GIFT AND HOSPITALITY POLICY

DOCUMENT DETAILS

<table>
<thead>
<tr>
<th>Document Title</th>
<th>Gift &amp; Hospitality Policy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Document Owner</td>
<td>Corporate Secretariat</td>
</tr>
<tr>
<td>Document Classification</td>
<td>Unrestricted</td>
</tr>
<tr>
<td>Document Category</td>
<td>Level 1 Policy</td>
</tr>
<tr>
<td>Version Number</td>
<td>V 1.03</td>
</tr>
<tr>
<td>Approved Date</td>
<td>22 June 2017</td>
</tr>
<tr>
<td>Implementation Date</td>
<td>23 June 2017</td>
</tr>
<tr>
<td>Next Review Date</td>
<td>June 2019</td>
</tr>
</tbody>
</table>

APPROVAL SIGNATURE RECORD

<table>
<thead>
<tr>
<th>APPROVALS</th>
<th>NAME</th>
<th>POSITION</th>
<th>SIGNATURE</th>
<th>DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>SUBMITTED BY:</td>
<td>Bathobile Sowazi</td>
<td>Company Secretary</td>
<td></td>
<td></td>
</tr>
<tr>
<td>RECOMMENDED BY:</td>
<td>Dawn Marole</td>
<td>HRNSEC Chairperson</td>
<td></td>
<td></td>
</tr>
<tr>
<td>APPROVED BY:</td>
<td>Jabu Moleketi</td>
<td>Board Chairperson</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

STRIVING FOR AN ETHICAL WORKING ENVIRONMENT
1 DEFINITIONS

1.1 **Business courtesy**: includes both gifts and hospitality

1.2 **Employees**: refers to individuals employed by the Bank on a full or part-time and long or short term contract basis.

1.3 **Family members**: includes spouse, life partner, own child, adopted child, grandchild, own parent, adoptive parent and siblings.

1.4 **Gift**: refers to any item, cash or goods, or any service which is offered for personal benefit at a cost, or no cost. It is an item given without the expectation of receiving anything in return.

1.5 **Hospitality**: refers any generous or material treatment that is more than an incidental kind, such as a beverage, meals and entertainment.

2 PURPOSE

2.1 The policy intends to establish principles and guidelines on what would constitute normal and acceptable behaviour in relation to gifts and hospitality and what would be regarded as unethical, criminal or contrary to good corporate governance behaviour. The aim of the policy is to protect both the Bank and the individuals involved from appearance of impropriety and to ensure compliance to statutory and best practice requirements.

2.2 On the basis that this policy provides guidelines only and that it is not intended to deal with each and every possible scenario that may arise, where any doubt exists on whether a specific type of conduct or behaviour would be acceptable or not, prior advice should be sought from Corporate Secretariat.

3 SCOPE OF THE POLICY

3.1 This policy is applicable to the staff members of the DBSA Group and any subsidiaries of the DBSA that may be created in due course. It also applies to everyone representing the Bank, including non-executive directors. The policy should be read in conjunction with other ethics related policies of the Bank.

4 LEGAL CONTEXT

4.1 This policy should be understood and interpreted against the background of the Prevention and Combating of Corrupt Activities Act, No 12 of 2004.
4.2 The Act states that any person who gives or accepts (or attempts to do so) any "gratification" for himself or another in order to act, or induce anyone else from acting, in a manner that amounts to any illegal, dishonest, unauthorised or biased conduct, or the abuse of a position of authority, or is designed to achieve an unjustified result, or is in breach of trust, or in breach of a set of rules, or to act in any unauthorised or improper manner, is guilty of corruption. “Gratification” has an extremely wide definition and includes money, gifts, donations, loans, fees, release from an obligation and any other advantage of whatsoever nature.

4.3 The Act furthermore specifically outlaws the improper inducing or the attempt to do so, of anyone in connection with the awarding of a contract or tender or the fixing of prices. These also constitute prohibited practices in terms of the Competition Act, 1997, as amended.

5 GOVERNANCE AND MANAGEMENT

5.1 GENERAL PRINCIPLES
The Bank employees may receive or accept gift and hospitality provided:

5.1.1 The Banks’ Gift and Hospitality Policy is adhered to at all times.

5.1.2 The practice does not violate any law or regulation, or the standards of conduct of the Bank.

5.1.3 All gifts that exceed the retail value of R500 must be declared.

5.1.4 All gifts over the threshold of R1500 must be approved by the line Manager before being accepted by an employee. Gifts over R5000 require the approval of the Group Executive, all gifts above R20000 require the approval of the CEO before being accepted by an employee.

5.1.5 All gifts received by non-executive directors whilst acting on behalf of the DBSA must be disclosed to the Company Secretary, this includes gifts related to hospitality and events. Gifts that are deemed to be excessive, shall be retained by the Bank. The gift where possible will be stored onsite under the custodianship of the Company Secretary. Arrangements will be made to donate that item to a recognised charity.
5.1.6 Business courtesies offered are not done so for the purpose of influencing a business decision and cannot be reasonably interpreted as such.

5.1.7 Costs associated with the business courtesies are limited to reasonable expenses.

5.1.8 The gift or hospitality would not negatively impact the reputation of the Bank and are not lavish, extravagant or excessive gifts.

5.1.9 The Bank employee receiving or accepting the gift or hospitality would be comfortable to discuss the case with DBSA management.

6 PROCESS AND POLICY GUIDELINES

Every DBSA division and business unit must proactively manage the processes designed to control the receiving and accepting of gifts.

6.1 PROHIBITION ON THE ACCEPTANCE AND RECEIPT OF GIFTS

6.1.1 General prohibition

(i) In accordance with an employee’s obligation to act in the best interest of his or her employer, all DBSA employees are prohibited from soliciting, accepting or receiving, or from agreeing to solicit, accept or receive, any gifts directly or indirectly, other than in terms of the procedures prescribed in this policy.

(ii) An employee’s family is prohibited from soliciting, accepting or receiving any gifts directly or indirectly on behalf of the employee, where such gifts are obtained from suppliers, clients or third parties, and where the employee has a professional relationship with those suppliers, clients or third parties on behalf of DBSA.

(iii) In the event of uncertainty as to whether a disclosure should be made in terms of this policy, it is the duty of the employee to seek advice and to make a disclosure as per the appropriate procedures described below.

6.1.2 Specifically prohibited gifts

(i) All travel at the expense of suppliers, vendors, clients or third parties by employees or employee’s family is specifically prohibited.

(ii) Any travel by an employee at the invitation of suppliers, clients or third parties may only be undertaken if the costs are being borne by DBSA, and where prior written approval
has been obtained from the CEO. This excludes travel for Nominee Directors which is
governed by the Nominee Director Policy.

(iii) Any deviation from the prohibition on the principle that travel costs must be borne by
DBSA, may only take place with the prior written permission of the CEO.

(iv) The acceptance or receipt of cash (bank notes or equivalent) is specifically prohibited.

6.2  PROCEDURE FOR THE ACCEPTANCE AND RECEIPT OF GIFTS

6.2.1 General procedure

Only gifts involving a monetary value of more than R500 must be declared by an
employee whilst acting in his or her capacity as an employee of DBSA, from suppliers,
clients or third parties.

If the employee is in doubt as to the value, this should be ascertained by the employee.
The onus is on the employee and failure to ascertain the value will not constitute a
defence.

When receiving or accepting such gifts, the following conditions apply:

(i) The employee must disclose the acceptance or receipt of gifts as soon as practicably
possible. That must happen within 30 days, in a Gift Register located in the online
declaration of interest system.

(ii) An employee may not accept a gift of over R500 without the prior approval from his/her
line manager, gifts over R5000 must be approved by the Group Executive and gifts over
R20000 must be approved by the CEO prior to being accepted by an employee.

(iii) An employee may not accept or receive more than one gift from the same supplier, client
or third party in any given three-month period.

(iv) The supplier, client or third party that frequently offers gifts to a DBSA employee will be
closely monitored.

(v) The acceptance or receipt of the gift may not take place in circumstances that amount to
a conflict of interest on the part of the employee, as defined in the DBSA Policy on Conflict
of Interest and Outside Involvement.

(vi) The acceptance or receipt of the gift may not take place in circumstances that amount to
corruption as defined in clause 4.2.
Gifts that are deemed to be excessive, shall be retained by the Bank. The gift where possible will be stored onsite under the custodianship of the Company Secretary. Arrangements will be made to donate that item to a recognised charity.

6.3 BUSINESS HOSPITALITY

It is possible to accept certain entertainment from business partners in a way which respects their good intentions. However, the following guidelines must be adhered to:

(i) **Meals** – It is understood that in certain parts of the world meetings are held over lunch and dinner and are normal way of undertaking business. Hence, the Bank will not place an arbitrary restriction on the number of business related meals the Bank employee may attend. However, an employee must ensure that the meals are business related; the business partner is always present and that the Bank's independence is not compromised.

(ii) **Events** - Annual gathering around a festive time or business event will usually be deemed acceptable provided, that there isn't the perception that it will or intends to, compromise sound business principles. Packaged events that include travel and overnight accommodation will require sign off from the Chief Executive Officer.

(iii) **Social Gathering** - Any social gathering, or interaction with our suppliers, clients, service providers or other parties that the Bank liaises with in a business capacity, must be conducted in locations or establishments which are generally recognised as appropriate for the conduct of business.

(iv) **Overnight Accommodation** - Any offer of overnight accommodation is strictly prohibited and should be politely declined. Instead the DBSA travel department should be contacted to arrange overnight stay, if there is a specific business requirement.

6.4 GIFTS OUT OF POLICY

If an employee is offered or receives a gift from our business partners, which does not comply with this policy, the employee is required to undertake the following:

(i) Where possible an employee should not accept the item, and inform the business partner of DBSA Gift policy;

(ii) If the employee cannot reject the gift due to cultural sensitivity (for example), the employee should inform his or her line manager and make an official record of the gift. Where possible the gift should be stored in a secured on-site location under the custodianship of the Corporate Secretary. Arrangements will be made to donate the item to a recognised charity.
6.5 **POLICY EXCEPTIONS**

6.5.1 Gifts such as t-shirts, pens, trade show bags, drawings or raffles, and all other “trinkets” that employees obtain as attendees of an event, such as conferences, training events, seminars, and trade shows, that are offered equally to all attendees.

6.5.2 Rebates, discounts or promotional items available to any citizen or to all DBSA employees.

6.5.3 Food and beverages provided at events or conferences which an employee attends in his/her capacity an employee of DBSA.

7 **VIOLATION OF THE POLICY**

Any violation of this Policy by any person subject to this Policy, including engaging in any transaction or arrangement without requisite approval under this Policy, will subject such person to appropriate disciplinary action, up to and including termination of his or her employment.

8 **MONITORING AND POLICY REVIEW**

Corporate Secretariat will monitor the implementation of this policy. The policy shall be reviewed after every two years in line with the Policy Review Framework of the Bank or as and when there is a change.