

TRANSACTION CAPITAL
LIMITED

ANTI-BRIBERY AND CORRUPTION POLICY

Approved by the Board of Directors on 21 November 2019

Effective from 1 October 2019

ENQUIRIES:

Company Secretary - Theresa Palos (theresap@transactioncapital.co.za)

Legal Executive - Valerie Bremer (valerieb@sataxi.co.za)



Transaction Capital

1. INTRODUCTION

- 1.1 Transaction Capital is committed to ethical business practices in South Africa and other countries in which it operates. Transaction Capital is committed to complying with applicable Anti-bribery and Corruption laws. Transaction Capital is also committed to continuously conducting its business with integrity and with proper regard for ethical business practices.
- 1.2 Transaction Capital has a zero tolerance approach to acts of bribery and corruption by business partners, employees, vendors and all third parties that it engages with.
- 1.3 A list of key terms are defined in Annexure B of this policy.

2. PURPOSE

This policy details the measures that Transaction Capital 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. All employees are required to comply with this policy at all times. Any failure to comply with this policy may result in disciplinary action being taken.

3. POLICY STATEMENT

No employee or business partner of Transaction Capital may engage in any act of bribery and corruption in relation to the business of Transaction Capital.

4. KEY POLICY PROVISIONS

4.1 APPLICATION OF THE POLICY

- 4.1.1 This policy applies to all Transaction Capital employees and to business partners (when engaging in activities for and on behalf of Transaction Capital), wherever located. All employees and business partners must read, become familiar with and comply with this policy. Where a business partner is a company (or other form of entity), the business partner must ensure that its employees and agents that engage in activities for and on behalf of Transaction Capital are familiar with this policy.
- 4.1.2 Any reference to Transaction Capital in the policy should be read to include all entities within the Transaction Capital Group (as defined in Annexure B below). In view thereof, any reference to employees and business partners includes the employees and business partners of any entity which falls within the Transaction Capital Group. Whilst the subsidiaries of Transaction Capital may choose to supplement this policy with additional policies and procedures aimed at preventing bribery and corruption, this policy is directly applicable to all entities within the Transaction Capital Group and cannot be deviated from unless approved in writing by the Board.
- 4.1.3 Any breach of this policy will be regarded as a serious matter, which may result in disciplinary action being taken against employees. It could also result in civil and/or criminal action against perpetrators.
- 4.1.4 For business partners, a breach of this policy may have implications for the ongoing contractual relationship between the business partner and Transaction Capital, and in terms of the applicable ABC laws, Transaction Capital may be under a legal obligation to report acts of bribery and corruption to the relevant authorities.

4.2 FACILITATION PAYMENTS

- 4.2.1 Transaction Capital 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 Transaction Capital. Facilitation payments could be construed as a contravention of applicable ABC Laws.
- 4.2.2 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 Transaction Capital. Transaction Capital recognises that a refusal to make such payments may result in commercial delays and that there may be additional costs attributable to adherence to this policy.
- 4.2.3 If any employee or business partner encounters a demand for a facilitation payment whilst working for Transaction Capital, they should report the situation to the Executive responsible for ethics, (or failing such an Executive, the Chief Financial Officer) of the Group Company which employs or has engaged in a business relationship with that person or business partner without delay.

4.2.4 HEALTH AND SAFETY EXCEPTION

- 4.2.4.1 Transaction Capital 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.
- 4.2.4.2 Any payment made under these circumstances should be reported to the Executive responsible for ethics (or failing such an Executive, the Chief Financial Officer) of the Group Company which employs or has engaged in a business relationship with that person or business partner, who will provide guidance on the further information required.
- 4.2.5 Reporting demands for facilitation payments, or instances where the Health and Safety exception is relied upon, is important as Transaction Capital may be under an obligation to report the incidents to the relevant authorities. It will also assist Transaction Capital to actively manage its Bribery risk and to take proactive remedial measures.

4.3 GIFTS, ENTERTAINMENT AND HOSPITALITY

- 4.3.1 Whilst acting for or on behalf of Transaction Capital, employees and business partners may not offer to, or accept from, any third parties (including 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.
- 4.3.2 Gifts, entertainment and hospitality, 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:
- 4.3.2.1 the value of the gift entertainment and hospitality;
- 4.3.2.2 the frequency of giving /receiving (including cumulative value during any given year); and
- 4.3.2.3 the position /designation held by the recipient within the relevant organisation.
- 4.3.3 Gifts must be given or received openly, unconditionally and must be limited to R1 000.00 (one thousand rand) per gift. Lavish and unreasonable gifts, entertainment and hospitality are prohibited. The following specific prohibitions apply:
- 4.3.3.1 No cash and cash equivalent gifts may be given;
- 4.3.3.2 No gifts, entertainment or hospitality may be provided to any public official (without prior written approval from the Chief Executive Officer ("CEO") of the Group Company or any other Executive to whom the CEO may delegate this authority);
- 4.3.3.3 No gifts, entertainment or hospitality (excluding gifts, entertainment or hospitality provided pursuant to a marketing competition conducted by the relevant Group Company) may be provided to the family members of a customer or prospective customer (but excludes, in the case of SA Taxi, customers that in the ordinary course of business apply for credit with the SA Taxi business or are members of the main taxi industry bodies) without prior written approval from the CEO of the Group Company. The CEO of the Group Company shall be entitled to delegate this authority to a sponsorship and donations committee or the like; and
- 4.3.3.4 Whilst not prohibited, any sponsorship or donation to a municipality in South Africa must comply with the relevant requirements as set out in the Gifts, Entertainment and Hospitality Policy of Transaction Capital (or the Group Company) as well as the following additional requirements:
- no sponsorship or donation may be given to a municipality as an inducement or reward to a municipality for or in connection with the award of a tender or contract; and
 - in order to avoid the perception of a sponsorship or donation being an inducement or reward, no sponsorship or donation may be given to a municipality during a period three months prior to, and/or three months after, the award of a tender or contract.
- 4.3.4 When any gift, entertainment and/or hospitality is given or received by an employee or business partner, the provisions detailed above must be complied with. In addition, the provisions of the separate Gifts, Entertainment and Hospitality Policy of Transaction Capital (or the Group Company) must be complied with.
- #### 4.4 DEALING WITH PUBLIC OFFICIALS
- 4.4.1 Dealing with public officials poses a comparatively higher risk in respect of bribery and corruption given the power vested in these officials. Engaging in any bribery or corruption in respect of public officials is an offence in terms of the ABC laws applicable to Transaction Capital.
- 4.4.2 Transaction Capital strictly prohibits the provision of money or anything else of value, no matter how small, to any public official for the purpose of influencing the official inappropriately.

- 4.4.3 Transaction Capital 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 determined);
 - An official invoice must be received, and if this is not possible, 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 official account of the government department (NOT the account of the public official), and where travel, accommodation and food is provided, payment should be made directly to the providers of the goods and services; and
 - Prior written approval from the Chief Financial Officer of the Group Company is required for all per diem payments.

4.5 ETHICAL PRINCIPLES

- 4.5.1 Transaction Capital expects that all employees and business partners should at all times act in accordance with the following principles:

- Abstain from using position or authority and/or facilities provided by Transaction Capital to further their own, "friends" or "relatives" interests;
- Refrain from permitting personal interests to influence business decisions;
- Disclose any potential or actual conflict of interests;
- Uphold honest behaviour in respect of all business decisions and conduct;
- Uphold a zero-tolerance approach to bribery, corruption, abuse of power or any other form of unethical behaviour.

4.6 DUE DILIGENCE

- 4.6.1 Transaction Capital recognises the importance of conducting due diligence on third parties. Transaction Capital requires due diligence to be done in the following circumstances:

- When engaging a vendor to provide goods or services that exceed such amounts in value as may be determined by the relevant Group Company's board from time to time;
- When engaging a funder to procure funding for the first time, and thereafter at reasonable intervals;
- When engaging a business partner for the first time, and thereafter at reasonable intervals;
- When entering into a joint-venture or similar arrangement with any third party;
- Prior to acquiring any business or entity (or significant part thereof); and
- Prior to disposing of any business or entity (or significant part thereof).

- 4.6.2 The nature and extent of the due diligence conducted should be based on the degree of bribery risk in the particular circumstances. Further guidance can be found in the Due Diligence Policy of Transaction Capital.

- 4.6.3 The provisions of the separate Due Diligence Policy of Transaction Capital must be complied with.

4.7 CONTRACTS WITH VENDORS AND BUSINESS PARTNERS

All vendors and 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 Transaction Capital are required to contact the legal department of the relevant group entity to get guidance on the relevant terms and conditions.

4.8 SPONSORSHIPS AND DONATIONS

- 4.8.1 No sponsorships, charitable donations and/or political donations may be made to inappropriately influence any third party. Bribes may not be disguised as sponsorships, charitable donations and/or political donations.

- 4.8.2 The provisions of the separate Sponsorship and Donations Policy of Transaction Capital must be complied with.

4.9 RECORD-KEEPING

- 4.9.1 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.
- 4.9.2 When invoices are received from third parties acting for or on behalf of Transaction Capital, the descriptions of services rendered and/or disbursements must be properly interrogated and vague or suspicious descriptions (for example "special services", "special bonus", "facilitation" and "administrative expense") should be scrutinised further before approving any payment. Failure to do so on the part of any employee may result in disciplinary action being taken.

4.10 TRAINING AND COMMUNICATION

- 4.10.1 Transaction Capital will make this policy available to all employees and business partners. Internally, this policy will be made available on Transaction Capital's internal shared folder accessible by all employees as well as the intranet of each of the Group Companies. Externally, the policy will be made available on the website of Transaction Capital and the policy will be referred to in the supplier "take-on" or supplier information forms to be completed by suppliers and/or the agreements to be concluded by suppliers with the relevant Group Company.
- 4.10.2 Training on this policy will form part of the Induction Training for all new employees of Transaction Capital and all existing employees will receive ad hoc refresher training, when required.

4.11 WHISTLEBLOWING

- 4.11.1 Transaction Capital 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.
- 4.11.2 Issues or suspicions of bribery and corruption may be reported through the following channels:
- 4.11.2.1 directly to an employee's line manager, human resources or, the Chairperson of Transaction Capital (if appropriate in terms of Transaction Capital's Whistleblowing Policy);
- 4.11.2.2 through the Transaction Capital Ethics Line as follows:
- 4.11.2.2.1 Free call: 0800 212 767;
- 4.11.2.2.2 Free fax: 0865 222 816;
- 4.11.2.2.3 SMS: 39875;
- 4.11.2.2.4 E-mail: information@whistleblowing.co.za; or
- 4.11.2.2.5 Website: www.whistleblowing.co.za.
- 4.11.2.3 It is not appropriate to contact the Transaction Capital Ethics Hotline for ethics guidance and advice as this is a reporting facility only.
- 4.11.3 Where bribery and corruption is suspected, or where it occurs:
- 4.11.3.1 All pertinent details should be recorded as soon as possible to enable the investigation thereof;
- 4.11.3.2 Any instance of actual or potential bribery and corruption will be properly and promptly investigated;
- 4.11.3.3 The objectives of an investigation should be to:
- Confirm whether bribery and corruption has taken place, and to identify who was responsible;
 - Confirm whether internal controls and ABC procedures have worked in practice; and
 - Identify any improvements required to the ABC controls of Transaction Capital.
- 4.11.4 Depending on the findings of the investigation, remedial action will be taken. 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.
- 4.11.5 Transaction Capital encourages openness and will fully support anyone who raises genuine concerns in good faith. Transaction Capital is committed to ensuring 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 the Human Capital Executive of the Group Company or, if not appropriate in the circumstances to report to the relevant Human Capital Executive, then to the CEO of the relevant Group Company immediately.
- 4.11.6 The provisions of the separate Whistleblowing Policy of Transaction Capital must be complied with.

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 the Executive responsible for Ethics (or failing such an Executive, the Chief Financial Officer) of the relevant Group Company:

- 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 Transaction Capital, or carrying out a government function or process for Transaction Capital;
- 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 or requested by a third party.

ANNEXURE B

DEFINITIONS

| Terms | Meaning |
|-------------------------------|---|
| ABC | Anti-bribery and corruption |
| ABC laws | ABC laws refer to applicable laws that govern bribery and corruption in a jurisdiction. Transaction Capital Limited operates in South Africa, and therefore the South African Prevention and Combating of Corrupt Activities Act, 2004 ("PRECCA"), is applicable to the activities of the company. Other ABC laws may be applicable to the activities of Transaction Capital, its employees and its business partners depending on the nature of the business activities involved or the geographical location of the business, and ABC laws should be understood as including any other applicable national or international regulatory enactment of similar import to PRECCA that may have a bearing on the activities of Transaction Capital |
| Board | The Governing Board of Transaction Capital Limited |
| Books and records | Accounts, invoices, correspondence, papers, CDs, tapes, electronic storage media, memoranda and any other document or transcribed information of any type used to record or store financial information |
| Bribery risk | The risk or likelihood of a bribery and corruption incident occurring within the course and scope of Transaction Capital's business activities |
| Bribery and corruption | <p>A "bribe" is the direct or indirect offer, authorisation, 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 the following:</p> <ul style="list-style-type: none"> ■ any payment or the provision of anything else of value to any official of any government or public international organisation (including any officer or employee of any government department, agency or instrumentality) to influence or reward her/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 business practice, influence or reward her/his or its decision, or to gain any other undue advantage; and ■ 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 Transaction Capital, including engaging with third parties on behalf of Transaction Capital. 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 Transaction Capital; and ■ A third party who engages with any public official for and on behalf of Transaction Capital |
| Donation | The gratuitous giving of anything of value (including, but not limited, money, property and/or services) to a third party without expecting anything in return |
| Employee/s | All Transaction Capital employees working at all levels and grades (whether permanent, fixed-term or temporary), including directors, senior managers, officers, trainees, seconded staff, casual staff, agency staff, volunteers and interns or any other person associated with Transaction Capital |
| Facilitation payment | Facilitation payments are low value payments made to public officials to induce them to perform routine functions expeditiously |
| Group Company | Any company that forms part of the Transaction Capital Group from time to time |
| Improper advantage | An "improper advantage" is broadly defined to mean something to which Transaction Capital is not clearly entitled, such as improper influence on a decision to purchase Transaction Capital products or services at a government institution, contract award, grant of operating permits, product registration approval, favourable court decision, or a tax dispute settlement |

ANNEXURE B continued

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| Public official | <p>The term “public official” is interpreted very broadly and covers people not only working directly for government, but also employees 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; ■ 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; and ■ police officers, customs and tax officials, employees of state owned enterprises, political party officials as well as children or other relatives of a government or political party official |
| Sponsorship | <p>A relationship entered into between Transaction Capital and a third party in terms of which Transaction Capital provides such third party with something of value (including, but not limited, money, goods and/or services) in exchange for rights and/or other entitlement specifically aimed at marketing activities</p> |
| Transaction Capital | <p>As indicated above, any reference to Transaction Capital should be read as including all entities in the Transaction Capital Group</p> |
| Transaction Capital Group | <p>Transaction Capital Limited and any entity, the financial results of which are, or are required to be, partially or wholly consolidated in Transaction Capital Limited’s annual financial statements from time to time in accordance with Transaction Capital Limited’s accounting policies</p> |
| Vendor | <p>A “vendor” is a third party that supplies Transaction Capital with goods or services (provided that the provision of services does not involve engaging with other third parties for and on behalf of Transaction Capital)</p> |