

CFAO SOUTH AFRICA GROUP POLICY

ANTI-BRIBERY AND CORRUPTION POLICY

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(1) Why? What? For Whom? How?

What is it?

The CFAO SA GROUP Anti-Bribery and Corruption Policy (“**ABCP**”) aims at defining and describing corruption and influence-peddling, clearly prohibiting any act of corruption or influence-peddling in any form, providing the sanctions that will be applied in the event such prohibition is violated, and finally identifying principles and guidelines (applicable to all divisions of the Group) to be followed in order to identify risky situations and to avoid any violations thereof.

Why it is needed?

CFAO SA GROUP is committed to conducting its business both in compliance with all applicable local, regional and international laws and regulations and in a spirit of loyalty, openness and respect for its employees, suppliers, customers, shareholders and, more generally, for all its stakeholders.

CFAO SA GROUP does not tolerate any form of bribery or corruption and is committed to upholding high standards of integrity and ethical behaviour in all its interactions and is committed to working only with third parties who respect the same standards of ethical behaviour and who will comply with these principles or will implement similar ones.

CFAO SA GROUP will support any employee or third party which, in the implementation of this Policy, will refuse to pay or accept bribes.

CFAO SA GROUP will ensure that appropriate procedures are in place to monitor compliance with this Policy and that all departments, including any Joint Ventures controlled by CFAO SA GROUP, will maintain accurate records of such implementation.

As an international Group, CFAO needs to comply with a large variety of legal provisions in the various countries where the Group and its shareholder are incorporated, including in France (Sapin II law) and in Japan (1999 Japan Act on the prevention of bribery of foreign public officials). This Policy has been implemented to comply with these laws as well as local laws in South Africa.



For Whom does it apply?

All directors, officers, employees, agents, contractors, organisations and third parties acting directly or indirectly for or on behalf of CFAO SA GROUP are required to comply with all applicable local, regional and international laws and regulations and with the CFAO Group's rules.

How does it articulate with other associated rules?

(a) With the Code of Conduct & Ethics ("COCE")

The purpose of the COCE is to provide guidelines for the behaviour of all CFAO SA GROUP employees. The ABCP thus clarifies, on the specific topics of corruption and influence-peddling, the COCE principles.

(b) With the Anti-Bribery and Corruption Procedures

The CFAO SA GROUP Anti-Bribery and Corruption Procedures ("ABCPR") provides practical standard measures and processes to be implemented in order to enhance their defence system against corruption and influence peddling:

- i) Creation of a compliance organisation that will deal with compliance issues,
- ii) Implementation of procedures to tackle identified risky situations,
- iii) Implementation of a third-party due diligence before entering into a relationship with third parties,
- iv) Provision of a methodology for the risk assessment of material contracts with government or public or private co-contractors, to be taken into consideration before approval,
- v) Provision of methodology of the reporting of suspicious conduct.

(c) With local implementation documents

Divisions' compliance organisations, in the implementation of the global rules at division level, are in a position to seize a better granularity of the risks identified at Group level. Therefore, implementation of global rules induces a complementation of these rules locally.

Subject to compliance with local laws, the above-mentioned three instruments (COCE, ABCP and ABCPR) will be integrated into the internal regulations and must be enforced. The list of risky situations, identified at the Group level, in CFAO Group Anti-Bribery and Corruption Policy, must be considered, and at the division level, division-specific risky areas can be included.

(2) Definitions

CFAO SA GROUP in this Policy or "we" or "us" means CFAO Holdings SA (Pty) Ltd, and its direct and indirect subsidiaries, excluding CFAO Motors South Africa (Pty) Ltd who have drafted their own similar ABCP.

Bribery: To bribe means giving, offering or receiving anything of value, to or from any person whether public or private, with the intention to induce or be induced to do something improperly in order to obtain, retain or secure an advantage (either for the company – such as a business advantage – or a private advantage).

Corruption: The term corruption corresponds to promising, giving, offering (active corruption) or soliciting and receiving (passive corruption) from a third party directly or indirectly an undue advantage for oneself to facilitate, accomplish or refrain from performing an act of one's function.

Compliance Organisation: the Compliance Officer ("CO") and/or Compliance Committee ("CC") in your company.

Division Compliance Organisation: the Division Compliance Officer ("DCO") and/or Division Compliance Committee ("DCC") in your division.

Employee: Any director, officer, manager or employee, whether designated or hired by the company, either for a limited duration or an indeterminate period, to work for the company.



Government: Generally, refers to the governing body of persons in any state, country or territory. For the sake of completeness, it is hereby clarified that such term can also cover indistinctly:

- A. any ministry, body, department, agency, or any part of the government;
- B. any instrumentality of the government, public agency or public entity
- C. political parties; or
- D. international institutions

Government Official: any individual who is a candidate for or holds a legislative, administrative or judicial position of any kind, whether appointed or elected, who exercises a public function for a country, a territory, any public agency or public company of that country or territory, who acts as an official or agent of a public international organisation (including agents and consultants), who works in public institutions which are owned, controlled and/or run by the government.

Group Compliance Organisation: the Group Compliance Committee (“GCC”) and the Group Compliance Officer (“GCO”) at Group level.

Influence peddling: is characterised by a gift or undue advantage offered or granted to the beneficiary in exchange for the use of his/her influence in order to obtain a favourable decision.

Third party: any service provider, supplier, customer, agent or consultant acting for or on behalf of the company, or supplying or selling any good or service to the company.

3) Description of the prohibited behaviours

It is prohibited to offer or accept a bribe, be a party to any corrupt act or act of influence-peddling, whether directly or indirectly, to gain an undue advantage or to influence a decision in any way, directly or indirectly.

Example: Pay an amount to obtain a bid, speed up an importation process or obtain a tax exemption linked to an investment process.

Example: Sponsor a charitable organisation which is managed by a close relative of a person that will decide to attribute a bid, contract with an unqualified service provider on request of a client to obtain business.

4) Applicable principles and Sanctions

Bribery & Corruption, influence-peddling or any associated behaviour is not part of the business that CFAO SA GROUP is conducting or promoting. Moreover, such illegal behaviour induces an unacceptable risk for the Group, the employee and CFAO SA GROUP in the form of criminal sanctions and irreparable reputational damage.

Thus, CFAO SA GROUP and CFAO Group apply a **zero-tolerance for bribery & corruption**.

This zero-tolerance approach is demonstrated through the affirmation of COCE principles, the provision of clear Procedures (please refer to the ABCPR) and the application of strict sanctions to any infringing person.

Payments may be performed, in spite of their clear prohibition, in the sole exceptional event of force majeure where the health or life of a person is at risk. Should such case arise, never act alone: immediately contact your Compliance Officer.

4a) Applicable sanctions

4a 1) Legal sanctions

Corruption and influence-peddling are subject to heavy criminal fines and sentences. For example, in France, there is a maximum offense of ten years' imprisonment, €1 million for employees and €5 million for companies. In South Africa, under “PRECCA”, fines and prison sentences can vary depending on the applicable jurisdiction of the court, for example, in the HIGH COURT, life imprisonment or in District MAGISTRATE COURT, up to five years in prison.



4a 2) Disciplinary sanctions

Besides any criminal sanction that the infringing person may face, CFAO SA GROUP will apply strict sanctions to illegal behaviours such as corruption and influence-peddling and in accordance with the internal disciplinary code.

5) Risky situations and corresponding rules

5.1) Gifts and Hospitalities

The term “**gifts**” includes anything of value, such as cash or equivalent and corporate products, vouchers, services, loans, prizes or any other advantage granted as a sign of friendship or appreciation without expecting something in return.

The term “**hospitality**” refers to any meal, accommodation, trip, seminar and invitation or ticket to a social event or entertainment.

It is very important to have a good working relationship with third parties and, there may be occasions, in the course of this professional relationship, to exchange gifts or provide hospitality. However, it is crucial that any gift or hospitality given or received by any Employee be legitimate, reasonable and proportionate and may not be construed as a bribe or inducement.

Applicable rules

As a principle, nothing of value may be offered, promised, given, requested, accepted, directly or indirectly, to or from a third party, under any circumstances.

Exceptionally, gift or hospitality can be given, received or promised if:

- The gift is **not cash** or cash equivalent;
- Its value does not exceed a threshold of [defined in the ABCPR];
- It is part of normal business relationships;
- It is granted outside tender periods if applicable;
- It cannot be construed as undue influence or a bribe.

In case the value of the envisaged gift or hospitality exceeds the defined threshold, such gift or hospitality must be approved by the Employee's N+1 (please refer to the Procedure).

When gift or hospitality is given, received or promised to or from a Government Official, such gift or hospitality must be authorized by the Employee's N+1 and by the Compliance Officer (please refer to the Procedure).

5.2) Conflict of Interest

A **conflict of interest** is where the personal interest(s) of an employee (or that of a close natural or legal person) conflict with the interest their employer or the Group. Example: an employee in charge of negotiation between his employer and a company owned and directed by his brother has a conflict of interest. Conflicts of interest can lead to or hide acts of corruption.

Applicable Rules

Any conflicts of interest related to our responsibilities within the company must be disclosed to management and we must not place personal interests above those of the company (please refer to the Procedure)



5.3) Sponsorship

The term **sponsorship** covers the payments in the form of donations, patronage, or charitable contributions to civil society actors (charities, etc.) acting for social, charitable or educational causes.

Applicable Rules

Any sponsorship must be made directly by CFAO SA GROUP and only to official, recognised organisations. Sponsorship must be made in line with all CFAO SA GROUP & CFAO Group policies and procedures. When making sponsorship, it is important to ensure that it's for legitimate business purposes and not to gain improper business advantage, to avoid such sponsorship being considered as inducements.

5.4) Offshore bank account payments

A **payment to an offshore bank account** is where CFAO SA GROUP is requested by a provider of goods or services to pay an invoice by transfer to a bank account belonging to the provider but not located in the country where the company is incorporated or where the provider is incorporated.

Applicable Rules

Offshore bank account payments **are strictly prohibited**, and any violation of this principle must be reported to the Head of Compliance.

5.5) Payment to a third party on behalf of the principal

Payment to a third party on behalf of the principal occurs when CFAO SA GROUP is requested by a provider of goods or services to pay an invoice by transfer to a bank account which does not belong to the provider, regardless of whether it's located in the country where the company is incorporated or where the provider is incorporated.

Applicable Rules

Any payment to a third party on behalf of the principal **is prohibited** unless prior authority is granted by the Head of Compliance and in compliance with the rules and conditions provided in the ABCPR. Any violation of this principle shall be reported to the Head of Compliance.

5.6) Payments in cash

Payments in cash are **prohibited**. This excludes the need to use petty cash for miscellaneous items purchased in accordance with the internal company rules.



6) Relationship with third parties (suppliers, distributors...)

CFAO SA GROUP & CFAO Group is working constantly with third parties. The relationship maintained with these third parties is therefore of paramount importance. Every employee should remain as vigilant and demanding, as it relates to compliance requirements, with these third parties, as CFAO SA GROUP & CFAO Group is with itself and its employees.

Third parties acting on behalf of CFAO SA GROUP ("representative agents"), on request, happen to represent CFAO SA GROUP & CFAO Group and are therefore associated to its image. Any reprehensible action or situation imputable to the third party could immediately lead to judicial consequences on CFAO SA GROUP or the Group or tarnish their image.

Most obviously, we must not enter into any negotiations with anyone directly or indirectly related to any criminal organisation or illegal activity. As the illegality of the activity of the third-party is not always directly acknowledgeable, it is necessary to (i) **require from the third party that it abides by the CFAO Group's compliance rules** (please refer to Procedure) and (ii) **perform a due diligence on the third party** before entering into relationship with such party (please refer to Procedure).

7) Alert system

All employees must report any event, which could be qualified as misconduct or a breach of this Policy or any legal provision through an appropriate channel:

- to their line manager; or
- appropriate corporate department (legal; Risk; Accounting; HR; etc.); or
- to the CFAO Respect Ethical Alert System at the following address: respect@cfao.com; or
- to the local compliance officer or compliance committee or
- to any external whistleblowing service provided for by the company

Third parties should also use the reporting procedure to report any breach or misconduct that could be qualified as corrupt practice by an employee.

Regarding CFAO Respect Ethical Alert System, any notification will be actioned internally by the Division Compliance Officer or Division Compliance Committee who will investigate any reported misconduct or breach and report to the Group Compliance Officer and Group Compliance Committee. An appropriate traceability process will be implemented to document any reported event and its relevant solution. For any information relating to the process applicable to this alert system, see Appendix 1 below:



Appendix 1: Information on the Respect Ethical Alert System in CFAO Group
Information to employees about setting up a whistleblowing system ("Respect Ethical Alert System")
within the CFAO Group

To meet the legal obligations of the CFAO Group (Sapin 2 law) as well as commitments entered into with certain suppliers, a professional alert system (called "Respect Ethical Alert System") is set up within the CFAO Group. Its purpose is to enable its employees to report malfunctions of the company and / or behaviors that they consider contrary to the applicable rules as set by the COCE, the ABCP and the ABCPR. Any such report can be made via the "Respect" e-mail address is respect@cfao.com

Please take a moment to read the following information on such system :

ETHICAL ALERT SYSTEM: WHAT YOU NEED TO KNOW

- Whos is responsible for the system? The Group Compliance Officer (Paris HQ).
- Is it the only reporting channels? The Respect Ethical Alert System is complementary to the usual internal alert modes (mentioned above in the Policy). It is optional and concerns restricted areas (see below).
- What should it be used for? The Respect Ethical Alert System should be used for alerts to concern only the areas covered by the COCE, the ABCP and the ABCPR.
- Who receives my alert? The Group Compliance Officer (Paris HQ). They are bound by a strict obligation of confidentiality.
- Who can use the Respect Ethical Alert System? Any person, whether inside or outside the Group, can launch an alert.
- What are my rights with respect to this alert system?
 - The person launching the alert, the whistleblower, is entitled to confidentiality and is protected against retaliation.
 - The person target by the alert, if any, is entitled to the presumption of innocence and, to a certain extent, to confidentiality.
 - Any person identified within this system has a right of access and rectification of its personal information, in accordance with French law no. 78-17 dated January 6, 1978 on information technology, data files and civil liberties (also known as "**Loi Informatique et Libertés**") and the European General Data Protection Regulation (EU) 2016/679 (also known as "**GDPR**").
- Is my data collected and preserved?
 - The collection is strictly limited to what is necessary to process the alert (identity, function and contact details of interested persons, facts reported by the issuer, elements gathered in the context of the verification of facts, reports in the form of alleged facts etc.)
 - Data retention is limited: out-of-field alerts are removed. The others are kept for a period of 2 months after closure of operations, except in specific cases, or archiving.
- Can my data be transferred outside the EU? For alerts covered by this system, no data transfer to a non-EU Member State is foreseen. Should such an operation subsequently prove necessary, a transfer agreement based on the standard contractual clauses issued by the European Commission in its decisions of June 15, 2001 and December 27, 2004 will be concluded prior to the data transfer with the recipient legal entity.
- Are bad user sanctioned? Any person issuing an alert in good faith will not be exposed to any sanction, , even if facts subsequently prove to be incorrect or give rise to no action. Conversely, possible sanctions (disciplinary or judicial) may be taken against a person issuing an alert in bad faith.

The Group Compliance team is at your disposal to provide you with any additional information explanation you may need.

