

Confidential

Land Bank Insurance Company

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LBI GIFT POLICY



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1. PURPOSE

The Gift Policy is formulated for the purpose of controlling and monitoring the receiving and offering of gifts. Furthermore, the policy seeks to encourage high standards of honesty, integrity, and the reinforcement of the Land Bank Insurance values in decision-making and behaviour regarding the receiving and offering of gifts.

2. SCOPE

The requirements outlined in this Policy apply to all employees of the Land Bank Insurance and its Stakeholders.

3. DEFINITION

| Word | Definition |
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| Benefit | includes any tangible or intangible advantages or profits gained, such as tickets to sporting, theatrical or other events, invitations to lunches, dinners, promotions or travel. |
| Bribery | The offer, promise, giving, demanding or accepting an advantage as an inducement for an action which is illegal, unethical or a breach of trust. |
| Business Courtesies | means anything of value, a favour, or a benefit provided free of charge or at a charge less than fair market value. A business courtesy may be a tangible or intangible benefit, including, but not limited to, such items as non-monetary gifts, meals, drinks, entertainment, hospitality, recreation, door prizes, transportation, discounts, tickets, passes, sporting events, side excursions or outings, promotional items, or use of a donor's time, materials, or equipment |
| Client | includes existing and potential future customers to Land Bank Insurance. |
| Conflict of Interest | means a person's private interests interferes or is perceived to interfere with the interests of the Land Bank Insurance. This usually happens when the interest impairs the employee's ability to act impartially. |
| Corruption | <p>entails the abuse of a position of employment by the offering or acceptance of a benefit that is not legally due, for the commission of an act in connection with that position of employment, as defined in the Prevention and Combating of Corrupt Activities Act, No 12 of 2004.</p> <p>A person is guilty of corruption if he/she directly or indirectly-</p> <ul style="list-style-type: none">▪ Accepts or agrees or offers to accept any gratification from any other person, whether for the benefit of himself or herself or for the benefit of another person: or▪ Gives or agrees or offers to give to any other person any gratification for the benefit of that other person or for the benefit of another person in order to act personally or by influencing another person so to act in a manner that amounts to:<ul style="list-style-type: none">➤ An illegal, dishonest, unauthorised incomplete or biased act;➤ The misuse or selling of information or material acquired in the course of the exercise, carrying out or performance of any powers, duties or function arising out of a constitutional statutory, contractual or another legal obligation;➤ The abuse of a position of authority |

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| | <ul style="list-style-type: none"> ➤ A breach of trust; ➤ The violation of a legal duty or a set of rules that is designed to achieve an unjustified result; and ➤ Any other unauthorised or improper inducement to do or not to do anything. |
| Employee | means any executive directors (and connected persons), permanent staff, fixed term contractors on Land Bank Insurance payroll, seconded staff, temporary workers and consultants not on the payroll but engaged for a period of at least one month, working for Land Bank Insurance. |
| Employee's Family | includes the employee's spouse or equivalent, sibling, parent, grandparent, child, grandchild and any person who is a blood relation of the employee, as well as persons related by marriage / customary unions. |
| Gift and Gratification | <p>For purposes of the Gift Policy, the word 'gift(s)', is used as a collective word referring to refer to business courtesies, gifts, gratification, and other benefits. Gift and Gratification includes any items, goods, services, information or money in whatever form from a client, third party, supplier or a vendor that at face-value could be considered a benefit or an advantage.</p> <p>Gratification includes:</p> <ul style="list-style-type: none"> ▪ Money, whether in cash or otherwise; ▪ Any donation, gift, loan, fee, reward, valuable security, property or interest in property of any description, whether movable or immovable, or any other similar advantage; ▪ The avoidance of a loss, liability, penalty, forfeiture, punishment or other disadvantage; ▪ Any office, status, honour, employment, contract of employment or services, any agreement to give employment or render services in any capacity; ▪ Residential or holiday accommodation <ul style="list-style-type: none"> ▪ Any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part; ▪ Any forbearance to demand any money or money 's worth or valuable thing; ▪ Any other service or favour or advantage of any description. Including protection from any penalty or disability incurred or apprehended or from any action or proceedings of a disciplinary, civil or criminal nature whether or not already instituted, and includes the exercise or the forbearance from the exercise of any right or any official power or duty; ▪ Any right or privilege; ▪ Any real or pretended aid, vote, consent, influence or abstention from voting; and ▪ Any valuable consideration or benefit of any kind, including any discount, commission, rebate, bonus, deduction or percentage. <p>However, gratuity does not include:</p> <ul style="list-style-type: none"> ▪ Official Land Bank Insurance branded goods or items; ▪ Official Land Bank Insurance sponsored functions, or promotions; ▪ Official donations made on behalf of Land Bank Insurance; or |

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| | <ul style="list-style-type: none"> ▪ Items, goods, services, information or money in whatever form provided or obtained from third parties in terms of an official contract with Land Bank Insurance. |
| Land Bank Insurance | Means Land Bank Insurance (SOC) Ltd and Land Bank Life Insurance Company (SOC) Ltd. |
| Solicit | For purposes of the Gift policy this means that one asks for or tries to obtain a gift from someone. |
| Supplier | includes existing and potential vendors, contractors, sourcing partners, service providers, distributors, and consultants who supply goods or services to Land Bank Insurance, as well as any other third parties who may in future become suppliers or vendors of goods or services to Land Bank Insurance. |
| Third parties | associated with the Land Bank Insurance include but are not limited to clients, vendors, suppliers, business partners, Stakeholders e.g. a panel of attorneys, recruitment agencies, travel agents, Insurance brokers etc. |
| Stakeholders | For purposes of the Gift Policy, the word 'Stakeholder(s)', is used to refer to all the Land Bank Insurance Stakeholders that are in a position to offer gifts to, and accept gifts from Land Bank Insurance. Stakeholders include but are not limited to: Employees; Clients; Consultants; Suppliers; Regulators; Media; Government; Board of Directors |

4. CONTEXTUAL BACKGROUND

- 4.1. Land Bank Insurance recognises that in executing its business and employees may offer or receive gifts as a means of gratitude, cultural diplomacy or a way to build professional relationships.
- 4.2. It is the objective of Land Bank Insurance to engage in business based on the principles of quality, service excellence, pricing and technical ability, and to avoid any impropriety or impression thereof in the offering and receiving of gifts.
- 4.3. The primary objectives of this policy are:
 - a) To provide guidance on the behaviours expected in accordance with the Conflict of Interest Management Policy and other relevant Land Bank Insurance policies.
 - b) To encourage alignment with the Land Bank Insurance values when offering and receiving gifts.
 - c) To promote transparency and avoid business-related conflicts of interest.
 - d) To ensure fairness in the interests of Land Bank Insurance Stakeholders.
 - e) To comply with the requirements of the law relating to the prohibition of corruption
- 4.4. By ensuring that the Gift Policy principles are implemented, Land Bank Insurance will be able to allow employees, where appropriate, to offer and receive gifts, provided that:
 - a) the gifts offered or received do not interfere with or have the potential to interfere with employees' responsibilities towards Land Bank Insurance;
 - b) the gifts offered or received do not improperly influence or have the potential to improperly influence the judgment expected from employees when acting on behalf of Land Bank Insurance.;
 - c) the gifts offered or received do not result in or have the potential to result in corruption in any way or form; and
 - d) the gifts offered or received do not interfere with or have the potential to interfere with Land Bank insurance's regulatory obligation to treat customers fairly.

- 4.5. The policy is aimed at protecting employees from misplaced charges of conflict of interest or corruption by providing a mechanism for the offering and receiving of gifts.
- 4.6. The policy is aimed at avoiding any unjustified perception of bias or self-interest by employees acting in situations where Land Bank Insurance has approved the offering and receiving of gifts by employees.

5. OFFERING OF GIFTS

- 5.1 Employees should not offer gifts without keeping proper records.
- 5.2 Employees should not offer gifts without obtaining the approval of the Business Unit Head.
 - a) Gifts may only be offered by an employee, while acting within the course and scope of their employment with Land Bank Insurance.
 - b) Gifts offered to a Stakeholder and Third parties must not extend any right or privilege to a Land Bank Insurance employee that he/she might otherwise not enjoy.
- 5.3 The following conditions must be met when offering gifts to Land Bank Insurance Stakeholders and Third Parties:
 - a) The gifts must not violate any law or regulation or any Land Bank Insurance policy.
 - b) The gifts shall be consistent with the reasonable and ethical business practices within insurance industry.
 - c) All gifts offered must be declared.
 - d) The employee must consider the rules governing the receipt of gifts by the relevant Stakeholder and Third Parties to ensure that the integrity of that Stakeholder is not compromised.
 - e) Good judgement must be used when considering whether to offer a gift to a Stakeholder and Third Party.
- 5.4 No employee must offer a gifts to a person directly or indirectly with a view to induce that person to enter into, continue, vary or cancel Land Bank Insurance policy.
- 5.5 Details of the gift offered must be recorded in the Employee's gift register and submitted to the Legal and Compliance department to capture the details in the Land Bank Insurance central gift register within five (5) business days.

6. GIFTS THAT ARE USUALLY OFFERED

- 6.1 Ideally, gifts to Stakeholders should be uniform and branded. It is recommended that such gifts be issued at a specific time of the year, e.g. the end of the year, to avoid any perception of either favouring specific Stakeholders or attempting to influence business relations.
- 6.2 Regular and on-going entertainment of the same Stakeholders is discouraged because this may create a suspicion of impropriety.

7. ACCEPTING OF GIFTS

- 7.1 Employees must never solicit gifts from any Stakeholder or Third Party under any circumstances.
- 7.2 No gift, irrespective of value, should influence an employee to make a business decision. Should this be the case it could be considered corruption, bribery or a conflict of interest.
- 7.3 The following conditions must be met when accepting gifts from Land Bank Insurance Stakeholders and Third Parties:

- a) All gifts, irrespective of value, received by employees must be properly declared by completing the Employee Gift Registers.
- b) The appropriate management approval/acknowledgement must be obtained in line with paragraph 8 below.
- c) The acceptance of the gift must not create or have a potential to create a conflict of interest or the appearance thereof.
- d) The integrity of the Land Bank Insurance must never be compromised.

8. ACCEPTING OF GIFTS THRESHOLD AND APPROVAL

- 8.1 Gifts with a monetary value of less than one thousand Rands (R1000) shall be accepted by employees without pre-approval. Acceptance of these gifts must be declared.
- 8.2 Gifts with a monetary value of more than one thousand but less than two thousand five hundred Rands (R 1000 but less than R2 500) must be pre-approved by the relevant line manager and must be disclosed to the Managing Director
- 8.3 Gifts accepted by an employee are limited to two thousand five hundred Rands (R2 500) per annum.
- 8.4 The completed Employee gift register must, within five (5) business days of acceptance, be submitted to the Legal and Compliance department who will capture the details on the LBI central gift register.
- 8.5 Gifts accepted by the Managing Director of Land Bank Insurance must be reported to the Company Secretary who bears the responsibility of managing all the gift declarations that relate to the Managing Director. The Company Secretariat's Office will notify the Legal and Compliance department whenever the Managing Director has declared a gift. The declaration will be recorded in the Land Bank Insurance Central Gift Register.

9. GIFTS THAT ARE USUALLY ACCEPTED

- 9.1 Employees may accept a gift card/voucher where they are unable to exchange this gift card for cash (bank notes / changes).
- 9.2 Food or food baskets.
- 9.3 Gifts offered equally and transparently to a number of people at the same time such as pens, T-shirts, etc. are generally considered acceptable. These gifts must still be declared by all the employees that have received them.
- 9.4 Occasional meals with Stakeholders or Third Parties.
- 9.5 Other reasonable customary gifts such as flowers, mugs.
- 9.6 Reasonable sports, cultural event tickets.
- 9.7 Stakeholder branded merchandise such as calendars, pens, cups and other promotional items.

10. GIFTS THAT ARE ALWAYS UNACCEPTABLE

- 10.1 Gifts in form of cash or cash equivalent such as shares, or cash exchangeable gifts cards.
- 10.2 Gifts offered for something in return.
- 10.3 Gifts which are deemed illegal in terms of the law.

11. EXCLUSIONS

11.1 Employees do not have to report gifts under the following situations:

- a) Normal business lunches, office parties and business seminars organised by Land Bank Insurance for its employees.
- b) Gifts received in respect of anniversaries, bereavement, birthdays or other personal occasions
- c) Where there is a formal agreement in place between the Land Bank Insurance and third parties for special rates for employees.

Please Note: Any discounts/services rendered by professionals where such professionals are connected to or render service provider services to the Land Bank Insurance, and where no formal agreement is in place for employees receiving discounts, shall be seen as gifts and must be declared accordingly.

12. SPECIAL CONSIDERATIONS

Where it would be impractical, inappropriate or insulting to refuse to receive a gift that has been offered, an employee may accept the gift. This gift must be declared and handed over to the line manager for safekeeping. The gift can be donated to charity.

13. REPORTING

- 13.1 Attempts by Stakeholders or Third Parties to solicit gifts during the course of their interaction with an employee should be reported immediately to your line manager.
- 13.2 Land Bank Insurance requires the following to be referred to the Executive Committee and Head of Internal Audit.
 - a. Any allegation of bribery where Land Bank Insurance is accused of bribery or corruption; and/or
 - b. Any incident or allegation relating to bribery and corruption involving employees.
- 13.3 Suspected violations of the Gift Policy should be reported through whistle-blowing process.

14. NON-COMPLIANCE

Every employee is required to know, understand and comply with the standards outlined in the Gift Policy. Anyone who violates the Gift Policy will be subject to the Land Bank Insurance Disciplinary Policy and Procedure. Non-compliance with the Gift Policy may be considered misconduct and employees may be subject to disciplinary action that could lead to dismissal.

15. RELATED LEGISLATION & REGULATIONS

This policy should be read in conjunction with the following, but not limited to:

- Prevention and Combating of Corrupt Activities Act 12 of 2004.
- Public Finance Management Act 1 of 1999 and Regulations.
- The Policyholder Protection Rules for Short Term Insurance, 2017.
- The Policyholder Protection Rules for Long Term Insurance, 2017.

16. RELATED POLICIES AND SIMILAR DOCUMENTS

This Policy should be read in conjunction with the following, but not limited to:

- LBLIC Conflict of Interest Management Policy
- LBI Disciplinary Policy and Procedure.

17. APPROVAL AND REVIEW PROCESS

The Gift Policy shall be reviewed at least once every two years.