



**Momentum Group  
Gift Policy**



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## 1. DEFINITIONS

|                               |  |
|-------------------------------|--|
| Benefit                       | Any tangible or intangible advantage or profit gained.   |
| Bribery and Corruption policy | The MMH anti-bribery and anti-corruption policy is included in the Momentum Group Policy: Fraud Risk Management  |
| Business area                 | Group-wide Functions, Segments, Centres of Excellence, product houses and any other area conducting the business of Momentum Group Limited.  |
| Client                        | A past, existing, and potential future client.   |
| Corruption                    | The abuse of position of employment by offering, or acceptance of, a benefit that is not legally due for the commission of an act relating to that position of employment.   |
| Employee                      | All directors including non-executives, senior officers, executives, employees including temporary employees, consultants and contractors including contractors of contracted service providers of Momentum Group Limited (collectively referred to as "Employees").                               |
| Employee's family             | Employee's spouse, partner or equivalent, sibling parent, grandparent, child, grandchild, and any person who is a blood relation of the employee.  |
| Gift/Hospitality              | Items, goods, services, information, or money in whatever form, from which the recipient may derive benefit, as well as any other benefit or gratuity.   |
| Gratuity                      | A sum of money paid in respect of a defined task or project, other than the contracted remuneration paid by Momentum Group Limited.  |
| Momentum Group Limited        | Momentum Group Limited and all its subsidiaries and business areas.  |
| Supplier                      | Past, existing and potential vendors, contractors, sourcing partners, service providers, distributors and consultants who supply goods, or services to Momentum Group Limited, as well as any other third parties who may in future become suppliers or vendors of goods or services to the Group. |
| Sponsorships and marketing    | Legal, formal and transparent marketing and sponsorship agreements which are formally budgeted for and to which formal governance processes, budgeting processes and monitoring of effectiveness process apply.  |

## 2. INTRODUCTION

Momentum Group Limited subscribes to a Code of Ethics and Standards for Conduct. In accordance with the principles set out in the Code, this Gift Policy sets minimum standards that must be adhered to.

Business areas may supplement this policy with further requirements specific to their business by way of an addendum which must be approved by the relevant Executive Committee and must serve as an addendum to this policy. Such addendum must adhere to the minimum principles set by this policy.

Momentum Group Limited recognises that when conducting business, employees may receive or offer gifts/hospitality as a means of gratitude and as part of a legitimate goal of building goodwill in business relationships.

Momentum Group Limited recognises it is unethical, against the law and contrary to good corporate governance for its directors, officers, employees and representatives, to offer or provide persons with, or receive gifts, with a view to improperly influence or induce those persons to obtain some benefit or result.

### 3. POLICY PURPOSE

#### The objective of the policy is:

- To provide rules and guidance pertaining to the receiving and offering of gifts/hospitality.
- To promote transparency and avoid conflicts of interest.
- To ensure fairness in the interest of the Group, its employees and other stakeholders.
- To comply with the requirements of the law relating to the prohibition of corruption in the receiving and giving of gifts.
- To encourage the giving and receipt of gifts that is consistent with the values and objectives of Momentum Group Limited.

#### Prohibitions included in this policy:

An employee, when acting in the capacity as an employee of Momentum Group Limited may not receive or offer a gift that:

- is given with the expectation of an exchange or benefit;
- could, or could appear to compromise the employee's or recipients' business judgment, objectivity or professional credibility;
- could, or could appear to result in an unfair advantage to the employee or the employee's family, or to the giver of the gift;
- could, or could appear to, create a perceived or actual conflict of interest;
- could, or could appear to compromise Momentum Group Limited's reputation or brand
- is repeatedly given or offered to an employee or stakeholders.
- is, or seen to be an active request, solicitation or extortion to receive or offer a gift.
- is cash or a cash equivalents (e.g., deposits, shares, cash vouchers, other financial instruments).

#### Adherence to this policy will:

- Allow employees to receive and offer gifts and hospitality, if these do not interfere with, or have the potential to interfere with, their responsibilities and/or improperly influence their judgment when acting on behalf of Momentum Group Limited.
- Protect employees from any criticism, misplaced charges of conflict of interest or corruption by providing a transparent mechanism (Gift Register) for the receiving and offering of gifts.
- Avoid reputational damage resulting from any accusations of corruption or conflict of interest.
- Observe the legal and ethical standards when receiving or offering gifts.
- Will prevent criminal prosecution in cases of bribery and/or corruption.

### 4. POLICY SCOPE

This policy applies to providing and receiving of ad hoc gifts.

Legal, formal and transparent marketing and sponsorship agreements which are formally budgeted for and to which formal governance processes, budgeting processes and monitoring of effectiveness process apply does not fall in the scope of this policy.

The policy applies to all employees of Momentum Group Limited and its subsidiaries.

## 5. RELATED POLICIES

This policy must be read in conjunction with the Momentum Group Limited Code of Ethics and Standards for Conduct and the Momentum Group Limited Fraud Risk Management policy. This policy does not substitute the Conflict of Interest policy required by the Financial Advisory and Intermediary Services Act (FAIS) which must be adhered to in its own right.

Consideration must also be given to the FSCA Directive 8 (prohibition on the acceptance of gratification) that has been issued with the purpose to provide practical guidance to assist in combatting and preventing corruption and corrupt activities in the retirement fund industry.

Where a FAIS Conflict of Interest Management Policy, or any other policy, is applicable to an employee, the employee must comply with the more onerous policy.

## 6. THE RECEIVING AND OFFERING OF GIFTS/HOSPITALITY

**All gifts received from third parties or given to third parties must be declared irrespective of value.**

Business area management must as far as possible proactively manage the process to control the receiving and offering of gifts. Managers must ensure that gifts are recorded, approved or declined and must also provide guidance/advise on the acceptance of gifts or offering of a gift.

### The Momentum Group Limited standard

- Employees, where not affected by specific legislation may receive and offer gifts on an ad-hoc basis of **a single or combined value of less than R1000.00 per annum**. Employees must declare any single gift received and this declaration should be recorded within 7 days of receiving or providing for the gift in the prescribed gift register\*. The process of declaration thereof must be managed by the relevant business management.
- Should a gift or hospitality be offered or received which in value exceeds R 1000.00 the matter must be carefully considered by management, the area Chief Risk Officer and Chief Executive Officer and if accepted, the fact and reasons must be well recorded as an exception in the Gift Register.
- Gifts must be ethical and proper in all respects, reasonable in value, proportionate to the circumstances and unsolicited. **This is most important where invitations and or gifts are incidentally extended to Politically Exposed Persons or Persons of Interest.**
- The receiving and offering of gifts should normally be limited to events such as year-end celebrations, a celebratory event related to the recipient, a small thank you gift e.g., chocolates, flowers, corporate days and any other events where it is generally expected or accepted that gifts are provided.
- Care must be taken to ensure that where gifts are offered to an employee's family by third parties related to Momentum Metropolitan Holdings, such gifts should be declined and the incident must be reported.
- A gift or invitation in respect of normal business courtesies such as lunch or dinner offered to, or received by, a partner or spouse of an employee is acceptable provided that such hospitality is reasonable and not disproportionate. The value of the gift to be declared must include that given to the accompanying party.
- Should there be doubt regarding the legitimacy of the giving or receiving of a gift, it is the responsibility of the employee giving or receiving the gift to obtain clarity from management before the giving or receipt thereof.

\* The Momentum Group Gift Register is available to all employees on the Human Hub System. Until such time that a solution has been implemented for non-Human Hub users, employees in this category will be required to declare any gifts/hospitality to their immediate management. Management will be accountable for managing the process in terms of the policy.

## EMPLOYEE GUIDE-LINES

### Occasional gifts

- Items such as a flowers, a bottle of wine, a box of chocolates
- Goods (clothing, stationery, electronic equipment e.g., cell phones, notebooks)
- Other benefits (tickets for entertainment or sporting events, e.g., rugby, shows, meals and promotions)
- Services (beauty and spa treatments including vouchers for treatments)

### Not acceptable gifts

Gifts to a **value of R1000.00 and more** are not allowed without prior approval as per the guidelines in this policy and would normally include gifts of the following nature:

- Travel for yourself or family members paid by a third party
- Accommodation, gift vouchers, conferences paid by a third party
- Money either cash, electronic payment or cheque from a third party
- The sponsorship of an employee (e.g., contribution towards costs for a project, course or activity by companies who enjoy a business relationship with Momentum Metropolitan Holdings

### Non reportable gifts

#### Guidelines for employees

Where **management** provides gifts or hospitality to employees or a group of employees, the following applies:

Rewards and incentives received by employees in respect of accommodation, flights, etc. that have been funded by the employer, based on normal duties of the employee, is not reportable by **the employee**.

Examples:

- Rewards and incentives received by employees in respect of accommodation, flights, etc. that have been funded by the employer, based on normal duties of the employee, does not have to be declared.
- Recognition awards (vouchers, holiday, cash)
- Competitions, lucky draws where employees can win prizes e.g., voucher, meals, holiday
- Farewell gifts
- Company promotional items such as desk calendars, pens, diaries which are considered as tokens of goodwill.
- Company sponsored gifts e.g., farewell gift, retirement gift, year-end gifts, project gifts etc.

#### Additional guidelines for management on non-reportable gifts

Where ad hoc gifts or hospitality **other than deemed pre-budgeted specified event/rewards** are given to an employee or group of employees e.g., project gift, **management** must ensure that the gifting (a single report transaction), with the supporting documentation is recorded in the gift register.

There are, however, certain gifts that SARS considers as employee income and therefor taxable (either for employee or the employer). HR must ensure that the payments reflect on payroll.

#### Management Responsibility

Management must ensure that employees are aware of the prescriptions of this policy and that employees comply with adherence to the policy.

The content of the relevant gift register must be ultimately managed and reviewed by senior management as to ensure that company and/or hierarchical adherence to the management of gifts received and or offered is governed.

## **7. OWNERSHIP OF POLICY**

Ownership of this policy is vested with the Momentum Group Limited Chief Risk Officer.

## **8. NON COMPLIANCE**

Non-compliance with this policy, standards, procedures, or the like, could result in disciplinary action and possible dismissal.

## **9. IMPLEMENTATION**

The CEO of each business area is accountable for the implementation and adherence to this policy in their respective business areas.

## **10. REVIEW**

The Momentum Group Risk function is responsible for the co-ordination, the drafting of and the amendments to this policy. Any material changes to the policy must be reviewed by the Momentum Group Limited Executive Committee.

## **11. APPROVAL**

This policy must be approved by the Momentum Group Limited Social and Ethics Committee.