

<b>VGR-GOV-POL-0009</b>	<b>Anti-Bribery Policy Standard and Procedure - including Gifts and Hospitality</b>		<b>Rev.2</b>	
<b>Applicable areas of business</b> Vodacom Group Limited and its subsidiaries and affiliates			<b>Company/Division/Area</b> Group Ethics and Compliance	
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### Objective/Risk

That a breach of applicable anti-bribery laws (including the failure to prevent bribery occurring) result in reputational damage and severe penalties, including fines and imprisonment.

The purpose of this document is to provide clear and consistent rules to prevent both active and passive bribery, as part of Vodacom's anti-bribery programme.

The requirements of this Policy Standard demonstrate Vodacom's zero tolerance approach to bribery.

### Scope and Compliance

This standard applies to Vodacom and all its subsidiaries and joint ventures (employees, contractors, suppliers, directors) with an interest of more than 50%, or management control.

Compliance levels will be monitored on a regular basis and results reviewed by appropriate governance bodies.

Any breach will be treated as a serious disciplinary offence and may be subject to disciplinary actions in accordance with the provisions of the relevant local HR policy.

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## 1. Definitions

### “Anti-Bribery Laws” means:

1. The Prevention and Combatting of Corrupt Activities Act of 2004, as amended;
2. The UK Bribery Act 2010;
3. The U.S. Foreign Corrupt Practices Act 1977 (“FCPA”);
4. The OECD Convention on Combating Bribery of Foreign Public Officials in International Transactions dated 21 November 1997 and all applicable local laws.
5. The applicable anti bribery/corruption laws of each country where Vodacom operates

“**Approved Organisation**” means a registered charity (or a charity that is exempt from registration under local laws), not-for-profit NGO of international repute, UN agency, educational institution (other than state funded institutions providing compulsory education to the public) and professional advisers, consultants or third parties whose products, services or advice are in each case necessary for the running of the Local Foundation.

“**Bribery**” means giving or receiving, or agreeing to give or receive either directly or indirectly, an undue reward, which could be financial or any other type of reward, to influence the behaviour of someone in the private and public sector to improperly obtain an advantage.

“**Consulting**” means the use of an external company or individual to engage on Vodacom’s behalf with private and/or public authorities in any branch of the national, local or municipal/regional government or with any public official. Examples include, but are not limited to, applications for “right-to-dig” permits, visa applications, retail permits etc.

“**Donations**” mean small or large amounts of resources (time, financial, property or human) provided voluntarily to support a cause or initiative. This includes donations to charitable organisations, charitable contributions, charitable giving and philanthropic activities.

“**Employees**” means all employees, contractors, and directors of all Vodacom subsidiaries and joint ventures in which Vodacom has an interest of more than 50%, or management control.

“**Gift**” means anything of value given to/received from a third party. Some examples would be cash, gift-vouchers, branded items (calendars, pens), a bottle of wine, a handset/phone (that is not being used for testing or demonstration), a hamper or festival treats, event tickets without a host and corporate relationship building (e.g. you are given tickets to a concert without a third party host attending with you for relationship building). For the purposes of this Policy, a gift includes a prize which is anything of value given to / received from a third party as a reward to the winner of a competition, or in recognition of an outstanding achievement

**“Hospitality”** has a broad definition, and is always accompanied (hosted by or provided to a third party) and is for the purpose of corporate relationship building. It may include meals (breakfast, lunch or dinner), activities, occasions and/or events (e.g. tickets to a sporting event, a concert, or a conference), drinks, accommodation, flights or any other similar situation.

**“Lobbying”** means the use of an external company or individual to engage on Vodacom’s behalf voicing opinions on government or regulatory proposals that may affect Vodacom and our stakeholders. This may also be called ‘advocacy’.

**“Public Official”** means any officer (whether elected or appointed) or employee of a government department who holds a legislative, judicial or administrative position of any kind, even on a non-permanent basis. It also includes any person who performs public functions in any branch of the national, local or municipal/regional government or any person who exercises a public function for any public agency or public enterprise, or private entity controlled by the State, such as officers working in state-owned enterprises or state-owned media. It also includes any official or agent of a public international organisation, such as the UN or the World Bank.

**“Sponsorships”** refer to support for an event, initiative or organisation by providing financial, property and/or other resources, in return for certain commercial benefits proportionate to the value of the Sponsorship.

**“Trigger Event”** has a broad definition and means anything that may potentially change bribery risk levels e.g. a new acquisition, a new product, a change in legislation, a Speak Up report etc.

**“Vodacom Representative”** means anyone acting on Vodacom’s behalf in any capacity, including suppliers, vendors, consultants, lobbyists etc.

## 2. THE POLICY STANDARD

### 2.1 Unacceptable Conduct

The Vodacom Code of Conduct clearly outlines Vodafone’s/Vodacom’s zero tolerance to any form of bribery. Set out below are examples of conduct that could amount to an offence under Anti-Bribery Laws. This conduct could also result in an individual or Vodacom being liable for criminal penalties, such as fines or prison sentences.

#### 2.1.1 Offering a bribe

Employees or Vodacom Representatives, whether directly or indirectly, must not offer, promise or give cash or anything of value (including a financial or other advantage) to another individual in the public or private sector to influence that person to act improperly or to reward that improper performance. More specifically, employees or Vodacom Representatives must not make an offer, promise or payment even if it is:

- a) made indirectly or through a third party or agent or at the request of a person for the benefit of third party;
- b) considered to be part of the normal course of business within a specific country;
- c) initially suggested by the other person; or
- d) meant to improperly expedite a normal procedure or improperly facilitate

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another individual to perform their lawful duties herein referred to as Facilitation Payment.

The only exception in relation to Section 2.1.1(d) above, is where an Employee or Vodacom Representative's personal safety is at risk. In this case, when a payment under duress is made, the incident must be reported as soon as possible afterwards to the local **Anti-Corruption Compliance Team**. A template for reporting via email is available in Further Information.

### 2.1.2 Accepting a bribe

Employees or Vodacom Representatives, whether directly or indirectly, must not request, receive or agree to receive cash or anything of value or any kind of advantage, to encourage or reward the improper performance or functioning of an activity.

### 2.1.3 Bribing a Public Official

Employees or Vodacom Representatives, whether directly or indirectly, must not offer, promise or give any financial or other advantage, including facilitation payments, to a Public Official or to another person at that Public Official's request so as to influence the Public Official in order to obtain or retain business or any other advantage in the conduct of business. Employees or Vodacom Representatives must not provide any financial or other benefit to any person when it is known or there is reason to know that all or part of that financial or other benefit will or may be passed on to a Public Official, political party, or candidate to help obtain business or any other benefit.

## 2.2 Gifts and hospitality

In addition to the policy requirements below, there are **Vodacom financial thresholds and approval processes** that must be complied with prior to giving or receiving gifts or hospitality. These are set out below in Section 5 below. Non-South African companies and/or international operations may have lower financial limits in line with their respective public sector guidelines.

Generally, flights and accommodation for Vodacom employees shall be paid by Vodacom. Section 5 below sets out the exceptions and the financial thresholds for gifts and hospitality including flights and accommodation.

Where an employee receives a Prize at an event which is hosted either by a Supplier or business partner, the prize must be logged in the Gift and Hospitality Register after prior consultation with the local Anti Corruption Compliance team.

### 2.2.1 Non-government gifts and hospitality

Gifts or hospitality must only be offered or accepted once the Employee has evaluated the appropriateness and is satisfied that the following principles have been considered:

- The value of the gift or hospitality is bona fide, reasonable and proportionate;
- The giving or receiving of the gift or hospitality is transparent infrequent and in

the normal course of business;

- The purpose of providing hospitality is to build and cultivate business relationships;
- The offer or acceptance of the gift or hospitality should not be used as an instrument to influence business decisions, or to obtain an undue business advantage.

#### Line Management approval

Line Management approval is required in writing, prior to acceptance or offer of a gift or hospitality in accordance with the financial thresholds as set out in Section 5 below. It is the responsibility of the Line Manager concerned to ensure that an offer or acceptance of the gift or hospitality is appropriate in the circumstances, and that a legitimate business reason exists justifying the gift or hospitality. In the absence of a legitimate business reason, gifts or hospitality should not be offered or accepted.

#### Prior advice

Advice is required in writing from the local **Anti-Corruption Compliance Team**, prior to accepting or offering a gift or hospitality in accordance with the financial threshold as mentioned in Section 5 below.

Where there is any uncertainty, employees may obtain advice from the Anti-Corruption Compliance Team. Alternatively, should any employee or Line Manager be of the view that an offer, invitation, corporate gift or hospitality from or to third parties is inappropriate after considering the principles mentioned above, such offer, invitation or corporate gift or hospitality should be refused, or returned to the third party, or submitted for the Vodacom Foundation.

It is important that gifts or hospitality never influence business decision-making processes, or cause others to perceive an influence. For this reason, employees with a significant role to play in decision making processes for suppliers, including employees in Supply Chain Management, Terminals and Technology should in principle reject or return all gifts other than low-value, branded items or low-value consumable food gifts such as chocolates. Special rules exist in relation to devices, see 2.2.4.

Prohibitions: Vodacom strictly prohibits employees or Vodacom Representatives from:

- soliciting or requesting gifts or hospitality at any time;
- giving or accepting cash or cash equivalents (gift vouchers)

#### High risk activity: Tender process and contractual negotiations

- Employees must avoid giving or accepting gifts or hospitality if they are in contractual negotiations or a tender process or are aware that a tender is imminent with the relevant third party. This must also be observed immediately following the conclusion of a contractual negotiation or tender process. During such time no gifts or hospitality may be offered to and/or accepted by any person involved in the negotiation, or evaluation of the tender or Request For Proposal (RFP), or any person that may influence the



awarding of the RFP or Tender.

- In the event that incidental, low-value hospitality is contemplated during this time (e.g. working lunch during a contract negotiation), Employees or Vodacom Representatives should cover their own costs (ensuring compliance with the Expenses policy). **The local Anti-Corruption Compliance Team should always be consulted where there is uncertainty.**

## 2.2.2 Government gifts and hospitality

It is the responsibility of the Employee requesting the approval, to ensure that he/she has evaluated the appropriateness and that the principles mentioned in 2.2.1 above have been considered.

Greater restrictions apply in relation to gifts and hospitality offered to Public Officials:

### Line Management approval

Line Management approval is required in writing, prior to acceptance or offer of a Government gift or hospitality in accordance with the financial thresholds as set out in Section 5 below. It is the responsibility of the Line Manager concerned to ensure that offering/giving or accepting the gift or hospitality is appropriate in the circumstances, and that a legitimate business reason exists justifying the gift or hospitality. In the absence of a legitimate business reason, gifts or hospitality should not be offered or accepted.

### Prior advice

Prior advice must be obtained from the local **Anti-Corruption Compliance Team** for the provision of any gift or hospitality to a Public Official;

Also, prior approval must be obtained from the **Vodafone Group External Affairs Director**, for any offer of gifts and hospitality to a Public Official with a fair market value of R1 000 or more. The Vodafone approval will be facilitated by the local **Anti-Corruption Compliance Team**.

These requirements also apply for handsets/devices gifted to Public Officials, as well as protocol lines (refer to 2.2.3 below) A template for this approval is available under Further Information.

Sponsorship events where Vodacom host third parties (e.g. the Durban July) must also comply with all gift and hospitality requirements set out in 2.2.1 and 2.2.2. Approval and registration of these events is centrally co-ordinated by the events teams, either at Group (for Group events) or locally (for locally sponsored events).

## 2.2.3 Protocol lines to Public Officials

Zero-billed sims or 'open-lines' are sometimes offered to Public Officials for legitimate business purposes, such as offering the opportunity for Vodacom's network to be tested and experienced. This requires careful consideration and due process to ensure that practice does not pose an actual or perceived risk of bribery. The following requirements must be complied with:

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- a) Strict eligibility criteria for a protocol line must be clearly set out and documented, with an overall limit set on number of lines and the value of benefit to the Public Official;
- b) An appropriate approval process involving senior management must be in place for approving new lines or changes to existing lines;
- c) A line can never be given to an 'individual'; it must only be assigned to a 'government position' e.g. 'The Minister of Telecommunications'. This requirement means that if the individual with the line retires, resigns or changes role, the protocol line changes accordingly to the new individual occupying the designated position;
- d) A reasonable usage limit must be put in place and monitored. Unlimited usage is inappropriate, and it should be made clear when allocating all lines that the SIM should only be used by the designated official and not by their family or friends.
- e) A monitoring process must be set out and responsibility must be delegated to an appropriate person to conduct regular monitoring and review of appropriate/reasonable usage. An action plan must be maintained to respond to any 'red flags' identified;
- f) A documented process must exist for 'retiring' or removing a protocol line if, for example, the individual retires from role, the line is inappropriately used etc.

#### 2.2.4 Handsets/Devices ("devices") for testing or demonstration purposes

Devices are legitimately provided to our employees by vendors for the purposes of either:

1. Testing a new prototype prior to launch (to terminals/technology teams);
2. Seeding devices/demonstrating technology/device to new/potential customers (to enterprise/sales teams); or
3. Seeding devices/demonstrating technology/device to local management. The supply of **testing** devices must always be recorded.

In **all** cases these **testing, promotional and demonstration devices** remain the property of Vodacom or the supplier and therefore under no circumstances should the receiver of such devices trade them in exchange for personal financial gain.

On the rare occasion that a handset or a device is given outside the purposes of testing, promotion or demonstration, it is considered to be a 'gift' and should follow the standard policy requirements described above. Offers of handsets/devices for use by friends and family of employees must always be refused.

#### 2.2.5 Media-related gifts and hospitality

Vodacom has a strict policy of **not 'gifting' any device, handset or sim to members of the media** (such as correspondents and editors) as well as bloggers and others who publish their views about Vodacom.

Providing trial devices or services is permitted. However, each individual recipient must be told in writing that the device, handset or sim provided:

- Is and remains the property of Vodacom and has not been supplied as a gift;



- has been provided on a loan basis only for a specific period of time (not exceeding 3 months) and/or a specified value (in the case of network usage); and
- must be returned to Vodacom at the end of the trial/loan period or, in the case of a sim, either cancelled or converted to contract/billing.

Vodacom shall have in place a system for approving, tracking and pursuing the collection of trial/loan devices and sims (or, for sims, cancellation or conversion to contract/billing) at the end of the loan period.

In line with the standard hospitality process and requirements covered in 2.2.1 and 2.2.2, any form of cash payment or payment of cash equivalents (such as gift vouchers) to members of the media or bloggers is expressly prohibited, regardless of the purpose. Where Vodacom plans to pay for, or reimburse, local travel or hospitality costs (for example, to attend product launches staged within the local market in question), the associated expenses must be:

- reasonable and proportionate;
- submitted in writing;
- supported by receipts; and
- settled via standard company payment mechanisms rather than refunded in cash or cash equivalents.

Vodacom must not offer to pay for or reimburse (either partially or fully) the international travel and hospitality costs incurred by media or bloggers (for example, to attend a Vodacom event in another country) without prior approval in writing from the Chief of Corporate Affairs.

#### 2.2.6 Internal events – use of external funding or marketing support

This section of the policy provides clarity on when it is acceptable for Vodacom to accept financial support from suppliers in relation to events. Vodacom is committed to ensuring that our interactions with suppliers are always transparent. We never accept or request anything that will influence business decision-making processes, or cause others to perceive an influence.

For this reason, **it is prohibited for a supplier to sponsor or fund an internal Vodacom event** (an event held for the primary benefit of Vodacom and/or our employees), with the exception of the following, which must always be registered on the gifts and hospitality register, providing full transparency of the event costs.

- event which is required to discuss or launch a business proposition which is co-branded or co-developed with a supplier; and
- event involving the briefing or training of Vodacom staff on new products and services offered by an external supplier/s.

**No exception/approval will be given** for supplier sponsorship or funding of:

- a) strategy days;
- b) summer parties;
- c) Christmas or similar parties; or
- d) team meetings.

**No exception/approval will be given for the following types of supplier sponsorship**, partial or full funding or provision of a service/benefit-in-kind at no cost:

1. Payments (or credit notes against existing invoices) to Vodacom in return for branding/sponsorship/signage/advertising opportunities;
2. Event costs paid directly to the venue (e.g. making a payment to the venue or hotel for room hire, accommodation, drinks or catering);
3. Entertainment (e.g. music, band, guest speaker) for Vodacom employees;
4. Donations/contributions to the costs of the event paid directly to Vodacom;
5. Provision of prizes/give-aways/handsets or other types of gifts for attendees;  
or
6. Allocation of a marketing fund (e.g. from pre-existing terminals supplier agreements) to cover event costs.

### **Use of marketing funds and supplier funding of external events**

All marketing funds should be negotiated by the Terminals Supply Management team via the VPC. Marketing funds should always be used appropriately and with the requisite approvals. Supplier funding or contributions to external-facing marketing campaigns for co-branded products is permitted provided the funding is approved internally by the relevant Head of Marketing for the business unit involved.

#### 2.2.7 Gifts provided by Vodacom to directors, officers and employees

Directors, Officers and employees may not give or receive gifts to or from one another at company expense with a value in excess of R500 (individually or cumulatively) per financial year.

Directors, Officers and employees may not give gifts to their superiors in rank at company expense; and generally should not give gifts to persons not under their line authority without obtaining the approval of that person's line manager of equal rank to oneself.

### **2.3 Sponsorship and Donations**

As a responsible company, Vodacom supports:

- sharing the benefits of mobile communications technology as widely as possible;
- protecting the natural environment; and
- supporting the communities in which Vodacom customers, employees, investors and suppliers live.

#### 2.3.1 Donations

Where a local Vodacom Foundation exists, donations **can only be made through the local Vodacom Foundation**, and all donations given should comply with the Charitable Donations Policy Standard and the Foundation requirements set out below:

- a) We never seek or accept money or any other assets from a grant applicant (or

- any other person) in return for assistance or the awarding of funding.
- b) We do not use Foundation funds to make payments to, or as directed by, Public Officials, Government Departments or organisations, persons connected with Officials or their families.
  - c) We only use Foundation funds to work with Approved Organisations.
  - d) We do not use Foundation funds to make any payment that will benefit the Vodacom business in anything more than a legitimately incidental manner.
  - e) We do not use the Foundation funds to make an absolute or perceived political donation or support any project with party-political causes.
  - f) We do not use Foundation funds in a way that contravenes local charity laws or, where using funding from the Vodafone Foundation, also UK charitable laws.
  - g) We do not give/receive hospitality or gifts of a type, value or in a manner that could reasonably be considered to affect our impartiality or be perceived as unreasonable.

### 2.3.2 Sponsorship

Vodacom shall only sponsor events or initiatives once the business unit concerned is satisfied that the Sponsorship is appropriate and that the following principles have been considered:

- The Sponsorship must be openly requested;
- The value of the Sponsorship must be reasonable and commensurate with the material benefit for Vodacom;
- There is a legitimate business reason to Sponsor the event or initiative;
- There are no imminent, pending or ongoing contract or tender negotiations.
- The Sponsorship shall not be used as an instrument to influence business decisions, nor to obtain an undue business advantage.

All events or initiatives for which sponsorships are provided must be:

- a) permitted by all applicable law;
- b) compliant with Vodacom's delegation of authority;
- c) compatible with Vodacom's brand identity;
- d) accurately recorded in business accounting records, and
- e) transparently documented in an agreement.

The prohibitions, principles and necessary approvals required in 2.2.1 and 2.2.2 above shall apply *mutatis mutandis* to Sponsorships and must be considered accordingly.

### 2.3.3 Supplier donations

There are a number of important requirements that must be complied with if an employee or group of employees would like to request a donation from a supplier as part of a charitable event.

- Supplier donations can never be requested or used to cover the costs of an employee participating in a charitable event. This means donated funds cannot be used to cover participation costs such as flights, transport,

accommodation, meals, equipment etc. Such costs must be covered by the employee;

- Employees who are involved in the process for deciding whether to give a particular supplier or type of supplier a contract or work cannot approach those suppliers for donations under any circumstances; and
- Normal policy considerations apply when considering the amount and frequency of the supplier donation. The request must be reasonable, proportionate, infrequent, and transparently documented. If there is any uncertainty, donations should be refused or returned.

It is the responsibility of the person(s) requesting the donation to ensure that these obligations are complied with.

## **2.4 Lobbying and consultants**

A lobbyist or a consultant must only be appointed following the completion of a robust and documented due diligence process. The due diligence must cover the ethical practices and anti-bribery measures of that potential vendor, and also consider any potential conflicts of interest.

All lobbyists and consultants may only be appointed by written contract and in compliance with the following requirements:

- a) The agreement is in compliance with Vodacom's Delegation of Authority;
- b) The services to be provided are comprehensively and transparently documented;
- c) Appropriate remuneration is set out for the services referred to above and benchmarked as appropriate to ascertain reasonableness; and
- d) The anti-bribery supplier clause has been included in the agreement.

It is the responsibility of the person(s) requesting the lobbying or consulting services to ensure that these obligations are complied with.

## **2.5 Media and advertising**

For guidance on gifts, hospitality and travel for media individuals please refer to section 2.2.5 above.

### **Media influence**

Vodacom's zero tolerance of bribery has a specific application with regard to media and bloggers. Members of the media, bloggers and others who publish their views on Vodacom must never be offered or provided with any benefit of monetary or commercial value in order to obtain favourable editorial coverage and/or to damage the reputation of a competitor.

Furthermore, Vodacom's advertising spending (whether in print, online or any other form) must never be used as leverage to influence editorial opinion. Vodacom must neither threaten to withdraw advertising from those who criticise Vodacom editorially nor must it imply in any way that a decision to initiate or increase advertising spending with a particular publication would be contingent upon more favourable editorial treatment.

Vodacom must take specific measures to avoid the impression of undue commercial

media influence when commissioning an 'advertorial' (a paid advertisement written in the style of an editorial article). Vodacom must ensure that the uncritical and promotional nature of an advertorial is fully transparent to the reader by requiring publications to badge such articles as 'advertising feature', 'promotion' or similar. Those disclaimers must have sufficient prominence to make clear the distinction between advertiser-funded material and genuinely independent editorial content.

### 3. Procedures to prevent bribery/corruption

Vodacom has specific procedures in place to prevent bribery and support an ethical culture within the business. Each local market and group company is required to establish and enforce effective compliance procedures to prevent bribery. Procedures must be proportionate and tailored to the risk of bribery in each operating company, including country risk and business operational risk.

#### 3.1 Procedures to prevent bribery

Vodacom's requirements for implementing appropriate procedures to prevent bribery are set out below, in summary:

- **Top-level commitment** to the anti-bribery compliance programme and creating an ethical culture within the organisation;
- **Risk assessment** to identify specific anti-bribery risks within the organisation so as to develop appropriate mitigation;
- **Due diligence** procedures in relation to working with third parties, joint venture partners, agents and contractors;
- **Communication** of anti-bribery policies and procedures, including anti-bribery training; and
- **Monitoring and review** of anti-bribery policies and procedures to ensure continuing effectiveness.

##### 3.1.1 Top-level commitment

*Demonstrate ethical culture* – The Group Board, subsidiary boards, the Executive Committee, Local Market MDs and all E and F band executives have to demonstrate commitment to anti-bribery compliance through promoting an ethical culture.

*Local market ownership of compliance* – Local market and group company MDs must appoint an Anti-bribery Champion, with ownership for effective implementation and operation of the anti-bribery compliance programme within that local market or group company. This involves liaising with the Group Anti-bribery Team to ensure the requirements of this Policy Standard are implemented consistently, and to monitor and report on operational compliance.

##### 3.1.2 Risk assessment

*Annual risk assessment* – All local markets and group companies must conduct a bribery risk assessment on an annual basis, or following a Trigger Event, to identify areas of high risk. This risk assessment enables Vodacom to identify and implement appropriate and proportionate procedures and controls based on the specific risks in each business. The timing, approach and format of this risk assessment will be outlined by the Group Anti-bribery Team to ensure a consistent approach.

### 3.1.3 Due diligence and engaging third parties/suppliers

*Robust due diligence* – Anti-bribery Champions must ensure that appropriate areas of the business (e.g. Supply Chain Management) are conducting reasonable due diligence when engaging in business relationships with third parties (including business partners, suppliers, joint venture partners etc.). This due diligence must be documented, tailored and risk based. For Global suppliers, due diligence is conducted by the VPC and will be relied upon by local markets.

*Contracting* – The anti-bribery contract clause must be included in all third party contracts or agreements.

*Supplier monitoring* – Risk-based monitoring of supplier performance must be conducted on a regular basis to ensure compliance with contractual requirements.

#### **Due Diligences Process**

The relevant and appropriate business unit of a Vodacom company (eg. Supply Chain Management, Enterprise Business Unit, Vodacom Foundation etc.) that is seeking to engage a Third Party (eg. Supplier, Joint Venture Partner or Business Partner), shall be responsible for conducting and verifying full due diligence regarding such Third Party.

The due diligence shall be completed:

- (a) prior to entering into any agreement with any Third Party; or
- (b) during the existence of a business relationship if any significant changes occur or allegations arise which may adversely affect the risk rating of a Third Party; and
- (c) periodically thereafter, at reasonable intervals.

All due diligence documentation regarding a potential Third Party shall be retained by Vodacom for a period of two years following the expiration or termination of any agreement with that Business Partner.

### 3.1.4 Communication

*Regular communication* – A clear, unambiguous message on why an ethical culture is important to Vodacom, and how to comply with the policy requirements, including gifts and hospitality, must be communicated to all staff at least annually. High-risk employees should receive more regular communication, tailored to their specific requirements.

*Communicating with suppliers and business partners* – Our zero-tolerance approach to bribery must be communicated to all suppliers, contractors, joint venture partners and business partners at the outset of our business relationship with them and on an annual basis thereafter.

### 3.1.5 Training for high risk business units and individuals

*Face-to-face training* – Tailored face to face training is required for all high risk business units and teams. This must be done on a rolling basis every two years. The

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Anti-bribery Champion in each local market or group company is responsible for selecting the specific job profiles that are categorised as high-risk, although at a minimum this should include: the core types of job profiles that, at a minimum, should attend this training include employees working in:

- External Affairs – government relations / corporate social responsibility/foundation
- Supply Chain Management
- Technology team – vendor management/interaction or with purchasing responsibilities
- Networks –Planning, acquisition, licencing and construction / interaction with government and public officials
- Enterprise Sales
- Terminals
- Marketing and Events

*Online training* – In addition to the above face-to-face training, individuals in high risk teams must complete the Vodafone Anti-bribery eLearning Module every two years, on a rolling basis. The availability and design of the Anti-bribery eLearning is the responsibility of the Head of Anti-bribery and will be made available on Vodafone Learning and updated every two years.

### 3.1.6 Induction training and training for non-high risk individuals and teams

*Induction* – The induction programme for all employees must cover Vodacom's anti-bribery policy (including Gifts and Hospitality). The Anti-bribery eLearning should be included in the induction pack sent to new employees.

*Online training* – The Anti-bribery eLearning is available and should be completed by all non-high risk employees every two years, on a rolling basis. This is the same module as referenced in 3.1.5 above.

### 3.1.7 Monitoring and review

*Monitoring responsibility* – It is the responsibility of the Anti-bribery Champion to regularly co-ordinate the monitoring of the anti-bribery compliance programme, considering its suitability, adequacy and effectiveness. Elements of this monitoring may be completed by other functions as appropriate and depending on the locally-allocated responsibilities (e.g. Supply Chain Management or HR may monitor elements). The Anti-bribery Champion has overall responsibility for ensuring the adequacy and timeliness of the monitoring.

Any outstanding actions identified must be completed as soon as possible. Internal control systems and procedures will be subject to audits to provide assurance that they are effective in countering bribery.

### 3.1.8 Compliance reporting to Group Anti-bribery Team

All Anti-bribery Champions must comply with group reporting requirements accurately, within appropriate time limits and with a sufficient level of detail to allow the bribery risk and the current implementation status of the anti-bribery programme to be assessed effectively. This reporting includes (but is not limited to) submitting the

Cura Risk Assessment (annual), Cura Control Report (six-monthly) and participating in 1:1 calls with the Group Anti-bribery Team to discuss key areas of risk and status.

### 3.2 Incident reporting and ‘Speak Up’

Vodacom operates a whistle-blowing mechanism called ‘Speak Up’ for all employees and third parties. It is the duty of our suppliers, contractors, business partners and employees to report any breach of the Code of Conduct, including anti-bribery. This requirement must be communicated to all employees and third parties, and the local Speak Up number must be easily accessible on the intranet.

If a breach, or potential breach, of the anti-bribery policy arises or is suspected, in any operating company it must be reported to the local **Anti-Corruption Compliance Team**. Alternatively, the Speak Up whistle-blowing hotline can be used. This includes reporting payments that are made under duress when an Employee or Vodacom Representative’s personal safety is at risk or the individual is feeling threatened. In this case, when a payment under duress is made, the incident must be reported as soon as possible afterwards to the local Chief of Risk. A template for reporting via email is available in Section 6.

All Speak Up incidents reported will be considered by the Group Risk Management team and Vodacom Chief of HR in accordance with the Speak Up Policy Standard, including whether an investigation is required, and if so, who is best placed to conduct this investigation; either Group or Local market, and either Security or Legal (or both).

*Reporting to regulatory authorities:* The local **Anti-Corruption Compliance Team** must approve all bribery-related reporting to regulatory authorities under any local or global legislation. All matters must be pre-approved by the Chief of Risk prior to any such reporting.

### 3.3 Book And Record Keeping Requirements

Vodacom shall maintain reasonably detailed books and records, as well as a system of internal accounting controls, in order to reflect with reasonable accuracy all transactions and dispositions of assets. To that end, Vodacom shall maintain complete books, records and accounts that, in reasonable detail, accurately and fairly reflect all transactions, including all expenditures, invoices, expense reports, receipts, disbursements and other disposition of assets.

## 4. Roles and responsibilities

### 4.1 Policy owner

This is maintained by the the Chief of Risk.

### 4.2 Policy champion

This is the Chief Risk and Compliance Officer or his/her designate who is accountable for managing the operation of the policy, including reporting on anti-corruption compliance.

### 4.3 Local market MDs / Group Executive Committee members

Local market MDs have primary accountability for making sure everyone working in their business complies with all Group policies. This includes appointing appropriate functional policy owners to manage local implementation, communication and compliance and developing additional supporting local policies and processes as require (the Anti-bribery Champion). Executive Committee members are responsible for compliance by Group employees within their functions, wherever they are based.

### 5. Financial thresholds and approval process for giving and receiving.

Item	Public / Private	Value	Approval Required
Gifts (including prizes)	Public	≤ R349	No approval required
			Log in Gift and Hospitality Register
		R350 - R999	Line Management Approval
			Anti-Corruption Compliance Advice
			Log in Gift and Hospitality Register
		≥ R1000	Line Management Approval
	Anti-Corruption Compliance Advice		
	Vodafone Group External Director Affairs Approval		
	Private	≤ R499	No approval required
			Log in Gift and Hospitality Register
		R500 - R1000	Line Management Approval
			Log in Gift and Hospitality Register
> R1000		Line Management Approval	
		CEO or Exco Member Approval	
		Log in Gift and Hospitality Register	
Hospitality including corporate events hosted by Suppliers, Manufacturers etc. - (Read with Section 2.2.6 of this Policy )	Public	≤ R349	No approval required
			Log in Gift and Hospitality Register
		R350 - R999	Line Management
			Anti-Corruption Compliance Advice
			Log in Gift and Hospitality Register
		≥ R1000	Line Management Approval
	Anti-Corruption Compliance Advice		
	Vodafone Group External Director Affairs Approval		
	Private	< R1000 (individual)	Line Management Approval
			Log in Gift and Hospitality Register
		≥ R1000 (individual)	Line Management
			Anti-Corruption Compliance Advice
			Log in Gift and Hospitality Register
		Where 10 or more Vodacom employees are invited to the same event, or an external party is paying travel and accommodation for a Vodacom employee	Line Management Approval
			Anti-Corruption Compliance Advice
CEO or Exco Member Approval (to be obtained by most senior employee invited)			
Log in Gift and Hospitality Register (Responsibility of most senior employee in attendance)			

\* All approvals must be obtained prior to offer or acceptance of any gift or hospitality  
The fair market value of the gifts and hospitality shall be used  
The value of the Gifts are cumulative per person per financial year

### 6. Other Relevant Documents

- [VGR-IMP-TMP-0186 Reporting any Payments under Duress](#)
- [VGR-IMP-TMP-0187 Gifts Hospitality and Entertainment Advice Request Template](#)
- [VGR-IMP-TMP-0188 Vodafone Approval for Government Gifts and Hospitality Approval Template](#)
- [VOD-FIN-POL-0100 Code of Ethical Purchasing](#)

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## Revision History

Revision History		
Date	Revision No	Summary of changes since the last version
2014-09-05	1	Replaces <u>VGR-GOV-POL-0005</u> Giving and receiving of Gifts and Hospitality Policy
2015-03-6	2	Replaces <u>VGR-GOV-POL-0009</u> (Revision 1)