



INVESTEC PROPERTY LIMITED

# Gifts, Entertainment & Anti-Bribery Policy

To apply from the date of listing of Investec Australia Property Fund on ASX

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# 1 About this Policy

## 1.1 Policy statement

Giving and accepting gifts, benefits and entertainment is common practice in business and IPL recognises that such activity enhances, develops and improves business relationships. As a firm that insists on all staff meeting the highest ethical standards of honesty and integrity, IPL must ensure that gifts, benefits and entertainment offered or received by IPL staff are of a value and frequency that would not give rise to an actual or perceived conflict of interest.

Additionally, IPL does not tolerate bribery or corruption in any of the countries it operates in. This stance on anti-bribery is of fundamental importance to IPL.

This Policy does not cover all situations that may arise. If an IPL staff member is in doubt as to whether giving or accepting a gift, benefit or entertainment is appropriate, they should consult Compliance for advice.

This Policy should be read in conjunction with the IPL conflicts of interest policy.

This Policy does not apply to hospitality provided to IPL staff members by Investec, such as end of year lunches, leaving parties or gifts associated with such events.

IAPF is listed on JSE and ASX. As such, this Policy must comply with the requirements of both the JSE and ASX. Where the requirement of one exchange is more stringent than the requirement of another exchange, compliance with the more stringent requirement is required. If it is not possible to comply with both the JSE LR and the ASX LR, IPL must comply with the rule or requirement of the Main Trading Exchange at the relevant time. IPL is a member of Investec.

## 1.2 Defined terms

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<b>ASX</b>	ASX Limited or Australian Securities Exchange, as the context requires
<b>ASX LR</b>	ASX Listing Rules
<b>Board</b>	Board of directors of IPL
<b>CEO</b>	Investec's CEO in Australia.
<b>Compliance</b>	Compliance function of Investec
<b>Constitution</b>	Constitution of IAPF dated 12 December 2012 (as amended from time to time)
<b>Director</b>	Director of IPL
<b>Fund or IAPF</b>	Investec Australia Property Fund
<b>Investec</b>	Investec group of companies including Investec Bank plc in relation to any Australian operations where applicable, Investec Holdings Australia Limited and its subsidiaries, and Investec Property Holdings Australia Pty Limited and its subsidiaries
<b>IPL</b>	Investec Property Limited
<b>IPL staff</b>	Persons engaged by IPL or who perform activities on behalf of IPL, including Investec group employees and directors, and contractors and consultants, who have access to IPL's systems and premises (regardless of whether they utilise that access)
<b>JSE</b>	JSE Limited or Johannesburg Stock Exchange, as the context requires
<b>JSE LR</b>	JSE Listings Requirements
<b>Main Trading Exchange</b>	Has the meaning given to it in the Constitution

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### 1.3 Application of this Policy

This Policy applies to all IPL staff.

Compliance is responsible for ensuring that all Directors, officers and employees receive sufficient and adequate training on this policy and related procedures to help them execute their role. Additional specific training may be required for individuals performing roles or functions that involve potentially high-risk activities (e.g. who work in developing countries, have a high level of involvement with public officials or work in business development).

### 1.4 Ownership and review

This Policy is owned by Compliance and will be reviewed annually. Amendments to this policy, other than minor amendments, must be approved by resolution of the Board.

A copy of this Policy will be available on IAPF's website. Key features may also be published in:

- (a) the annual report or on IAPF's website; and
- (b) the Appendix 4G to be lodged with the ASX, at the same time as lodgement of the annual report.

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## 2 Scope

This Policy details the responsibilities of IPL staff with regard to gifts, benefits, entertainment, bribery and corruption and establishes a reporting mechanism, to enable management to monitor this aspect.

This Policy sets out IPL's minimum standards on giving or receiving gifts, benefits and entertainment and IPL's stance on anti-bribery.

Gifts, benefits, entertainment and bribery can take many forms, monetary or non-monetary and could include without limitation, the following:

- tangible goods (food, liquor, mobile phones etc)
- lunches/dinners
- tickets to cultural or sporting events
- all expenses paid conferences
- flight tickets, travel, pleasure trips, accommodation, holidays
- services
- preferred allocations of stocks/shares
- special privileges
- secret commissions
- facilitation payments
- donations and contributions
- sponsorships

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## 3 General Principles

### 3.1 Gifts, benefits and entertainment

Gifts, benefits and entertainment may be offered to or received from clients and third party suppliers, but only where it is appropriate to do so in the circumstances. The value and frequency of the gift may be a determining factor. Gifts should be reasonable and not excessive. In addition, you should look to IPL's core values, with particular reference to the test for integrity.

Cash or direct financial benefits must never be offered or accepted.

Gifts, benefits or entertainment should never be offered or accepted if it could be interpreted as an inducement or a bribe or it would cause embarrassment to IPL if a public disclosure were made.

Gifts, benefits or entertainment must never be taken into account in business decisions which may affect the provider. Please see below for an indicative list of generally acceptable and unacceptable gifts.

If a client or supplier offers an inappropriate gift, benefit or entertainment, management and Compliance must be notified immediately.

It is critical to IPL's business that it remains independent and objective. The offer, provision or acceptance of gifts and/or hospitality requires the exercise of the utmost care and judgment. IPL staff are prohibited from offering or giving anything of value (gifts, hospitality or entertainment) to, or receiving anything of value from, a third party where the provision of the gift or entertainment is intended or likely to unduly influence business decision-making (including any decision to purchase or use Investec products) or could reasonably be regarded by others as having such an undue influence.

#### ***Generally acceptable gifts/benefits/entertainment***

- Gifts of nominal value bearing the company logo
- Meals where representatives of the client are present
- Perishable gifts
- Gifts that fall under applicable legal and company gift limits
- Gifts approved by management
- Personal charitable donations given by staff to their charity of choice using their own personal funds

#### ***Unacceptable gifts/benefits/entertainment***

- Gifts to government officials
- Multiple gifts
- Requests for charitable donations in connection with business transactions
- Gifts of more than nominal value
- Lavish gifts/entertainment
- Gifts/entertainment of high value (grossly exceeding company threshold)
- Gifts intended to influence business decisions
- Gifts to government officials for expedited service
- Gifts that may be considered bribes

- Solicited gifts

Gifts and hospitality must never be solicited by IPL staff. Where the offer, provision or acceptance of gifts or hospitality is permitted under this policy, IPL staff must still exercise the utmost care. If IPL staff have any doubt about any situation, they must consult with Compliance. In particular, IPL staff must comply with the spirit of this policy, including avoiding multiple gifts and hospitality which, if aggregated, may breach this Policy.

IPL staff must exercise particular care in giving or accepting gifts, benefits or hospitality if the donee/donor person, company or organisation:

- is involved in a tender process with Investec, or is the subject of, or affected by, a decision within Investec's power or influence or Investec is the subject of, or affected by, a decision within the donee's influence or the influence of an associate of the donee (as applicable);
- is in a contractual relationship with an Investec entity; or
- has made similar offers of gifts and hospitality to Investec more than once in the last year.

## 3.2 Bribery

A general overview of what constitutes bribery is set below. It is the responsibility of each Director, officer, employee, consultant, contractor and agent to attend training which will give more information on the laws that apply and the jurisdictions in which IPL does business. If IPL staff are ever in doubt, please contact Compliance to discuss the circumstances in further detail.

As the global economy becomes increasingly integrated, regulators are also co-operating across international boundaries and focusing on high-risk regions. This means that as well as being subject to Australian anti-bribery and corruption legislation, Australian companies and directors (or companies doing business in Australia) must also understand legislation in other jurisdictions. The most relevant jurisdictions are the United States and the United Kingdom, which have particularly onerous provisions coupled with strong enforcement and prosecution cultures.

It should be noted that the Australian *Criminal Code*, the US *Foreign Corrupt Practices Act* and the UK *Anti-Bribery and Corruption Act* (**Bribery Act**) prohibit the giving and receiving of bribes.

The Bribery Act applies to both individuals and companies with a connection to the United Kingdom, and has broad territorial reach. IPL is required to comply with the provisions of the Bribery Act.

"Bribery" is defined in the Bribery Act as *offering an advantage intending to persuade or reward a party to perform a function or activity improperly*. Such an advantage may be either financial or non-financial.

Some examples of a bribe are:

- direct/indirect promise, offering or authorization of anything of value, including facilitation payments;
- offer or receipt of any kickback, loan, fee, reward or other advantage; and
- giving of aid, donations or voting designed to exert improper influence.

There are four main offences under the Bribery Act:

- Offering, promising or giving a bribe;
- Requesting, agreeing to receive or taking a bribe;

- Bribing a foreign public official<sup>1</sup>;
- Failure to prevent employees, agents, associated and subsidiaries of a corporate from engaging in bribery – this is a strict liability offence imposed by the Bribery Act on a company.

IPL requires the exercise of a high degree of caution in relation to the offering or giving of gifts or entertainment to public officials. The provision of gifts or entertainment to a government official may be a legitimate and justifiable business activity in some circumstances. However, the practice has the potential to create the perception that Investec has sought to improperly influence the public official to achieve an improper advantage or obtain preferential treatment.

The offer of any gift, entertainment or other personal favour or assistance to, or receipt of any such benefit from, a public official must be referred to Compliance for prior approval, irrespective of the value. The gift or entertainment must also be recorded in the gift and entertainment register, irrespective of the value, whether accepted or declined.

Please refer to Investec's anti-bribery and corruption program for further details.

The financial penalties for bribery offences can potentially be very significant and serious for individuals and the company. There is real risk that individuals involved may also be subject to imprisonment.

It is very likely that if a public official has been bribed, the anti-bribery laws of more than one jurisdiction will have been breached and a number of regulatory authorities will be seeking to bring enforcement actions against the persons and entities involved. This will increase the amount of penalties and the risk of imprisonment.

The impact of bribery can be much broader than civil and criminal penalties. Other possible consequences include:

- impact on reputation and ability to attain and retain business
- impact on ability to do business with governments or public international organisations which may require a declaration that we have complied with certain laws;
- breach of contract provisions requiring “compliance with all applicable laws” or “compliance with applicable anti-bribery and corruption laws”, which may trigger penalties, give the third party a right to terminate the contract and/or litigation; and
- regulatory scrutiny and prosecution of IPL.

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## 4 Procedures for Acceptance of Gifts, Benefits or Entertainment

### 4.1 Accepting gifts, benefits and entertainment

Each business unit head must approve all gifts, benefits and entertainment where the monetary value of the gift, benefit or entertainment (per person) is between \$300 and \$1,000.

Gifts, benefits and entertainment (per person) over \$1,000 must be approved by the CEO or their delegate.

The CEO or their delegate must approve gifts, benefits and entertainment (per person) over \$300 made to a business unit head.

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<sup>1</sup> Note that the penalties under the Australian Criminal Code Act 1995 are as follows:  
 Individuals: up to 10 years imprisonment and penalty up to AUD\$1.8 million  
 Corporate: fines up to AUD\$18 million, three times the value of benefits obtained, or 10% of the annual turnover

The value of the gift, benefit or entertainment should be estimated by the staff member, in good faith.

While this Policy does not require specific senior management approval for appropriate gifts or entertainment (i.e. gifts under the monetary limit of \$300), business unit heads should be aware of what gifts, benefits and entertainment are offered by and to their staff and ensure that staff adhere to the terms of this policy.

Where the refusal of the gift, benefit or entertainment may cause offence to the offeror or where it is impractical to decline a gift, benefit or entertainment, the gift may be accepted but details must be disclosed to the business unit head and Compliance. The business unit head may approve the gift, benefit or entertainment on the basis it will be disposed of in an appropriate manner. Management has the right to direct that any such gift be donated to a registered charity.

Where IPL staff receive gifts or entertainment greater than \$1,000 in any rolling 12 month period, pre-approval from your manager and Compliance must be sought.

## **4.2 Register**

All gifts and entertainment (per person) greater than \$300 are to be entered in the gift and entertainment register on the Protecht compliance system.

## **4.3 Giving/Offering of gifts, benefits and entertainment**

Gifts and entertainment (per person) expenses incurred by IPL or its staff members should also be entered in the Protecht compliance system where greater than \$300.

Gifts, benefits and entertainment offered to a public official must be approved by management and Compliance.

## **4.4 Corporate donations**

Donations by IPL to political parties are not permitted. For the avoidance of doubt, attending a presentation as part of a lunch or dinner (plate fee) organised by a political party is permitted. IPL staff may exercise their personal right to participate in political and democratic processes but not in the capacity of their role at IPL. However, you are expected to consider the appearance of such action if the recipient (or an associate of the recipient) is associated with Investec or its business (e.g. a customer, supplier or public official). If the donation may be construed as intending to influence a business decision affecting IPL or its business, you should not give it.

## **4.5 The Bribery Act**

Facilitation payments (such as small “grease” payments to expedite routine government action) are a customary business practice in many countries. However, the Bribery Act strictly prohibits facilitation payments, irrespective of the size or the local cultural expectation of how business is generally conducted. Both the individual and the corporate entity can be prosecuted for making even a single facilitation payment.

Facilitation payments include secret commissions. Secret commissions are prohibited. Secret commissions typically arise where a person or entity (such as an employee) offers or gives a commission to an agent or representative of another person (such as a customer) which is not disclosed by that agent or representative to their principal. Such a payment is made as an inducement to influence the conduct of the principal's business.

There are no exceptions for business and marketing expenses in the Bribery Act and as such hospitality and promotional expenditure may be caught. It is therefore important to keep these hospitality and promotional expenses reasonable and proportionate and directly connected with legitimate business activity.

To comply with the provisions of the Bribery Act, IPL must:

- conduct thorough anti-bribery and corruption due diligence in relation to proposed mergers, acquisitions, joint ventures and third party contractor/supplier dealings;

- make these third parties aware of our stance in relation to anti-bribery and corruption and require them to respect and adhere to our policy on anti-bribery and corruption;
- ensure that fees and expenses paid to third parties is appropriate for the services provided, are commercially reasonable, justifiable and are for legitimate services rendered;
- ensure all such relationships are documented in a written agreement, including all payments;
- implement post-transactional due diligence on completion of a transaction;
- conduct regular audits of contractors, suppliers, agents, joint venture partners and other third parties' business practices; and
- keep accurate financial records of all payments made to third party service providers.

If any irregularities are uncovered either through the processes outlined above or through other means (such as Investec's employee hotline, see below for details), IPL will take immediate steps to thoroughly investigate any incidents. Records of such investigations will be maintained. Swift disciplinary or enforcement action (as necessary) will be taken against those perpetrating corruption/bribery.

All agreements with third parties must be reviewed and approved by Investec's legal function. Reasonable best efforts should be made, where applicable, to include appropriate anti-bribery provisions in agreements with third parties.

If you find yourself in a situation where a facilitation payment is being extorted or you are forced to pay under duress with potential for personal harm, such a payment may be made provided the payment and circumstances surrounding the payment are reported as soon as possible to Compliance and a record made of this in the gifts register. If you are uncertain as to what is or is not a facilitation payment, please contact Compliance.

Whilst donations to support the community and charities can be made, IPL staff must be careful to ensure through due diligence and transparency that these contributions do not constitute bribery. IPL only makes charitable donations that are legal and ethical under local laws and practices.

If you become aware of any actual or suspected breach of the Bribery Act or this policy, you must report this either to the CEO or Compliance. You are actively encouraged to report any concerns regarding bribery and corruption either directly to management or through the Investec's employee hotline by any of the following methods:

- calling the employee hotline on **1800 093 188**
- sending an email to **investecemployeehotline@deloitte.com.au**
- making an online disclosure at **www.investec.deloitte.com.au**
- writing to Investec employee hotline: **Reply Paid 12628, A' Beckett Street, VIC 8006**

Please refer to the whistleblower policy for further detail in relation to the Investec employee hotline.

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## 5 Use of business partners

Third parties who interact with others on behalf of IPL, such as joint venture partners, (all called "Business Partners"), must be chosen carefully and engaged appropriately, as any improper conduct on their part could damage IPL and/or Investec's reputation and potentially expose IPL and/or Investec and individual staff to criminal or civil liability or other penalties.

It is never permissible to engage or do business with a Business Partner if there is a material risk they will violate anti-corruption laws or this policy when acting on IPL's behalf with public officials or individuals in the private sector.

Third parties that pose particular risk to IPL for breaching anti-bribery laws include those that operate in South Africa, or are involved in negotiating any business arrangements or transactions with the public or private sector on behalf of IPL in any country (including bidding for tenders, business development, securing favourable treatment from government or government departments or negotiating supply contracts).

In relation to the engagement of Business Partners by IPL, sufficient due diligence should be performed to ensure that it is appropriate for the Business Partner to represent IPL. Any concerns or red flags uncovered during the due diligence process should be communicated to Compliance as soon as possible.

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## **6 Accounting and record keeping**

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

All expenditure by IPL staff, including gifts and entertainment, shall be included in expense reports and approved in accordance with the expense policy of the relevant business unit.

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## **7 Tender and procurement requirements**

It is important that, where practical, contractual commitments are made following an arm’s length process conducted for the benefit of IPL.

The following requirements are designed to assist you in your negotiations with external parties and suppliers and ensure that we avoid conflicts and unethical behaviour:

- all conflicts of interest and potential conflicts of interest in relation to any particular tender or procurement process must be declared immediately and consent must be obtained from the Board before proceeding or continuing to proceed with the process;
- all tenders and procurement processes must be conducted fairly, transparently and, where appropriate, in accordance with pre-determined and documented criteria (including mostly objective criteria);
- you must not favour or give undue preference to any supplier at the expense of IPL or our ability to serve our clients effectively;
- you must not receive, directly or indirectly, any personal benefit in connection with the tender or procurement process; and
- the tender and procurement process must be appropriately documented (to ensure that if audited at any time it is clear why the provider was ultimately selected).

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## **8 Breaches of this Policy**

All IPL staff must report any actual or suspected breach of this Policy by either themselves or another employee to Compliance as soon as practicable. Breaches and incidents will be logged on the breach and incident register.