

SANTAM GROUP FACILITATION PAYMENTS POLICY

November 2019



Santam is an authorised financial services provider (licence number 3416).

TABLE OF CONTENTS

Contents	Page
1. Introduction	3
2. Purpose of this document	3
3. Application	3
4. What are facilitation payments?	3
5. Permissible payments	3
6. Resist paying facilitation payments	4
7. Payment of facilitation fees where it is unavoidable	4
8. Additional guidance	5

1. Introduction

Santam Group (Group) is committed to respecting the laws of the countries in which it operates. The Group considers the payment of facilitation fees as a form of bribery even if it may be an acceptable practice in a particular country or jurisdiction. To this end the Group prohibits the payment of any facilitation fees either directly or indirectly irrespective of whether it is permitted by local laws.

2. Purpose of this document

This document confirms the Group's zero tolerance of facilitation payments. The payment of facilitation fees by employees or contractors either directly or indirectly are strictly forbidden.

3. Application

This policy is applicable to all parties and is subject to the Group's Anti-Bribery and Anti-Corruption Policy.

4. What are facilitation payments?

Facilitation payments are typically small payments or other advantages (directly or indirectly) generally made to junior or lower level public or government officials or private sector officials or counterparties in order to expedite or speed up routine action to which the payer already has a legal or other entitlement at no cost. It is commonly referred to as "grease payments".

It is usually demanded in cash by the official using their position or title as leverage. Examples are:

- Payments to clear goods through customs.
- Payments for approvals or for delivery or services such as water and electricity.
- Payments to allow entry / exit to / from a country when all the documentation is in order.
- Obtaining permits, licences, or other official documents.
- Processing of governmental documents such as visas and work permits.
- Payments to process premium magnetic tape transactions.

5. Permissible payments

There are circumstances where payments made for express services do not amount to facilitation fees. The following are some examples:

- Where there is a published higher rate to obtain a passport or visa much more quickly. In these instances the passport or visa must be legal and a legitimate official receipt must be issued by the appropriate government department. Payment for this will be allowed on condition that there is an urgent business need and permission is granted by management.
- Where payment is made to a third party to obtain a visa or passport on your behalf and that the said third party is providing a legal service e.g. visa zone. A valid receipt must be obtained.

As a guide the above services will be deemed legitimate if such services are offered by a reputable service provider, the services are publicly advertised and transparent and there is supporting legitimate official receipts.

It is suggested that you contact the Senior manager: Business Integrity Unit if there is any additional guidance or advice is required.

6. Resist paying facilitation payments

It is our policy to refuse paying facilitation fees unless it is unavoidable. Should you be requested to make a facilitation payment you should challenge the approach by mentioning the following:

- Question the legitimacy of the request.
- Explain to the requester that the payment of such a fee is against company policy and that you would have to report it.
- Ask if you will be issued with a legitimate official receipt.

All instances where there was a demand for facilitation payments irrespective of whether your challenge was successful or not, must be reported to the senior manager: Business Integrity Unit.

7. Payment of facilitation fees where it is unavoidable

Your safety and those travelling with you are of paramount importance. If circumstances are such that there is a threat of physical violence, loss of liberty or some unavoidable adverse effect if you do not pay the facilitation fee then you may:

- Make the payment.
- Where possible keep record of the incident e.g. time, place, which governmental department, amount paid etc.
- Immediately and without delay report the incident to management or the Senior Manager: Business Integrity Unit.
- Regard such payments as extortion payments.

It is important to note that these payments may only be made in extreme circumstances when totally unavoidable and exceptional circumstances apply.

An accurate and comprehensive record of all facilitation payments must be kept stating that it was an “extortion payment” in the financial records. These records are critical for future audit purposes.

All such payments will be disclosed to the Head: Group Compliance and the Senior Manager: Business Integrity Unit.

This information will be used to analyse trends and identify “hot spots”, develop appropriate response plans, provide additional training and escalate serious issues.

8. Additional guidance

- ⬡ Official fees and charges for express services which are transparent and supported by a legitimate official receipt do not amount to a facilitation payment.
- ⬡ Conduct thorough research on the country/countries you plan to visit specifically regarding their local laws, documentation required etc.
- ⬡ Always ensure that you have the contact details of management of the company that you are visiting.

How do I know if it's a request for facilitation payments?

- ⬡ Am I being asked to pay something or provide any other benefit over and above the cost of services being performed, for example an excessive commission, a lavish gift, a kickback or make a contribution to a charity or political organisation?
- ⬡ Am I being asked to make a payment for services to someone other than the service provider?
- ⬡ Are the amounts requested proportionate to the goods or services provided?
- ⬡ Will a bona fide receipt be provided which details the reason for payment?
- ⬡ Am I being asked to pay cash? Will they only accept a cash payment?
- ⬡ Has the request been made in a transparent way and are details of the payment included in any official documentation or notice?
- ⬡ Is there a local law or written law that legitimately allows additional payments or investment (usually in the local community or to benefit the local community)?

Transparency International

Transparency International is a global movement supporting governments, businesses and individuals with initiatives to prevent bribery and corruption.

Transparency International has developed various tools and resources which provide guidance and can help support anti-bribery and anti-corruption programmes.

These can be accessed at:

<https://www.transparency.org/about/>

<https://www.transparency.org/whatwedo/tools/>

(Source: The Open University)