



CHEMAF

**HUMAN
RESOURCES**

**ANTI- BRIBERY AND
CORRUPTION POLICY**

DATE/VERSION

HUMAN RESOURCES

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RESOURCE**



CHEMICAL OF AFRICA SA

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Anti-Bribery and Corruption Policy (Ref: ISO 37001:2016)

1. Purpose

1.1 The purpose of this policy is to:

- (a) set out Chemaf SA's responsibilities, and the responsibilities of those working for us or associated with us, in observing and upholding our position on bribery and corruption; and
- (b) provide information and guidance to those working for us on how to recognize and deal with bribery and corruption issues.

In this policy the use of the terms "we", "our" and "us" refer to Chemaf SA.

It is important that you read, understand and act in accordance with this policy.

2. To whom does this policy apply?

This policy applies to everyone at Chemaf SA and its subsidiaries, including all officers, employees and agents or other third parties acting on Chemaf SA's behalf anywhere in the world.

Agents or other third parties include business agents, consultants, contractors, advisers, specialists, accountants and other professionals who have been appointed to assist in Company's business operations.

This also includes Joint ventures entered into by Chemaf SA with one or other entities through which there is an agreement to jointly undertake a specific business.

Every individual working for or on behalf of Chemaf SA has a personal responsibility and obligation for ensuring implementation of the policy and to conduct Chemaf SA's business activities ethically and in compliance with the law.

3. What it means for you – a brief overview

- 3.1 It is an offence (1) to bribe another person, (2) to be bribed, (3) to bribe a foreign public official and (4) for a company to fail to prevent bribery (Bribery Act 2013).
- 3.2 All such offences shall be treated as per the Bribery Act 2013.
- 3.3 You must never offer, promise or give a financial or other advantage to any person (including a foreign public official) with the intention of inducing or rewarding improper performance by them of their duties.
- 3.4 You must never directly or indirectly accept or agree to receive a financial or other advantage as a reward for the improper performance of your duties. It makes no difference whether the advantage is for you or a third party.
- 3.5 Employees of Chemaf SA and its subsidiaries will ensure and take all necessary steps that agents and other third parties acting on behalf of the company will comply with this policy and communication between these parties will be documented and accounted properly.

3.6 This will apply to dealing with public officials also. A bribe in this context can also include offering or providing to public officials any financial or other advantage in order to (or even having the intention to) influence them in any way in their official capacity for the purpose of obtaining an advantage.

For these purposes, “public officials” can include the following. This list is not exhaustive:

- any officer, employee or representative of, or any person otherwise acting in an official capacity for or on behalf of, a “government authority”;
- “government authorities” for this purpose include national or local governmental institutions; associations, enterprises or companies owned or controlled by governments; and supra-national organizations;
- legislative, administrative or judicial officials;
- an officer of, or individual holding a position in, a political party or a political candidate;
- a person who otherwise exercises a public function for or on behalf of any country or
- any family member of these above-mentioned public officials.

3.7 Where your role requires this, you are permitted to give and receive hospitality (you should ask your line manager if you are unsure about this), but this should always be in a reasonable and proportionate manner. Further guidance on this (along with gifts) is set out in this policy later on.

3.8 You must read this policy carefully and if you have any questions on it, please revert to your line manager or the Compliance Manager (as defined in 5.2 below).

4. Our principles

4.1 It is our policy to conduct all of our business in an honest and ethical manner. We take a zero- tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate.

4.2 It is our best practice objective that those we do business with take a similar zero-tolerance approach to bribery and corruption.

4.3 We are bound by the Bribery Act 2013, in respect of our conduct both at home and abroad. We must also comply with laws relevant to countering bribery and corruption

in the jurisdictions in which we operate.

- 4.4 This policy should be read in conjunction with the relevant Employee Handbook or local employee policies.

5. Responsibility for the policy?

- 5.1 This Policy is endorsed by the Chairman. Our board of directors has overall responsibility for ensuring this policy complies with our legal and ethical obligations, and that all those under our control comply with it.
- 5.2 For the purposes of this policy, the Compliance Manager is the Group CFO. The Compliance Manager has primary and day-to-day responsibility for implementing this policy, and for monitoring its use and effectiveness.
- 5.3 Management and senior staff at all levels are responsible for ensuring those reporting to them are made aware of and understand this policy.

6. What are bribery and corruption?

Corruption is the abuse of public or private office for personal gain.

A bribe is an inducement or reward offered, promised or provided in order to gain any commercial, contractual, regulatory or personal advantage through “improper performance”.

“Improper performance” happens when a person fails to act (1) in good faith, (2) impartially or (3) in accordance with a position of trust.

7. Engagement of third parties and due diligence procedures

- 7.1 Chemaf SA and its subsidiaries may engage the services of agent, consultant or other intermediary to support its business activities. Reasonable inquiry should be made about these intermediaries by employees who are appointing them. Employees will be held responsible for willful ignorance if intermediaries are indulging in unlawful practices.
- 7.2 For that reason, it is important to conduct due diligence on agents and other third-parties both prior to engagement and during the relationship. Chemaf SA must not disregard or ignore facts or red-flags that indicate a likelihood that a third-party may be improperly providing anything of

value or otherwise acting improperly on the Company's behalf. In order to minimize this risk, certain factors must be considered before entering into any third-party relationship and all third-parties must meet the following standards prior to the Company entering into a relationship with the third party:

- Reputable—requisite experience and expertise
- Credible—obtain business references
- financially stable—adequate resources to fulfill commitments
- Commitment to comply with all applicable laws and to not make improper payments, and
- Acknowledgment—Execute an acknowledgement of, and an agreement to comply with this Policy.

Employees working with agents and other third parties should pay particular attention to unusual or suspicious circumstances that may indicate possible legal or ethics concerns, commonly referred to as “red flags.”

Some red flags to watch out for include:

- Third-party is located or doing business in a country with high levels of corruption
- Request for money to be paid into a personal bank account
- Increasing purchase from one vendor
- Splitting one purchase into multiples to avoid the approval process
- Paying above market prices for goods or services

8. Gifts and hospitality

8.1 This policy does not prohibit normal and appropriate hospitality (given and received) to or from third parties.

8.2 The giving or receipt of gifts and hospitality is not prohibited, if the following requirements are met:

- (a) You have disclosed it to your line manager in advance (where it is possible to do so, or as soon as possible afterwards);
- (b) it is not made with the intention of influencing, inducing or rewarding a third party in order to gain any advantage through improper performance, or in explicit or implicit exchange for favours or benefits;
- (c) it complies with local law;
- (d) it is given in our name, not in your name;
- (e) it does not include cash or a cash equivalent (such as gift certificates or vouchers);
- (f) it is appropriate in the circumstances. For example, in the UK it is

customary for small gifts to be given at Christmas time;

- (g) taking into account the reason for the gift, it is of an appropriate type and value and given at an appropriate time. For example, customers are unlikely to be able to accept hospitality from us if we are participating in a tendering process with them;
- (h) it is given openly, not secretly; and
- (i) gifts and / or hospitality should not be offered to, or accepted from, government officials or representatives, or politicians or political parties, without the prior approval of the Compliance Manager and/or line manager as applicable.

8.3 Where it is an accepted part of your role (you should ask your line manager if you are unsure about this) you can offer and accept a reasonable amount of moderate hospitality for the purposes of business development, having regard to paragraph 8.2 above.

8.4 We appreciate that the practice of giving business gifts varies between countries and regions and what may be normal and acceptable in one region may not be in another. The test to be applied is whether in all the circumstances the gift or hospitality is reasonable, proportionate and justifiable. The intention behind the gift or hospitality should always be considered.

8.5 Subject to 8.2 above, Employees are permitted to keep small gifts with the exception of alcohol, with a monetary value of \$50 or less (or local equivalent). Any gifts which are alcohol or have a monetary value greater than \$50 (or local equivalent) may be accepted provided that they are sent to the compliance manager or to the Head of the department. Such gifts will be made available for inclusion in an employee raffle. Any employee who receives such a gift should thank the gift bearer and make them aware of this policy (i.e. that the gift will be included in a raffle).

8.6 All gifts and hospitality provided, received or declined must be recorded in the Corporation's Gift and Hospitality Register which is maintained by the compliance manager; provided that gifts or hospitality of an insignificant or nominal value, such as promotional items, meals or refreshments offered may be given and accepted without being recorded.

9. Extortion

1.1 Chemaf SA and its officers, employees, agents and other third parties will not accept any direct or indirect request by any third party (including but not necessarily limited to public officials) for a bribe even if the Company is extorted with adverse actions.

1.2 Company acknowledge the fact that in some situations, an employee's welfare and safety could

be at risk if he or she doesn't respect such request. Such payments would not be considered as a breach of policy subject to that it is reported to compliance manager in detail.

10. Political Contributions

The Company's policy is not to make political donations on its behalf. Officers and employees may choose to make political donations from their own resources, but not with a view to influence a third party for the benefit of the Company or in any way that might give the impression that such influence was intended.

11. Charitable Donations

The Company may make reasonable donations to charities from Company funds, subject to receipt of approvals specified in internal policies. The Company must be certain that such charitable donations cannot be viewed as an attempt to buy influence for its benefit or in any other way as being improper and that such donations are not disguised unlawful payments to private individuals or Government or Public Officials in violation of anti-corruption laws.

12. What is not acceptable?

In addition to the above it is not acceptable for you (or someone on your behalf) to:

- (a) give, promise to give, or offer, a payment, gift or hospitality with the intention of influencing, inducing or rewarding improper performance;
- (b) give, promise to give, or offer, a payment, gift or hospitality to a government official, agent or representative to "facilitate" or expedite a routine procedure (where the payment is not a legitimate payment pursuant to local written law);
- (c) accept payment from a third party that you know or suspect is offered with the expectation that it will obtain a business advantage for them which will be obtained through improper performance by you or us;
- (d) accept a gift or hospitality from a third party if you know or suspect that it is offered or provided with the intention of influencing improper performance by us in return;
- (e) threaten or retaliate against another Worker who has refused to commit a bribery offence or who has raised concerns under this policy;
or

- (f) engage in any activity that might lead to a breach of this policy.

We do not make, and will not accept, facilitation payments or "kickbacks" of any kind.

Facilitation payments includes small payments to a Public Official to expedite or secure performance of a routine, non- discretionary governmental action, such as obtaining utility services or clearing customs, processing government papers etc.

13. Your responsibilities

- 13.1 You must ensure that you read, understand and comply with this policy at all times.
- 13.2 You must be open about gifts and hospitality given or received and you must disclose these to your manager in advance (where it is possible to do so, or as soon as possible afterwards).
- 13.3 The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for us or under our control. All Employees are required to avoid any activity that might lead to, or suggest, a breach of this policy.
- 13.4 You must notify your manager or the Compliance Manager as soon as possible if you believe or suspect that a conflict with this policy has occurred, or may occur in the future. For example, if a customer or potential customer offers you something to gain a business advantage with us, or indicates to you that a gift or payment is required to secure their business. Further indicators that may point towards bribery or corruption are set out in Schedule 1.
- 13.5 Any employee who breaches this policy may face disciplinary action, which could result in dismissal for gross misconduct.
- 13.6 We reserve our right to terminate our contractual relationship with other Employees if they breach this policy.

14. Record-keeping

- 14.1 We must keep financial records and have appropriate internal controls in place which will evidence the business reason for making payments to third parties.
- 14.2 You must ensure all expenses claims relating to hospitality, gifts or expenses incurred to third parties are reasonable and specifically record the reason for the expenditure.

14.3 All accounts, invoices, memoranda and other documents and records relating to dealings with third parties, such as customers, suppliers and business contacts, should be prepared and maintained with strict accuracy and completeness. No accounts must be kept "off-book" to facilitate or conceal improper payments.

15. Training

15.1 The Company engages in various means of communication and training to make employees, officers and directors aware of this Policy. As part of our overall ethics training, all Company employees, officers and directors will be provided training regarding anti-bribery and corruption upon their joining the Company.

15.2 In addition, focused ethics and anti-bribery and corruption training will be provided periodically to applicable professional functions. Also, the Company will make third parties with whom it conducts business aware of this Policy and, where appropriate, will provide in-person training.

15.3 Records of all completed training sessions undertaken by officers and employees are maintained by the appropriate Compliance or Human Resources contact.

16. How to raise a concern

16.1 You are encouraged to raise concerns about any issue or suspicion of malpractice at the earliest possible stage. If you are unsure whether a particular act constitutes bribery or corruption, or if you have any other queries, these should be raised with your line manager or the Compliance Manager.

17. Protection

17.1 Employees who refuse to accept or offer a bribe, or those who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. We aim to encourage openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken.

18. Monitoring and review

18.1 The Compliance Manager will monitor the effectiveness and review the implementation of this policy, considering its suitability, adequacy and effectiveness. Improvements identified will be made as soon as possible.

- 18.2 All Employees are responsible for the success of this policy and should ensure they use it to disclose any suspected danger or wrongdoing.
- 18.3 Employees are invited to comment on this policy and suggest ways in which it might be improved. Comments, suggestions and queries should be addressed to the Compliance Manager.
- 18.4 Chemaf SA reserves the right to vary and/or amend the terms of this policy from time to time at its absolute discretion.
- 18.5 All officers, employees and agents are responsible for understanding and complying with the Policy, as it relates to their jobs. Every employee has an obligation to:
- (a) Be familiar with applicable aspects of the Policy and communicate them to subordinates
 - (b) Ask questions if the Policy or action required to be taken in a particular situation is unclear
 - (c) Properly manage and monitor business activities conducted through third-parties;
 - (d) Be alert to indications or evidence of possible wrongdoing, and
 - (e) Promptly report violations or suspected violations through appropriate channels