



Thornhill Associates Anti-Bribery Policy

Date: 01 June 2015

Approved by the Board of Directors

Introduction

Thornhill Associates is committed to conducting its business responsibly and in accordance with the highest legal and ethical standards. Following our policies and procedures is not optional, and failure to do so can result in severe consequences for Thornhill Associates and the individuals concerned.

Thornhill Associates has a zero tolerance policy towards bribery and corruption. We do not permit the direct or indirect offer, payment, solicitation or acceptance of any improper payments (for example, bribes, or illegal gratuities) in any form.

To whom does this policy apply?

This Policy applies to all employees, directors and associates of Thornhill Associates, including temporary or contract staff ("Employees"). Employees must ensure that they do not become involved in any way in the payment of bribes or kickbacks.

This policy sets out the minimum standards to which all Employees of Thornhill Associates must adhere at all times.

Where to find help

If you have any concerns or doubts about the legality or integrity of a particular payment or receipt, you should immediately seek advice from your manager, the CEO, Chairman, or Company Secretary.

Tel: +27 60 571 0015 **email:** info@thornhill.co.za **www.thornhill.co.za** **Reg No:** 1995/00 1962/07

Physical and postal address: 6 Brussels Avenue, Thornhill Estate, Modderfontein, Johannesburg, 1609, South Africa

Chairman: Jonathan Cook MA (Couns. Psy.) (Unisa); MA (Cape Town)

Managing Director: Daphne Hudson MA (Couns. Psy.) (UJ); **Director:** Martin Cook PhD (Applied Nuclear Physics) (UJ)



What is bribery?

Bribery can be described as the giving to or receiving from any person of anything of value (usually money, a gift, loan, reward, favour, commission or entertainment), as an improper inducement or reward for obtaining business or any other benefit.

Bribery can take place in the public sector (e.g. bribing a public official) or private sector (e.g. bribing the employee of a customer). Bribery can also take place where an improper payment is made by or through a third party. Bribes and kickbacks can therefore include, but are not limited to:

- gifts and excessive or inappropriate entertainment, hospitality, travel and accommodation expenses;
- payments, whether by employees or business partners such as agents, associates or consultants;
- other 'favours' provided to public officials or customers, such as engaging a company owned by a member of a public official's or customer's family; and
- the uncompensated use of company services, facilities or property.

Our policy on bribery:

(i) General

No Thornhill Associates Employee is permitted to pay, offer, accept or receive a bribe in any form. You must never:

- Offer, pay or give anything of value to a public official or person working in the private sector in order to obtain business or anything of benefit to the company.
- Attempt to induce a person, whether local or foreign, to do something illegal or unethical.
- Pay any person when you know, or have reason to suspect, that all or part of the payment may be channelled to a public official.
- Offer or receive anything of value as a "quid pro quo" in relation to obtaining business or awarding contracts.
- Establish an unrecorded ('slush') fund for any purpose.
- Otherwise use illegal or improper means (including bribes, favours, blackmail, financial payments, inducements, secret commissions or other rewards) to influence the actions of others; or offering anything of value when you know it would be contrary to the rules of the recipient's organisation for the recipient to accept it.
- Make a false or misleading entry in the company books or financial records.
- Act as an intermediary for a third party in the solicitation, acceptance, payment or offer of a bribe or kickback.
- Do anything to induce, assist or permit someone else to violate these rules.
- Ignore, or fail to report, any suggestion of a bribe.

As well as complying with the specific prohibitions in this Policy, Employees must exercise common sense and judgement in assessing whether any arrangement could be perceived to be corrupt or otherwise inappropriate.



(ii) Facilitation payments

Thornhill Associates' Policy is that so-called "facilitation" or "grease" payments are prohibited.

(iii) Agents and Intermediaries

Employees should not hire an agent, consultant or other intermediary if they have reason to suspect that they will pay bribes on Thornhill Associates' behalf.

Employees should seek to ensure that any third parties that are hired will not make, offer, solicit or receive improper payments on behalf of Thornhill Associates. All fees and expenses paid to third parties should represent appropriate and justifiable remuneration for legitimate services to be provided and should be paid directly to the third party. Accurate financial records of all payments must be kept. Employees should adopt appropriate procedures directed towards ensuring that their arrangements with third parties do not expose them to liability under any applicable anti-corruption laws. Such procedures should assist Employees in determining whether particular third parties present a corruption risk and, if so, what steps should be taken to address that risk. This may include, in particular, cases where a third party is engaged to act on Thornhill Associates' behalf:

- to solicit new business;
- to interact with public officials; or
- in other high risk situations.

There may be circumstances where an Employee deems a third party relationship sufficiently low risk so as to negate the need for any additional procedures. However, in cases which do present a corruption risk, Employees should consider whether it is appropriate to:

- undertake due diligence to verify the third party's reputation and integrity;
- emphasise to the third party, where appropriate, the need to act firmly within ethical boundaries;
- document the relationship in a written contract containing provisions dealing with the following:
 - the nature of the services to be provided and fees to be paid;
 - a prohibition on paying bribes of any sort;
 - a requirement to keep accurate books and records and provide information to Thornhill Associates to enable it to monitor compliance with the anti-bribery obligations;
- take advice, where relevant, to ensure the arrangements are legal under all applicable laws; and
- monitor the activities of the third party.



Employees must also be alive to factors which suggest the third party may pose a high corruption risk, and consult with their manager to assess whether there is a need for enhanced due diligence and monitoring, or whether a proposed relationship should not proceed. Examples of key red flags include:

- the fee demanded by the third party is not justifiable given the services to be provided; or is out of line with comparators; or involves a success fee (for example, a percentage of any award) which is disproportionate to the value of the services offered and which could provide an incentive to the third party to pay a bribe.
- the third party has links to public officials or customers on whose behalf he will be interacting on behalf of the company.
- a history of improper activity (whether related to bribery and corruption or other ethical violations) on the part of the third party (in this case the third party should not be retained).

These are only examples of red flags and Employees should be alert to other situations which could give rise to concern. A combination of red flags creates enhanced risk.

(iv) Gifts, Entertainment and Hospitality

Gifts can take many forms, from, for example, food or flowers to pens or jewellery. Tickets to sports and cultural events which are given to an individual (rather than being used in a hosted business context) are also gifts.

Hospitality and entertainment includes invitations to meals, receptions, sports and cultural events hosted in a business context.

Sponsored travel refers to circumstances where the company pays the travel expenses (e.g. flights, accommodation, and living expenses) of individuals who are not its Employees or representatives.

In this policy, gifts, entertainment, hospitality and sponsored travel may include anything of value – for example, tickets to sporting or musical events, discounts, loans, cash, shares or other securities, favourable terms on any product or service, services, prizes, transportation, use of another company's vehicles or vacation facilities, or home improvements.

Business gifts and entertainment are customary courtesies designed to build goodwill among business partners. In some cultures they play an important role in business relationships. However, a problem may arise when such courtesies compromise, or appear to compromise, the ability to make objective and fair business decisions. Offering or receiving any gifts, entertainment and hospitality that may be perceived to unfairly influence a business relationship must be avoided.

Gifts and entertainment should only be provided where they are appropriate, consistent with reasonable business practice, and would not be perceived to have any improper influence on the recipient.



Employees should use good judgment in offering gifts and entertainment. Consider whether public disclosure of the gift or entertainment would be embarrassing to Thornhill Associates or to the recipient; if so, it should not be provided. In determining whether a specific gift or entertainment item lies within the bounds of acceptable business practice, Employees are encouraged to discuss the issue with their manager.

Employees are permitted to receive small gifts from suppliers up to the value of R200. Any gift of greater value should be returned to the supplier or handed over for the benefit of the whole staff.

Employees must not request, accept, offer or provide gifts or hospitality designed to induce, support or reward improper conduct in connection with any business or anticipated future business involving Thornhill Associates: for example, where the gift, entertainment and hospitality might be seen as intended to compromise the receiver's judgment and integrity. This requirement extends to the provision or acceptance of the gift, entertainment and hospitality through third parties, or to family members of an Employee of an actual or a potential customer.

Employees must never avoid their obligation to report or seek approval for any business entertainment or gift by paying personally for it in circumstances where they would otherwise be required to report and/or seek approval for it.

(v) Charitable and Political Donations

No **political donations** or payments may be made. **Charitable donations** can in some circumstances be used as a disguise for bribery, for example where a donation is provided to a 'charity' which is controlled by a public official who is in a position to make decisions affecting Thornhill Associates. Therefore, whilst Thornhill Associates supports community outreach and charitable work, Employees may only make a charitable donation provided it has been subject to suitable due diligence and approvals processes, and is appropriate in all the circumstances.

Employees must understand who the actual recipient of the donation is and for whose benefit the donation is ultimately made. In addition, donations can only be made if:

- they are made in accordance with all legal requirements;
- they are appropriately documented and reported (where required by local law);
- they are made to, and for the benefit of, recognised charities rather than individuals;
- they are not conditional on a course of action by any individual or organisation – there must be "no strings attached";
- they are not made to secure any improper business or other advantage; and
- they do not create the appearance of impropriety or a violation of any local country legal requirements.



Reporting of Bribery and Suspicious Activity: Our Policy on Whistleblowing

If you become aware of any actual or suspected breach of this Policy, you must report this to either your manager, the CEO, Chairman, or Company Secretary.

Complaints will be investigated and appropriate action taken. Thornhill Associates will not permit retaliation of any kind against any employee for making good faith reports about actual or suspected violation of this Policy.

The Whistleblowing Policy covers, amongst other matters, the reporting of bribery and suspicious activity. It applies to all Employees of Thornhill Associates.

The Whistleblowing Policy is as follows:

- The matters which may be reported under the Whistleblowing Policy include (but are not limited to):
 - concerns about bribery and corruption;
 - concerns about any other criminal activity or failure to comply with legal obligations;
 - concerns about any conduct likely to damage Thornhill Associates' reputation;
 - concerns about accounting or audit matters;
 - concerns about possible money laundering or sanctions breaches;
 - the deliberate concealment of any of the above matters.
- Reports made will be handled in confidence and requests for anonymity by reporting individuals will (if possible) be granted.
- Any Employee who reports an issue in good faith will not suffer any form of retaliation or prejudice as a result of making a report.
- All material whistleblowing reports must be reported at an appropriate time to either your manager, the CEO, Chairman, or Company Secretary. This includes all matters that could have an adverse impact on the reputation of Thornhill Associates.

Note: Failure to comply with this Policy may lead to Employees being subject to disciplinary action, up to and including dismissal.