



Marketing Sponsorship Policy

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APPROVAL AND OWNERSHIP

Policy Owner	Date
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REVISION HISTORY

Version	Revision Date	Description	Next review Date
V1.0	Annually		
V2.0	Annually	Adjusted definitions and streamlined content.	November 2014
V2.1	Annually	Minor adjustments	September 2015
V2.2	Annually	Added cross-reference to ABC policy and standardised wording on reporting policy violations.	September 2016
V2.3	Annually	Annual review conducted by policy owner but no updates arising. Report and minute at Group R&S Committee.	September 2017
V3.0	Annually	Amendments arising from detailed review of ABC policies by Norton Rose Fulbright London Scope includes non-executive directors.	September 2018
V4.0	Every two years	Review conducted by policy owner every 2 years	September 2021

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DEFINITIONS AND ABBREVIATIONS

Table 1: Definitions

Terminology	Description
Barloworld	<p>Barloworld means Barloworld Limited and its subsidiaries, divisions and business units in all countries in which it does business, or any individual subsidiary in its own capacity.</p> <p>It does not include joint ventures, other than those where Barloworld exercises management control, nor does it include investments where Barloworld owns less than 50%.</p>
Bribery	<p>Bribery is where a person offers, promises, gives or receives, demands, solicits or accepts something of value, whether it is a financial or other advantage to/from another person with the intention to bring about the improper performance by that other person of a relevant function or activity or to reward such improper performance. It also includes situations where the offer or acceptance of the advantage is in itself improper.</p>
Corruption	<p>Corruption is defined broadly as ‘the abuse of power for personal gain’ and bribery and fraud are considered to be aspects of corrupt practices.</p>
Sponsorship	<p>Sponsorship is defined as a business relationship between Barloworld, as a provider of funds, resources or services and an individual, event or organisation which offers rights and association that may be used for marketing purposes in return for the sponsorship investment.</p> <p>Sponsorship encompasses a wide range of activities including funding and in-kind support. It is a contribution in money or kind made by Barloworld to a third party or an external organisation in support of an event, publication or activity. Sponsorship typically involves the payment of a fee or a payment in kind, such as employee time or use of premises or Barloworld assets.</p> <p>Sponsorship is not a donation, for which nothing is to be received in return, but rather a mutually beneficial activity for marketing purposes. For clarification, it is preferable to avoid the word donation in relation to marketing expenses as it is sometimes used incorrectly to mean a sponsorship. Similarly, the word sponsorship should not be used when the intention is to make a charitable donation</p>

1 Preamble and Policy Summary

Building an ethical culture is a continual process and values are at the heart of the way we conduct ourselves. This is demonstrated in the choices and decisions we make on a daily basis. Evidence of the commitment to our values is not in any individual action or initiative but rather in the combined and systemic way in which we conduct the business on an ongoing basis. It also requires a structured process established for the oversight, monitoring, reporting and improvement of ethics and compliance activities by divisional executive management and by Barloworld main board sub-committees.

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It is recognised that sponsorship arrangements are a common marketing tool and that this may include in some instances, the use of Barloworld assets and/or time. This policy is not intended to prevent genuine sponsorship for bona fide marketing purposes. However, it is recognised that such expenditure may be intended to be, or perceived to be, bribery and/or corruption (depending on the circumstances). Such expenditure therefore needs to be carefully managed and monitored.

Bona fide charitable giving, contributions to public benefit organisations, local community organisations, donations to schools or other socially directed activities must comply with the Group Corporate Social Investment (CSI) policy in addition to this policy. Barloworld must not unduly benefit, nor be seen to unduly benefit, from any charitable or CSI activities.

2 Purpose & Objective

The objective of the policy is to set out the minimum expected standards that must be applied for sponsorship activities related to marketing and promotional purposes. It is not exhaustive and additional requirements may be added by divisions according to their specific business needs.

This policy is only concerned with sponsorship on behalf of Barloworld for marketing purposes and not sponsorship by individual employees of Barloworld in their personal capacity, for example an employee sponsoring a friend running a marathon for charity.

Ex-gratia payments, prizes or other benefits paid by Barloworld related to genuine competitions for employees or customers are not covered in this policy.

3 Scope

The policy applies to all employees and to non-executive directors of Barloworld. The scope of this policy is all business activities conducted by Barloworld whether with the private or public sector.

4 Roles and Responsibilities

Divisional executive management have the responsibility to ensure compliance with this policy and the discretion to define the processes, procedures and other mechanisms by which the policy is implemented.

It is the responsibility of divisional executive management and/or business unit executive management to ensure that all procedures are implemented in accordance with this policy and related divisional policies, where applicable.

5 Regulatory Background

Bribery is a criminal offence in many countries and corrupt acts expose Barloworld and its employees to the risk of prosecution, substantial fines, and imprisonment, as well as endangering the reputation of the business.

The King IV Report on Corporate Governance recommends a hybrid form of governance that meets regulatory requirements and incorporates appropriate voluntary principles and leading practices. Barloworld supports this recommended compliance framework and meets both regulatory and voluntary standards of good governance in its campaign to prevent bribery and corruption in all its business operations worldwide.

Barloworld policies support the objectives of the South African legislation of 2004 on the Prevention and Combating of Corrupt Activities Act and the Organisation for Economic Cooperation and Development (OECD) Anti-Bribery Convention, to which South Africa is a signatory.

This policy recognises all applicable legal and regulatory requirements in the countries in which Barloworld operates. It recognises the requirements of the UK Bribery Act, the US Foreign Corrupt Practices Act and other legislation which may be specific to certain Barloworld entities and/or operations. The policies of Barloworld have been developed in line with the UK Bribery Act for businesses to implement “adequate procedures” to prevent bribery.

In terms of the guidance provided by the UK Ministry of Justice on what constitutes “adequate procedures”, one of the 6 principles to be applied is the implementation of procedures that are proportionate to the bribery risks that a company faces. The guidance suggests that such bribery prevention procedures should deal with, amongst others, the provision of promotional expenditure (which would include sponsorships).

This policy must be implemented whilst complying with all applicable privacy and data protection legislation.

6 Policy Statement

6.1 General

When offering or providing sponsorship, it is important to consider the intention for the expenditure and surrounding circumstances that may be related or seen to be related to the expenditure. It is important to always consider the perception as well as the facts.

A sponsorship must not be given, if:

- a) the intention of the sponsorship is to gain an improper business advantage or to place undue influence on a person responsible for a decision, a service or a contract;
- b) there is, or may be, a perception by any other party, that the sponsorship is to gain an improper business advantage, or to place undue influence on any person to secure a decision, a service or a contract, or to induce a person to breach a position of trust.

Prior to any sponsorship being given, an appropriate due diligence must be completed in relation to the individual, organisation and/or event being sponsored. Such due diligence checks are directed at confirming the good standing of the individual, organisation and/or organisers of the event, and to ensure that bribery or corruption “red flags” do not arise in the circumstances. Records must be kept of the due diligence procedures and the outcome of the review. For the avoidance of doubt, a bribe need not be paid in money. A bribe can also be a request or payment in kind which may include promotional items, the use of Barloworld assets and/or time. These may be called sponsorships or donations in an attempt to conceal the true nature of the request. Care should therefore be taken to consider the underlying intention and ensure that it does not breach any applicable legislation or regulations.

Sponsorships must not be made or offered in connection with or parallel to any bid, tender, contract renewal or prospective business opportunity other than those required, approved and disclosed as part of a formal tender process. The requirements of the Anti-Bribery and Corruption policy must be applied in relation to public sector tenders where the contract conditions require a CSI commitment. Where applicable, the requirements of the Group CSI policy must also be applied.

6.2 Prohibited types of sponsorship

Barloworld will not offer or provide:

- a) political sponsorships, in South Africa, the UK or elsewhere, including to any political party, or political groups or a related organisation or official, to any politician, to the campaign of any candidate for elected office or in support of any elected official, either directly or indirectly through a third party;
- b) sponsorship of organisations that unfairly discriminate on the basis of race, ethnicity, nationality, religion, gender, sexual orientation, age or disability;
- c) in South Africa, no sponsorship will be made to any municipality;
- d) sponsorship of any activities, which could reasonably be seen to create a potential reputational risk for Barloworld.

Barloworld does not support religious organisations other than those with recognised welfare activities which also meet the requirements of the Group CSI policy.

Cash payments must be avoided, including cash sponsorships for staff members in sporting events, sports clubs, school or other activities, unless these form part of approved CSI activities.

6.3 Offering or giving sponsorship

Barloworld may only sponsor activities if they can be shown to be compatible with and promote the legitimate best interests of Barloworld. The arrangements for sponsorship must be transparent and must not conflict with other Barloworld business initiatives, values or business interests.

Any request for sponsorship (whether received from a third party or submitted internally by an employee) must comply with the minimum formal application process detailed in this policy. In this regard, any application must be made formally in writing and include details of the following:

- a) the individual, organization and/or event requesting the sponsorship, and where the sponsorship relates to an event, full details of the event organizers must be provided;
- b) the nature of the sponsorship, including the overall objectives thereof;
- c) if the sponsorship relates to an event, the full particulars of the event must be provided, including, the date(s) of the event, the activities that it will entail, the types of persons that will attend, any media exposure that is contemplated, the staffing of the event (including any required attendance by representatives of Barloworld), and the assessed risks of the event (including the measures that will be put in place to mitigate such risks);

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- d) if the sponsorship relates to a specific individual and/or organization, the full particulars of the individual and/or organization must be provided and the full particulars of the contemplated sponsorship must be provided, such that Barloworld is put in a position to properly evaluate the request;
- e) an outline of the potential benefits for Barloworld if it elects to engage in the sponsorship (providing quantifiable benefits, where possible);
- f) the full extent of the costs of the sponsorship (including a contemplated payment schedule) must be provided; and
- g) if the sponsorship entails ongoing support for an individual and/or organization, and/or series of events, the term of the sponsorship should be detailed and indicative contractual requirements should be outlined.

In addition to the above, when a request for sponsorship is received from a third party, full disclosure must be given regarding any relationship between such third party and any employee of Barloworld. Similarly, when a request for a sponsorship is submitted internally by an employee, such employee must disclose any interest that he or she has in the contemplated Sponsorship (and the recipients thereof).

As indicated above, an appropriate due diligence must be done before any sponsorship request will be granted. The outcome of the due diligence must be documented and it must accompany the request for the sponsorship.

The completed application for the sponsorship must be submitted (together with the outcome of the due diligence) to the divisional CEO for prior approval and then subsequently tabled and reported at a divisional executive committee meeting. The divisional CEO may delegate this authority to the business unit chief executives, but the authority limits must first be specified, tabled and approved at a divisional executive committee meeting or other equivalent divisional approval process.

Where this pre-approval authority is delegated to the business unit chief executives, the actual sponsorships given will still need to be subsequently tabled and ratified at a divisional executive committee meeting or other appropriate approval at business unit level.

A written record of all sponsorships and the steps taken to comply with this policy must be maintained by each division and/or business unit and be available for audit.

6.4 Surrounding circumstances

Surrounding circumstances may be persuasive in determining the intention for a particular sponsorship and whether it complies with this policy. Due care should be taken to avoid circumstances that may create the perception that Barloworld's intentions are not fair, honest and transparent.

7 Communication

This policy should be communicated to all employees involved in sponsorship or marketing activities and other functions as appropriate.

Communication and training for new and existing employees must be included in annual training plans for anti-bribery and corruption as appropriate. Training content should be refreshed periodically so that it remains current and relevant.

Training records must be maintained as evidence of completion of training and these records should be monitored and included in reports to divisional executive management at least annually.

8 Related Policies & Other Documents

In the event of a contradiction between this policy and a divisional policy, this policy must be taken as authoritative. If there is any uncertainty about requirements, then divisional or Barloworld General Counsel must be consulted.

8.1 Corporate Social Investment (CSI) and Enterprise Development

In many cases, the intention for a sponsorship will have a dual purpose. While the primary purpose may be a marketing or business purpose, there may also be a well-considered corporate social responsibility or social investment or a related Enterprise Development project. It is therefore essential that this policy be read in conjunction with the Barloworld Group CSI policy. Where appropriate, there should be consultation with the Enterprise Development function.

Any bona fide charitable giving, contributions to public benefit organisations, local community organisations, donations to schools or other socially directed activities must comply with the Group CSI policy in addition to this policy. Barloworld must not gain, nor be seen to gain, from any charitable or CSI activities.

Where a charitable donation is related to local or national Government bodies, to ensure that such interactions are conducted in a transparent and ethical manner, the Group CSI policy must

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be followed and care should be taken to ensure that the provisions of this policy and the UK Bribery Act are not contravened.

8.2 Anti-bribery and corruption

This policy is related to and must be read in conjunction with the Barloworld Worldwide Code of Conduct and other Barloworld policies, including the Barloworld Anti-Bribery and Corruption policy and the Barloworld Gifts and Hospitality policy.

Document Name
Barloworld Worldwide Code of Conduct
Barloworld Anti-Bribery and Corruption Policy
Barloworld Gifts and Hospitality Policy

9 Raising Concerns and Seeking Guidance

If any person becomes aware of a circumstance or action that violates or appears to violate this policy on bribery and corruption, they are encouraged to contact their manager, the Group General Counsel, the Group Compliance Manager, or alternatively the Barloworld Ethics Line at www.tip-offs.com.

The Barloworld Ethics Line is an independent and confidential system for reporting allegations of unethical behaviour, illegal actions, or actions that violate the Barloworld Worldwide Code of Conduct.

The Barloworld Global Whistleblowing Policy applies to the use of the Barloworld Ethics Line, and it contains the contact details pertaining to each company, division, or business unit.

Barloworld is committed to ensuring that no employee suffers any occupational detriment as a result of reporting a genuine concern in good faith.

10 Breach of Policy

It is the responsibility of every employee to comply with this policy and failure to do so could amount to gross misconduct and a material breach of the contract of employment.

Furthermore, Barloworld could be held criminally liable for failing to prevent bribery and corruption wherever in the World this occurs. The penalties for a corporate body that fails to prevent bribery are severe and include criminal liability, an unlimited fine and serious reputational damage.

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All cases of alleged bribery and corruption will be investigated and followed up by the application of all available remedies. Employees who commit an act of bribery or corruption, violate the Barloworld Worldwide Code of Conduct or breach this policy will be subject to disciplinary action, up to and including termination with cause.

The investigations process is subject to oversight by the Group Head of Risk and Legal and in certain cases by Barloworld General Counsel. This is to ensure that the process is fair and consistent throughout Barloworld and meets minimum requirements. Corrective action and monitoring is the responsibility of divisional executive management. Information regarding the nature of the violations, control lapses and corrective actions are submitted to the Board for scrutiny.

11 Deviations from Policy

It is the responsibility of the executive management to ensure that this policy is adopted and approved by an appropriate executive committee.

Any deviations to this Barloworld policy that amend the meaning or raise the minimum standard of the group policy requirements must be pre-approved in writing by the Policy Sponsor. Once approved, such deviations must be tabled, approved and recorded at an appropriate executive meeting.

Any deviations that add more specific requirements, and therefore lower the minimum standard required by this Barloworld policy, may be included at the discretion of executive management and then tabled, approved and recorded at an appropriate executive meeting.

Language translations of Barloworld policies must be conducted or checked by a professional language translator to avoid translation errors that may change the meaning of the policy requirements.