

# GIFTS AND BENEFITS POLICY

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Chief Executive Officer – Alviva Holdings Ltd



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*This document contains 13 pages.*

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## REVISION HISTORY

| Revision | Author    | Approved by | Reason for change  | Date issued | Next revision due date |
|----------|-----------|-------------|--|-------------|------------------------|
| 01       | A Gerber  | A Fourie    | New policy.  | 18/08/2011  | 18/08/2012             |
| 02       | A Gerber  | A Fourie    | New logo.  | 11/09/2013  | 11/09/2014             |
| 03       | A Gerber  | A Fourie    | Amended description of where and how Gifts and Benefits register can be accessed.      | 11/12/2013  | 11/12/2014             |
| 04       | A Gerber  | A Fourie    | Annual Review  | 20/06/2014  | 20/06/2015             |
| 05       | JV Parkin | A Fourie    | Annual Review  | 25/07/2015  | 31/07/2016             |
| 06       | R Nkuna   | P Spies     | Annual Review: Added section on gifts offered, including gifts to government officials | 28/10/2016  | 28/10/2017             |
| 07       | L Grobler | P Spies     | Updated to adopt Alviva corporate image.   | 12/10/2017  | 12/10/2017             |
| 08       | A Gerber  | P Spies     | Alignment with vendor requirements   | 29/08/2018  | 29/08/2018             |

## GLOSSARY

| Abbreviation / Terminology           | Definition   |
|--------------------------------------|--|
| Alviva / AH                          | Alviva Holdings Ltd and associated companies.  |
| Benefit                              | Any gift, entertainment, experience, event etc. given or received as a result of a business relationship irrespective of the fact if it is to the benefit of a person, organisation(s) in which he/she is involved in or the institution for which he/she works.   |
| Bribe                                | Money, excessive gift or favour given or promised in order to influence the judgment or conduct of a person in a position of trust. Favour is defined as a kind act or something done or granted out of goodwill, rather than from justice or for remuneration.  |
| Company                              | Alviva Holdings Limited.   |
| Foreign Corrupt Practices Act / FCPA | The Foreign Corrupt Practices Act states that it is unlawful to give a bribe to "any officer or employee of a foreign government or any department, agency or instrumentality thereof [ . . . ] or any person acting in an official capacity for or on behalf of any such government, department, agency, or instrumentality."<br>Alviva subscribes to the FCPA and expects all of its employees to comply with this legislation.  |
| Foreign or government official       | Any officer or employee of a government or any department, agency, or instrumentality thereof, or of a public international organization, or any person acting in an official capacity for or on behalf of any such government or department, agency, or instrumentality, or for or on behalf of any such public international organization. Government official are also defined as the relatives, families or companies in which government officials hold interests. This also covers all state-owned entities and public officials.                    |
| Gifts and Benefits Register          | Central repository where gifts or benefits, which were both received or offered, have to be recorded. The onus is on the individual to establish where the Group's official Gifts and Benefits Register is located.  |
| Gift or benefit                      | Something given voluntarily without expecting payment or favour in return.   |
| Group or Alviva                      | Alviva Holdings and subsidiaries.  |
| Nominal value                        | Value of gifts or benefits which may be accepted or given, without having to be declared in the Group's Gifts and Benefits Register. <ul style="list-style-type: none"> <li>The nominal value for the <u>receiving</u> of gifts or benefits is set at <b>R500</b> (five hundred) or equivalent.</li> <li>The nominal value for the <u>offering</u> and <u>giving</u> of gifts or benefits is set at <b>R500</b> (five hundred) or equivalent.</li> </ul> If there is any doubt about the nominal value of a gift or benefit, the items should be declared. |
| Norm                                 | Something that is generally acceptable, usual, typical, standard, not out of the ordinary, within the industry and competitor landscape.   |
| Reasonable                           | Fair, sensible, appropriate, moderate and within the norm.   |
| State-owned entities                 | Refer all Foreign or government departments or officials.  |
| Transparent                          | Obvious, explicit, unambiguous, unequivocal, clear, lucid, straightforward, recorded and traceable.  |

## 1. Purpose

The purpose of this document is to provide Group employees and contractors with general guidance on the acceptance, offering and giving of Gifts and Benefits. Due to the wide scope of this topic it is not possible to provide a rule for each possible scenario as it relates to gifts and benefits. This policy is therefore principle-based as opposed to a rules based.

It is an objective of this policy to guide employee and related third party behaviour as it relates to the giving of gifts and benefits. The objective is to guide behaviour specifically covering compliance with anti-bribery legislation such as the Foreign Corrupt Practices Act (FCPA) and other similar legislation. In addition, this policy also documents the restrictions on gifts that any of the representatives of the Group can accept.

## 2. Scope

This policy is applicable to all employees of Alviva Holdings Limited and subsidiaries (the Group). Also included are any party which form part or are involved in the Group's supply chain.

## 3. Related policies

This policy is underpinned by the Group's Code of Conduct which compels employees to:

- Obey the law;
- Be fair;
- Be honest and ethical;
- Respect others; and
- Respect the environment.

The onus is on employees to familiarise themselves with the Code of Conduct.

## 4. Three categories of gifts and benefits

Detailed below are general guidelines on when gifts and benefits are:

- 1) generally acceptable;
- 2) questionable; and
- 3) unacceptable.

*Three categories of gifts and benefits.*

*All gifts and benefits to government and public officials must be pre-approved and declared.*

These are only guidelines and as such no monetary value can always be placed on different categories of gifts and benefits. All gifts and benefits should be reasonable, generally acceptable in the industry and be transparent. 'Reasonable' is defined as sensible, rational, logical, fair and equitable.

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If unsure, the onus is on the receiver or giver of the gift or benefit to check with his or her functional executive on the acceptability of such gift or benefit. The following serves as general guidelines:

#### 4.1 Generally acceptable gifts and benefits

- Gifts of **nominal value** as defined in this policy;
- Gifts of reasonable value;
- Gifts bearing the company logo;
- Gifts or benefits which are in the norm;
- Occasional meals or entertainment which is not lavish or exotic, attended by both the giver and receiver, and include business discussions;
- A gift or benefit which can successfully be justified and defended in a public forum when challenged;
- If the receiving party is allowed to receive Gifts or Benefits in line with his employer's internal gifts and benefits policy; and
- Given in a transparent manner whilst it still qualifies in terms of the other elements which makes it 'generally acceptable' as contained in 4.1.

**1. Generally acceptable**  
gifts and benefits.

#### 4.2 Questionable gifts and benefits

- Gifts or benefits to government officials;
- Gifts of more than nominal value;
- Requests for charitable contributions which benefits specific individuals close to the entity or person with whom there is a business relationship;
- Multiple gifts to or from the same person; and
- A gift or benefit favouring a specific individual as opposed to a group of people (e.g. personal cell phone vs. coffee machine for the entire department).

**2. Questionable** gifts and  
benefits.

#### 4.3 Unacceptable gifts and benefits

- Gifts intended to unfairly influence a business decision;
- Lavish or exotic gifts;
- Gifts of cash or cash equivalents such as gifts cards. Gift cards which are handed out as prizes at events are allowed (e.g. golf days);
- Gifts or payments to government officials for expedited service;
- In excess of the nominal value unless it is declared in the gifts and benefits register and has formally been pre-approved by management;
- A gift that can be sold for financial gain;
- Is cumulatively more than the nominal value in one calendar year to or from the same person(s);
- Is given with the expectation of an exchange or benefit that could constitute a contravention of any anti-corruption and anti-competitive legislation;

**3. Unacceptable** gifts and  
benefits.

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- Could appear to compromise anyone in the supply chain's judgement, objectivity or professional credibility; and
- Could compromise the Group's reputation or brand.

## 5. Receiving and acceptance of gifts and benefits

- The Group does not prohibit the acceptance of gifts or incentives. The Group supports the principle that employees should be appropriately rewarded for their efforts and for exceptional service to customers and other stakeholders. It is a requirement that all gifts and benefits above the nominal value be formally declared in the Gifts and Benefits Register.

*All gifts and benefits above **nominal value** must be pre-approved before they are given or received. Completion of the Gifts and Benefits Register is mandatory.*

- Gifts valued at above nominal value, should be pre-approved by management before they are received. This is best controlled by ensuring that all vendor incentives are pre-approved by management before they are implemented. This allows a better spread of programs, clearer focus, and closer alignment with our intended strategy, and fewer issues at time of implementation/award. Gifts and benefits valued above nominal should be awarded to the Group and not individual employees. Any individual receiving a gift valued above nominal value is required to hand the gift over to his immediate manager, in order that the gift may be appropriately used by the Group.
- Gifts include trips and invitations to functions other than business functions.
- Should employees not be able to determine the value of a benefit or gift that was received, it must be handed to the employee's direct manager who can assist in determining the value and whether it should be retained by the employee, and recorded in the gift register, or handed over, in order that the gift may be appropriately used by the Group.
- The Alviva Group Code of Conduct states that employee's duties must be carried out impartially and with integrity. Consequently, employees should take care when offered, or accept gifts and benefits and the fact that it might possibly affect or could reasonably be perceived to affect, their independent and impartial performance of their official duties.
- All employees in the Group or any member of his/her immediate family who received or accepted any gift, gratuity, trip, accommodation or any other benefit from any customer or vendor, from whom the Group purchases goods or services, is required to register such gift or benefit in the Group's Gifts and Benefits Register. This includes any vendor from whom the Group anticipates purchasing goods and services.
- Sales incentives (Spiv Programmes) and gift certificates from customers and vendors also need to be declared as gifts or incentives and need to be formally pre-approved by the beneficiary's manager or designate prior to acceptance.
- Employees may not ask for or encourage the giving of any form of gift or benefit in connection with the performance of official duties. This includes entering any discretionary competitions which involve a prize.

*Employees may not allow a gift or benefit to impair their judgement or objectivity.*

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- Any gift or benefit accepted, regardless of monetary value may imply a relationship which may interfere with employee objectivity and independence. Employees must exercise their judgment when accepting gifts or benefits.
- Employees can decline offers of gifts or benefits courteously by explaining that acceptance would be against Group policy and consequently that they have no discretion in the area.
- Employees who are in any doubt about accepting gifts or other benefits or the reporting method thereof, must contact their immediate manager or the Human Resources Department in writing for guidance.
- Invitations to and attendance of sales or technical conferences are not deemed gifts or benefits as long as its aim is to enhance overall Group performance.
- Incentive trips or excursions should be recorded in the Gifts and Benefits register at least 10 working days prior to undertaking the trip. An incentive trip is defined as a day or days where travel away from the employee's home base takes place. If the trip is leisure only, 100% of the trip must be taken as annual leave. If the trip is work and leisure, that portion of the trip that is not work-related must be taken as annual leave.
- As a general policy, no entertainment or gift offers should be accepted when the Group is in negotiations with an existing or potential supplier. This will put the recipient in a position where their integrity and business judgement can be seriously compromised.
- Items that are received from suppliers for demonstration purposes are also considered as gifts unless it can be proved that these items have the objective of improving the Group's performance.
- No employee may solicit any gift or benefit in the execution of their duties.
- Business travel, the attendance of vendor and supplier functions at the cost of either the supplier or the Group, including sales conferences which have the main objective of benefiting the Group, do not qualify as gifts or benefits. All costs associated with international travel must be authorised in writing by a divisional director before the trip is undertaken. The most senior person in a division's international travel arrangements must be authorised by his or her superior. Gifts or benefits which are received at supplier and customer events still qualify and gifts and benefits under this policy. As such the same criteria apply.

## 6. Offering and giving of gifts and benefits

### 6.1 Principles for offering and giving of gifts and benefits

The intent of giving a gift should always be considered. If the intent is to compromise anyone in the supply chain's business judgement or objectivity of professional credibility, the gift should not be given.

The manner in which the gift or benefit is perceived from outside the Group should be considered. If the gift or benefit can be perceived as questionable,

*Consider how the giving of a gift or benefit will be perceived from the outside. If questionable or may tarnish the Group's image, it should not be given.*

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unacceptable, or if it may tarnish the Group's image in any way, the giver thereof is in violation of this policy. If there is any doubt in the giving of the gift or benefit, it should not be given.

*Gifts or benefits classified as **Unacceptable**, are not allowed.*

The giving of gifts or benefits pertain to all individuals and juristic persons in the supply chain, irrespective if it is given in their business or personal capacity.

No staff member, acting in their capacity as an employee of the Group or in their personal capacity, may give anyone the supply chain gifts or benefits which fall in the category defined as Unacceptable (refer 4.3 above).

For purposes of this policy the following items are considered immaterial:

- **Customary** and **reasonable** refreshment and meals provided during the course of a business meeting or business engagement; and
- Gifts, promotional or branded items or entertainment events not exceeding the nominal value to a single supplier, counterparty, issuer, business associate or client in any one year.

Business travel which is defined as reasonable and which is offered to customers or potential customers and which is paid for by the Group, is deemed as acceptable if the event has the main objective of benefiting the beneficiary's company. The person offering such travel should ensure that there is compliance with the beneficiary's company policy on travel and receiving of gifts.

If an employee is aware of any unauthorised gifts or gifts outside of the stipulated guidelines being given to anyone in the supply chain, the act must be reported to senior management or the Group's confidential Ethics Line.

## 6.2 Gifts and benefits to government officials

Various integrity frameworks in government exist, which give guidance on the receiving of gifts by government officials. The Group generally subscribes to frameworks of all governments in all territories in which it operates as well as any anti-corruption legislation, including the FCPA. Some government departments **strictly prohibit** gifts or benefits irrespective of the value.

*Some government departments strictly prohibit gifts or benefits, irrespective of the value. The onus is on Group employees to remain familiar with and adhere to the unique requirements of specific government departments.*

Prohibitions of gifts and benefits exclude all tokens that may be offered within normal standards of courtesy or protocol by any entity. This includes tokens such as conference packages (pens, bags, T-shirts etc.) and any promotional materials of gifts offered at official functions and events. Any such items which exceed the nominal value are considered inappropriate. The payment of travel expenses for government officials, even as part of attendance of conferences, is strictly prohibited.

With so many different requirements in different countries and departments, the onus is on the employee to ensure that they are aware of the any specific requirements of the government entity

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with which they are doing business. If unsure what the specific requirements are, employees should seek further guidance from their line manager, Human Resources department or compliance officer, where appropriate.

In the event of a government official being invited to sales conferences, which forms part of enhancing his knowledge base in relation to business interactions, the onus is on the person offering the gift or benefit, to ensure that the government official has obtained permission from his superior to attend such events. The onus is also on the employee to retain such approvals for recordkeeping.

*The onus is on the employee to obtain and maintain evidence that government officials have approval to attend marketing events and conferences.*

#### Where a specific government department allows gifts and benefits:

Gifts or benefits which fall in the “acceptable gifts” category are allowed (refer 4.1 above), unless it is specifically prohibited by the specific government department with which there are business dealings.

All gifts or benefits to government officials, irrespective of the gift category (4 above), must be pre-approved by a Director of the Group or subsidiary. The government official who is offered or who receives such gift or benefit has to provide official proof that he has received approval from his direct reporting line in government, that he may accept such gift or benefit. Official approval must be obtained prior to the gift or benefit being given.

*All gifts or benefits to government officials (where allowed) must be **pre-approved** by a Director and declared in the Gifts and Benefits register.*

The responsibility remains that of both the employee and his manager offering the gift or benefit, to obtain and maintain suitable records for at least a 10-year period.

No gifts or benefits which fall in the “Unacceptable category” (4.3 above) are allowed under any circumstances.

*No gifts or benefits classified as **Unacceptable** may be given under any circumstances.*

All or any gifts or benefits offered to government officials, irrespective of the nominal value must be recorded in the Gifts and Benefits register.

### 6.3 Approval and documentary requirements pertaining to offering gifts and benefits

- An invoice as proof of exceeded nominal value of the item or benefit should be added to the Gifts and Benefits register. The invoice must be signed by a company director prior to payment being made.
- The Gifts and Benefits Register should be signed by a company director of as proof of authorisation of the gift or benefit. Any gift or benefit exceeding the nominal value and which is given without director approval, constitutes a breach of this policy and appropriate disciplinary action will be taken.

*It is mandatory to keep reliable records covering gifts or benefits which exceeded nominal value.*

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## 7. Declaration of gifts and benefits received or offered

### 7.1 Gifts and benefits received

- All gifts and benefits received above the nominal value must be recorded in the Group's official Gifts and Benefits register.
- In instances where Group companies have opted not to use the Alviva Register, the onus is on the relevant company to maintain relevant records. The onus is on employees to familiarise themselves with their company's unique requirements and where the Register can be located.

### 7.2 Gifts and benefits offered

- Gifts and benefits offered above the nominal value must be recorded in the company's official Gifts and Benefits register.
- Invitations of government officials to sales events as detailed under 6.2 above, must be declared in the Gifts and Benefits register, irrespective of its value.
- For all companies who have their payroll administered through Alviva's PayDay system, the Gifts and Benefits register is maintained centrally in the PayDay Employee Self-help System (ESS).
  - .. After accessing the PayDay ESS system, **click Employee → Gift Register → Register New Gift ....** (then populate the fields). Refer Appendix A below.
- For companies in the group whose payroll is not administered through PayDay, the onus is on the employee to establish where the Gifts and Benefits policy is located.
- Should the Gifts and Benefits Register not be available in the employee's specific company, or for whatever reason, the onus is still on the employee to declare a gift or benefit in writing to his manager i.e. preferably in writing or via e-mail.
- All benefits must be recorded within 10 working days from receipt or offering the benefit, with the exception of a sales and travel incentive, which has to be pre-approved as detailed in this policy.
- Should a vendor pay an incentive directly to an employee, the onus is on the employee to declare the incentive paid in his tax return, the administration is between the vendor paying the incentive and the employee.
- Should the company pay an incentive on behalf of a vendor, PAYE must be deducted.
- The Gifts and Benefits register will be submitted to senior and executive management for review from time to time. Management can also access the register depending on the access that was granted.
- The Chief Executive Officer of Alviva Holdings holds the authority as to which employees or managers are allowed to review the information contained on the Gifts and Benefits register.

*All gifts and benefits which are given or received and which are above nominal value, must be recorded in the Gifts and Benefits Register.*

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## 8. Contravention of this policy

*Contravention of this policy is a serious matter and might lead to dismissal.*

The Group regards any contravention of this policy as a serious matter. Contravention may result in disciplinary action, including the possible termination of employment.

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**Claims Request**

Claims Request Request Status Info Attachments

Apply For Claims

Claims in Progress

Saved Claims Requests

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Claims Report

Views

Reports

Help

**Add**

Goto page: 1

Records per page: 20

Drag a column header here to group by that column

| Clear Filter | Type | Units Description |
|--------------|------|-------------------|
|              |      |                   |

Records per page: 20

Submit Request Save Request

## Gifts and Benefits Register on VIP Payroll system

**Add Claims Item**

Trans Type:

Select Cancel

Gift Received

Gifts Given