



RAUBEX GROUP

FRAUD AND CORRUPTION POLICY

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INTRODUCTION

The Raubex Group is committed to the highest standards of ethical behaviour in its business conduct and has adopted this policy to ensure consistent and effective investigation, reporting and disclosure of fraud and corruption within the Group. Furthermore, the purpose of this document is to confirm that the Raubex Group has adopted a culture of zero tolerance to fraud and corruption in all of its activities.

SCOPE OF THE POLICY

This policy applies to all attempts and incidents of fraud and corruption impacting or having the potential to impact the Group.

DEFINITIONS

Fraud and corruption includes but is not limited to the following legal definitions:

- (i) *Fraud*, i.e. “the unlawful and intentional false representation or concealment of facts resulting in actual or potential prejudice to another”;
- (ii) *Corruption* which can be summarised as: “giving or offering; receiving or agreeing to receive; obtaining or attempting to obtain any benefit which is not legally due to or by a person who has been charged with a duty or power by virtue of any employment, to do any act or omit to do any act in relation to that power or duty”; and
- (iii) *Theft*, i.e. “the unlawful and intentional misappropriation of another’s property or property which is in his/her lawful possession, with the intention to deprive the owner of its rights”.

Fraud is often combined with Theft, therefore the need to encompass Theft within the definition of this policy. It should be noted that the definition of Fraud encompasses any manipulation, omission or misrepresentation of financial results or financial reporting.

THE POLICY

The policy of the Group is one of zero tolerance towards fraud and corruption. All allegations of fraud and corruption must be properly investigated and if substantiated must be followed up by the application of all remedies available including disciplinary action in terms of the disciplinary code and prosecution in terms of the law. It is the policy of the Group to take a firm stance against tender award irregularities where corruption is suspected and challenge the award of tenders through formal legal process where awards are not consistent with pricing, technical ability and other tender specific criteria.

REPORTING PROCEDURES AND RESOLUTION OF REPORTED INCIDENTS

It is the responsibility of all employees to immediately report all allegations or incidents of fraud and corruption to their immediate manager or, if the employee has reason to believe that his/her immediate manager is involved, to the next level of management. Should employees wish to report allegations of fraud or corruption anonymously, they may report it to the Raubex Group Fraud Line numbers or

website directly. Raubex Group Fraud Line posters displaying details of the telephone number and website should be clearly displayed at the business premises of all the group companies

South Africa Free Call: 0800 20 53 14
Namibia Free Call: 0800 01 50 05
Malawi Free Call: 50800 (free for Airtel Subscribers only)
Zambia Free Call: 847 (ZAIN TNM) 8000 0847 (MTL)
Email: raubex@tip-offs.com
Free Fax: 0800 00 77 88 (free for South Africa only)
Free Post: KZN 138 (free for South Africa only)
Umhlanga Rocks
4320
Website: www.tip-offs.com

An employee who suspects dishonest or fraudulent activity should **not** attempt to:

- Personally conduct investigations or interviews/interrogations related to any suspected fraudulent act; or
- Contact the suspected individual in an effort to determine facts or demand restitution.

It is the responsibility of the relevant managers to ensure that **all** incidents and allegations of fraud and corruption reported to them are reported immediately to the Group Financial Director and Head of Internal Audit. The following contact details are relevant:

Financial Director

Tel: 012 648 9400

Email: james.g@raubex.com

Head of Internal Audit

Tel: 051 406 2000

Email: reginald.p@raubex.com

All information received will be treated confidentially to the extent possible, while allowing a full investigation to be conducted into the suspected fraud or corruption allegation. The Group reserves the right to pass on any information to the proper law enforcement agency in order that such entity may determine whether criminal charges are warranted.

The Head of Internal Audit, in conjunction with the relevant senior member of management, have the primary responsibility to co-ordinate the investigation of all suspected fraudulent or corrupt acts reported under this policy.

If the investigation substantiates that significant fraudulent or corrupt activities have occurred, the Head of Internal Audit has the responsibility to notify the Audit Committee on a timely basis of such activities. Relevant senior divisional management are also responsible for including details of any such allegations of fraud or corruption in their monthly reporting to the Executive Committee.

Any fraud or corruption committed by an employee of the Group will be pursued by thorough investigation and to the full extent of the law, including:

- Taking disciplinary action within a reasonable period of time after the incident; and/or
- Instituting civil action; and/or
- Initiating criminal prosecution by reporting the matter to the police service or any other relevant law enforcement agency; and/or
- Any other appropriate and legal remedy available.

The judgment of senior management will be required to ensure that the economic and practical realities of taking the steps required above are adequately considered and applied appropriately in the particular circumstances.

Managers are also required to ensure that losses or damages suffered by the Group as a result of all reported acts committed or omitted by an employee or any other person are recovered from such an employee or other person if he or she is found to be liable.

Great care must be taken in the investigation of suspected improprieties or wrongdoings so as to avoid mistaken accusations or alerting suspected individuals that an investigation is under way.

CONFIDENTIALITY

All information relating to fraud and corruption must be treated confidentially. The progress of investigations will be handled in a confidential manner and will not be disclosed or discussed with any person other than those who have a legitimate right to such information. The opinion of the Group Legal Counsel will be sought in assessing this legitimate right in the event of a dispute. This is important in order to avoid harming the reputations of suspected persons who are subsequently found innocent of wrongful conduct.

PROTECTION OF WHISTLE BLOWERS

The Group Fraud Line of Raubex is intended to encourage employees to raise serious concerns relating to fraud and corruption without fear of victimisation. No person will suffer any penalty or retribution for good faith reporting of any suspected or actual incident of fraud or corruption. Employees or other parties are discouraged from making allegations, which are false and/or made with malicious intent.

APPLICATION OF PREVENTION CONTROLS AND DETECTION MECHANISMS

In respect of all reported incidents of fraud and corruption, managers are required to immediately review, and where possible, improve the effectiveness of the controls which have been breached in order to prevent similar irregularities from taking place in future.

The Head of Internal Audit will assist in deciding, in consultation with appropriate senior managers, whether any information relating to control deficiencies should be brought to the direct attention of any other senior member of management in an unaffected division, in order to assist all Group divisions to implement adequate preventative controls. The Head of Internal Audit will ensure that all identified control deficiencies are considered in future internal audits conducted within the affected business unit and similar businesses within the Group.

CREATING AWARENESS

It is the responsibility of all managers to ensure that all employees are made aware of and receive appropriate training and education with regard to this policy.