



# **RAUBEX GROUP**

## **ANTI FRAUD AND CORRUPTION POLICY**

### **Whistle-blowing policy**

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## 1. INTRODUCTION

The Raubex Group (Raubex Group Limited and its subsidiaries) (“Group”) (“Raubex”) 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.

## 2. OBJECTIVES OF THE POLICY

The Protected Disclosure Act 26 of 2000 came into effect on 16 February 2001. On 2 August 2017, amendments to the Protected Disclosure Act of 2000 were published. The amendment Act introduces several new provisions, which broadens the application of the Act beyond the employer/employee relationship and places further obligations on both whistle-blowers and employers. In order to comply with the Act and its amendments, Raubex shall –

- a. strive to create a culture facilitating the disclosure of information by employees and other parties relating to unethical conduct, fraud and corruption in the workplace in a responsible manner by providing clear guidelines for the disclosure;
- b. communicate to employees the whistleblowing policy;
- c. promote the eradication of unethical conduct, fraud and corruption;
- d. encourage and enable employees and external parties to raise concerns within Raubex rather than ignoring a problem or blowing the whistle through inappropriate channels.

The Act, as amended, makes provision for the following:

- e. encourage employees and workers, both former and current, to report unlawful or irregular conduct by employers and fellow employees and workers;
- f. protection of both former and current employees and workers who blow the whistle from “occupational detriment” by employers when making certain “protected disclosures”; and
- g. Connected matters.

## 3. SCOPE OF THE POLICY

- a. This policy applies to all attempts and incidents of fraud and corruption impacting or having the potential to impact the Group.
- b. Raubex has formal grievance procedures which enable employees to raise grievances relating to their employment. This policy is intended to cover concerns that fall outside the scope of the above-mentioned grievance procedures. In the Act (see section 1 with regard to the definition of “disclosure”), such concerns includes the following: –
  - i. Criminal offences;
  - ii. Failure to comply with certain legal obligations;
  - iii. Miscarriages of justice;
  - iv. Endangering of the health or safety of individuals;
  - v. Damage to the environment;
  - vi. Unfair discrimination as defined in the Employment Equity Act and the Promotion of Equality and Prevention of Unfair Discrimination Act;
  - vii. Any matter referred to in paragraph 3.2.1 to 3.2.6 immediately preceding has been,

is being or is likely to be deliberately concealed.

#### 4. DEFINITIONS

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

- a. *Fraud*, i.e. “the unlawful and intentional false representation or concealment of facts resulting in actual or potential prejudice to another”;
- b. *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
- c. *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”.
- d. *Employee/worker* i.e. includes individuals who currently or previously worked for Raubex, also independent contractors, consultants, agents and those rendering services to a client while being employed by a temporary employment service (labour broker).

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.

#### 5. POLICY STATEMENT

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, will 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 awarding of tenders through formal legal processes where awards are not consistent with pricing, technical ability and other tender specific criteria.

#### 6. 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 throughout the Group.

|                         |  |
|-------------------------|--|
| 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](mailto: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](http://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 Executive Director: Governance, Risk and Compliance. The following contact details are relevant:

**Financial Director**

Tel: 012 648 9400

Email: [james.g@raubex.com](mailto:james.g@raubex.com)

**Executive Director**

Tel: 012 648 9400

Email: [Felicia.m@raubex.com](mailto:Felicia.m@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.

## 7. HOW A CONCERN SHALL BE DEALT WITH

- a. The action taken by Raubex will depend on the nature of the concern, where it may be investigated internally (management, internal audit or legal services) and/or referred to South African Police Service (“SAPS”) or another relevant law enforcement agency.
- b. Upon receiving a complaint or tip off from a whistle-blower, we will:
  - i. Enter the complaint in the whistle-blowing register;
  - ii. Initiate a preliminary enquiry/review on the allegations; and
  - iii. Should the results of the preliminary review indicate a need for further investigation, the matter will be referred to the relevant subsidiary or department, internal auditors or to any other relevant party.

The Executive Director: Governance, Risk and Compliance, 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 Executive Director: Governance, Risk and Compliance, has the responsibility to notify the Audit Committee

of the Group 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 of the Group.

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 SAPS 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.

## **8. 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 Advisor 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.

## **9. PROTECTION OF WHISTLEBLOWERS**

- a. The Group Fraud Line of Raubex is intended to encourage employees and/or workers 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.
- b. In terms of the Act, the “occupational detriment” from which the whistle-blower is protected is:
  - i. Being subjected to any disciplinary action;
  - ii. Being dismissed, suspended, demoted, harassed or intimidated;
  - iii. Being transferred against his or her will;

- iv. Being refused transfer or promotion;
  - v. Being subjected to a term or condition of employment or retirement which is altered, or kept altered, to his or her disadvantage;
  - vi. Being refused a reference, or being provided with an adverse reference, from his or her employer;
  - vii. Being denied appointment to any employment, profession or office;
  - viii. Being subjected to a civil claim arising from their breach of any confidentiality requirement through the disclosure of a criminal act or of a planned or current failure to comply with a law;
  - ix. Being threatened with any of the actions mentioned above; or
  - x. Being otherwise adversely affected in respect of his or her employment, profession or office, including employment opportunities and work security.
- c. The Act further provides additional protection to employees and workers
- i. Against any civil, criminal or disciplinary proceedings that might otherwise be initiated where the disclosure is prohibited by any other law, oath, contract and practice or agreement requiring confidentiality. This does not protect the employee and/or worker from the consequences of any participation by them in the impropriety.

## **10. PROTECTION OF THE EMPLOYER**

- a. Managers should discourage employees and workers from making allegations, which are false and uttered with malicious intent.
- b. In instances where such allegations are proven untrue and malicious, the employee who made them shall be subjected to firm disciplinary action.
- c. It is an offence to provide false information intentionally, and where this results in harm, a conviction may result in a fine, imprisonment for up to two years, or both a fine and imprisonment.

## **11. APPLICATION OF PREVENTION CONTROLS AND DETECTION MECHANISM**

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 Executive Director: Governance, Risk and Compliance 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 Executive Director: Governance, Risk and Compliance 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.

## 12. 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.

## 13. ADMINISTRATION

The Executive Director: Governance, Risk and Compliance, and the Group Human Resource Executive shall be responsible for the administration, revision and interpretation of this policy. The Executive Director: Governance, Risk and Compliance shall maintain a record of all concerns and allegations raised as well as of the outcome of all actions taken. This shall be done in such a manner that does not compromise confidentiality and to ensure compliance with applicable legislative and policy requirements.

The policy shall be reviewed every three years, at least or when there are amendments to the applicable legislation.

### VERSION HISTORY

| <b>Date</b> | <b>Version</b> | <b>Comments</b>                                      |
|-------------|----------------|--|
| 22 May 2018 | 002            | Review, update and comply with Governance principles |
|             |                |  |