



Hosting Customer Events 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	Inclusion of public officials. Streamline and remove repetition.	September 2014
V2.1	Annually	Minor adjustments; paragraph moved and added standard paragraph on raising concerns and seeking guidance.	September 2015
V2.2	Annually	Added standard paragraph on raising concerns and seeking guidance.	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.	September 2018
V4.0	Every two years	Review conducted every 2 years by the policy owner.	21 September 2021

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DEFINITIONS AND ABBREVIATIONS

Table 1: Definitions

Terminology	Description
Barloworld	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. 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%.
Bribery	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.
Corruption	Corruption is defined broadly as 'the abuse of power for personal gain' and bribery and fraud are considered to be aspects of corrupt practices.
Government or Public officials	Government or public officials' means local, provincial, federal or national government, quasi-government, political parties or employees of any of these organisations. It also means politically connected persons, including but not limited to political candidates, party officials, representatives of political parties, legislators, public officials, or family members of any of these persons.
Gift	Government or public officials' means local, provincial, federal or national government, quasi-government, political parties or employees of any of these organisations. It also means politically connected persons, including but not limited to political candidates, party officials, representatives of political parties, legislators, public officials, or family members of any of these persons.
Hospitality	Hospitality is an event to which you accompany a third party, such as (but not limited to) a meal, sports match, event or concert, and includes any travelling, accommodation and refreshments. For the purposes of this policy, hospitality also comprises third party travel, which includes payment of accommodation and travel expenses of third parties, such as customers and public officials. This does not include Barloworld's staff own accommodation and travel expenses while on Barloworld business trips.
Hosting team	The hosting team includes all persons involved in hosting customers for or on behalf of Barloworld such as members of the sales, marketing, administration and management team that will be hosting the event. It includes members of executive management, employees of Barloworld as well as consultants, contractors, agents or intermediaries acting on behalf of Barloworld.
Travel	Travel is included in the definition of hospitality and is therefore one aspect of hospitality.

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. They are 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 is generally understood that marketing expenditure in the form of hospitality and hosting customer events is an area that may be abused and misused if not carefully controlled. It is recognised that such expenditure or benefits received may be intended to be or even perceived to be bribery and/or corruption (depending on the circumstances).

It is also recognised that *bona fide* marketing expenditure is both necessary and important to market and improve the image of Barloworld and/or its represented brands, to better present products and services and to establish cordial relationships with customers and it is an important part of doing business. In order to effectively represent our international principals, the interaction with customers periodically involves international events and these include industry functions as well as events, functions or activities planned to meet the needs of specific customers or groups of customers. It is recognised that certain industry events and other customer specific marketing activities may involve significant expenditures including, but not limited to:

- a) Cost of venues and functions, including entrance tickets, registration fees or other fees
- b) Airfares, both local and international and other transport costs
- c) Local and/or international accommodation costs
- d) Meals, entertainment and hospitality expenses

The expenditure may be related to the event or conference itself as well as other planned activities such as factory tours, visits to international businesses and certain leisure activities. These events may therefore involve a multi stopover country “tour” arranged for customers rather than a visit to a single venue.

Neither the regulatory standards applicable to Barloworld, nor the voluntary standards of good governance (both set out in the Anti-Bribery and Corruption Policy of Barloworld) prohibit reasonable and proportionate expenditure for hospitality or promotional activities. It is however expected that such expenditure is controlled and managed in order to avoid any actual or perceived impropriety in the way in which events are conducted.

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In order to balance these requirements, this policy sets out the expected procedures for managing and controlling marketing expenditure for hosting customer events, functions and activities.

Due care should be taken to consider how industry norms and practices have changed in recent years and to ensure a conservative approach is taken to all expenditure in hosting customer events. Due care should also be taken to ensure that the manner in which a particular customer event is hosted does not breach locally applicable laws based on the particular circumstances.

2 Purpose & Objective

The objective of the policy is to set out the expected procedures that should be applied when Barloworld acts as the host to customers at certain types of marketing events. While these are not minimum standards, they are nonetheless persuasive and set expectations while still making allowance for a degree of discretion to be exercised by the divisional or business unit director responsible for the event. These standards may be applied on an 'apply or explain' basis so that deviations must be documented and motivated.

Events that are covered by this policy include but are not limited to:

- a) product marketing events,
- b) industry expositions,
- c) product or technical launches, demonstrations or product training
- d) Plant visits to manufacturers and product suppliers.

The policy should be applied where there is a significant marketing spend which exceeds the nominal limits set in the Group Policy on Gifts and Hospitality and which apply to a group of customers being hosted at a function or functions that extend beyond nominal hospitality expenditure for specific individuals.

The policy is not exhaustive and additional requirements may be added by divisions according to their specific business needs.

The policy focuses on situations where Barloworld is the host of a customer event. This includes corporate functions or events involving the media or investors, which are managed and controlled by the Group Corporate Communications department.

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 IV 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.

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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 hospitality.

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

6 Policy Statement

6.1 General

The principles that should be applied when planning and managing a marketing event are as follows:

- a) Events hosted by Barloworld should have a clear business purposes. Barloworld will not pay for a personal or leisure trip or holiday for any representatives of any customer and/or their families. Whilst there may be a reasonable degree of leisure time and activities built into the approved plan and budget for a customer event, this should be ancillary to the event itself and limited as far as possible.
- b) As far as possible, Barloworld should endeavour to limit its costs to the cost of the event itself (and not travel, accommodation and subsistence). However, we recognise that in certain circumstances, it may be reasonable and appropriate for Barloworld to also incur costs for the travel, accommodation and subsistence of representatives of customers and other third parties. In such instances, the appropriateness of incurring these costs must be carefully considered and benchmarked against prevailing conventions and acceptable business practices at that point in time and in respect of the jurisdictions and industry concerned.
- c) Expenditure should be proportionate to the nature of the business obligations and responsibilities to Barloworld principals and must be justifiable in terms of the potential business benefits. Barloworld does not permit lavish expenditure. In this regard, if and when Barloworld pays for the international travel of customer representatives or other third parties, flights shall be limited to Economy Class (or its equivalent). This rule may only be deviated from with the prior written consent of the Group Chief Executive Officer.
- d) Transparency is expected in the planning, communication and reporting processes related to the event and this includes a post-event review.

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- e) Expenditure should be incurred for the benefit of all invited customers on a fair and equitable basis. While it is recognised that not all invited customers will participate in all arranged activities, the extension of invitations should be done without favouring any specific individual or group of individuals.
- f) Expenditures and activities should be planned with awareness that it is not only actual intentions but also perceived intentions that may be under scrutiny. Due care should be taken to ensure that perceptions are considered when planning the nature and content of customer interactions.

It is important to be aware of and to consider any and all surrounding circumstances that may lead to perceptions of impropriety and to avoid such circumstances.

6.2 Planning an event for customers

When planning an event to host customers for marketing purposes, the following procedures should be applied with appropriate discretion exercised by the divisional or business unit director responsible for the event:

- a) The event should be carefully managed as a project, with clear plans and responsibilities. It is recommended that for large events, a project manager is appointed, reporting to a divisional or business unit director.
- b) On the expectation that it will be the senior management and/or executive management and/or owners of customer businesses that will be invited to such events, it is essential that a divisional or business unit director host such an event and that executives and senior management attend and interact with customers.
- c) The criteria for extending invitations to customers should be documented and supported with relevant data and motivations.
- d) To uphold the objectives of fairness and equity, customers with common needs or that meet common criteria, should be subject to the same level of consideration and attention. It is generally preferable to plan for group activities rather than functions aimed at individuals.
- e) A detailed expenditure budget must be prepared. Expenditures for all aspects of the event should be included and where appropriate, detailed costs per person.
- f) Details of customer contributions towards expenditure must be itemised. Criteria must be set, where appropriate, for each group of customers as to what contribution is considered to be appropriate. Deviations or exceptions to the expected criteria must be highlighted and motivated.

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- g) The plans and budgets must be checked and approved by the responsible divisional or business unit director prior to any invitations being extended.
- h) Where the responsible director / executive does not have delegated authority, the plan and the budget must be formally tabled for approval in accordance with the appropriate approval process of the division or business unit.

6.3 Protocols

- 6.3.1 Formal invitations from the host executive should be extended to the selected customer delegates.
- 6.3.2 At large industry events it is common practice for individual meetings to take place and meeting rooms may be booked at the conference venue for this purpose. However, this should be done in accordance with the conference protocols and not in a way that may be perceived as offering any special favour or advantage to any specific customer.
- 6.3.3 As a general rule, Barloworld should avoid including spouses or partners as invitees to events and all expenditure for spouses or partners should be for the customer's own account (unless motivated and pre-approved).
- 6.3.4 We are mindful that some representatives of customers may elect to pay for their spouses or partners to accompany them on trips that they embark on to attend a Barloworld event. In such instances, if Barloworld arranges or hosts a group activity that is ancillary to the event, provision can be made for the spouse or partner to attend the event. This must however be documented, motivated and any expenditure incurred by Barloworld for this must be pre-approved. Similarly, if Barloworld incurs accommodation expenses for a representative of a customer and the representative wishes for their spouse or partner to stay with them at the accommodation, this must be documented, motivated and pre-approved, and wherever possible, the customer must make a proportional contribution to the expense of the accommodation.

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- 6.3.5 Notwithstanding the above provision that certain expenditure for spouses or partners may be motivated and pre-approved, Barloworld will not incur any expenditure for travel for spouses or partners to or from events (particularly international travel) and this is strictly prohibited.
- 6.3.6 Certain customer organisations have their own approval processes for the acceptance of invitations and these should be respected and incorporated into the invitation process, where applicable.

6.4 Exceptions

- 6.4.1 Any exceptions or deviations from the approved plan and budget must be separately documented and motivated. For example, if any customers are to be entertained individually or separately from the main group, then this must be disclosed, with a separate budget and fully motivated.
- 6.4.2 Exceptions or deviations must be approved in advance, in writing, in accordance with the appropriate approval process of the division or business unit.
- 6.4.3 Specific approval must be sought for any exceptions or any planned activities that may be considered as unusual or separate from the norm. Any event where there is a disproportionate amount of leisure activities would be viewed as an exception as would an event where a specific customer is extended an invitation but other customers are excluded.

6.5 Responsibilities

- 6.5.1 All persons involved in hosting customers for or on behalf of Barloworld must understand their responsibilities. This includes all members of the sales, marketing, administration and management team that will be hosting the event, whether as employees of Barloworld or as consultants acting on behalf of Barloworld.
- 6.5.2 Their responsibilities are to understand that for Barloworld to effectively represent our international principals, certain marketing expenditures are both necessary and important business expenditure. The purpose of hosting customers at an event is to improve the image of Barloworld and/or its principals, to better present products and services and/or to establish cordial relationships with customers and all expenditure incurred should be in good faith with the aim of meeting these objectives.
- 6.5.3 It is the responsibility of all persons involved in hosting customers to ensure that all expenditure for which they are accountable is controlled and managed and in accordance with the pre-approved budget. It should be recognised that such expenditures, while necessary, must also be proportionate to the business needs.

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- 6.5.4 While it is expected that there will be tenders, bids or contracts in the normal course of business, any known tenders for significant contracts that are imminent or within three months of the event, must be disclosed. In the interests of transparency, the more information provided on pending or anticipated contracts, the better. Indeed, the planned event may be directly related to a bid process. Disclosure in advance is the key to avoiding perceptions of impropriety that may arise after the fact. Utmost care should be taken in such circumstances.
- 6.5.5 If invitations are extended to any government officials, whether local, regional or national government or management of parastatals then this must be separately documented with motivations including full disclosures of any pending or potential contracts within a six-month period either before or after the event. Note that this is an extended period due to the higher risk profile of public sector contracts. This information must be documented by the project manager.

6.6 Briefing of hosting team

All members of the hosting team, including executives, must be formally briefed prior to the event so that they understand the policy requirements and their expected responsibilities at the event.

Each member of the hosting team should be required to sign an acknowledgement that they have been formally briefed as evidence that they understand the policy requirements and their responsibilities.

6.7 Business activities during events

It is inevitable that activities during the event will deviate from approved plans. It is therefore essential that members of the hosting team consider the consequences carefully before extending an invitation to a customer that is outside the scope of the planned and approved activities.

Where this does occur, the team member must exercise their discretion in obtaining approval from the responsible director or executive prior to making any arrangements.

6.8 Accounting after the event

The project manager should compile a report on the actual expenditure and compare this to the approved budgeted expenditure. All deviations must be fully documented and explained and where material, this must be reported and tabled in accordance with the appropriate approval process of the division or business unit.

7 Communication

This policy should be communicated to all employees involved in sales, marketing activities and other functions as appropriate, or those responsible for arranging customer events or corporate functions, whether on a full time or part time basis and including those staff seconded to a marketing project or consultants, contractors or sub-contractors who are engaged to assist in managing an event or function.

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

Document Name
Barloworld Worldwide Code of Conduct
Barloworld Anti-Bribery and Corruption Policy
Barloworld Gifts and Hospitality Policy
Barloworld Marketing Sponsorships Policy
Barloworld Due Diligence 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.

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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 may include criminal liability, an unlimited fine and serious reputational damage.

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 the group 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 relevant main board sub-committee 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.

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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.