covers people not only working directly for government, but also employees</p>

	<p>of government owned or controlled companies or agencies. In some countries it can be difficult to determine whether you are dealing with “public officials”. The following persons may, depending on the circumstances, be considered to be public officials:</p> <ul style="list-style-type: none"> • an official or employee of a government or government owned enterprise; • an official or employee of a government agency or regulatory authority; • an official or employee of a political party or a political candidate; • any official or employee of an international public organisation such as the United Nations, World Bank or International Monetary Fund; • a member of the judiciary or magistracy; • an individual who holds or performs the duties of an appointment, office or position created by custom or convention, including some members or royal families and some tribal leaders; • a person who is, or holds themselves out to be, an authorised intermediary of a public official; • a relative or associate of such public official; and • Police officers, customs and tax officials, employees of state owned enterprises (“SOEs”), political party officials as well as children or other relatives of a government or political party official
“vendor”	<p>A “vendor” is a third party that supplies Adapt IT with goods or services (provided that the provision of services does not involve engaging with other third parties for and on behalf of Adapt IT)</p>

APPROVED BY THE CHAIRMAN OF THE SOCIAL AND ETHICS COMMITTEE

Name: _____

Signature: _____

Date: _____

APPROVED BY THE CHAIRMAN OF THE BOARD

Name: Craig Chambers

Signature: 

Date: 02 November 2019