

ANTI-CORRUPTION AND BRIBERY

EFFECTIVE AS OF 01 JANUARY 2018

INTRODUCTION

Duxbury Transmission Equipment Pty (Ltd), trading as Duxbury Networking (hereinafter referred to as “Duxbury”), is committed to conducting its business with honesty, integrity and in compliance with the laws of the Republic of South Africa.

In our operations, we aim to be an example of good governance, ethical practice and openness to greater transparency. This includes compliance with all laws, domestic and foreign, prohibiting improper payments or inducements to any entity or person, including Public Officials.

To ensure compliance and good governance, Duxbury has adopted this Anti-Corruption and Bribery Policy (hereinafter referred to as the “Policy”), which applies to each and every director, officer and employee of Duxbury and of each of its direct or indirect subsidiaries, agents, representatives, consultants and/or independent contractors, acting on behalf of Duxbury (hereinafter referred to as “Personnel”).

The purpose of this policy overview is twofold; firstly, to set out the minimum expected standards for preventing bribery and corruption within Duxbury and secondly, to provide a summary of the various policies that are relevant, in whole or in part, to address anti-bribery and corruption requirements in Duxbury and to explain how the various components fit together.

This policy reflects not only our cultural and ethical commitment to preventing bribery but also compliance with specific legal requirements of various jurisdictions in which we operate.

Accountability is an integral part of our work. As new accountability standards emerge, we will endeavour to include information about our compliance with these efforts on our website.

POLICY

This Policy establishes the limitations that Duxbury must adhere to when interacting with officials of various suppliers, vendors and customers, both locally and internationally. This policy provides information in order to avoid any violations and to protect Duxbury's reputation, it is vital that this Policy is understood, the importance thereof appreciated and ensure that it is complied with on a daily basis.

Some examples of this are:

- Personnel shall not permit any use of the funds or other assets of Duxbury for any unlawful or improper use;
- Personnel shall not make, allow or authorise anyone to make a payment on behalf of Duxbury, if it is or may appear to be related to obtaining or retaining business with any person, directing business with any person, directing business to any person, obtaining any other advantage in the conduct of business, or inducing or rewarding the 'improper' performance by any person of any function or activity.
- Any payments, gifts or offers or promises to pay money or give anything of value to or for the benefit of any person, including any 'Public Official',
- Or consent to, or connive in, any of the above.
- Personnel shall not make any contributions of funds, facilities or services of any kind to any political parties or officials or candidates for office to obtain their support for executive, legislative, administrative or other action favourable to Duxbury.
- Personnel shall not give or offer to give on behalf of Duxbury any money, gift or item of value to any third party if he or she knows or has reason to believe that it will be offered:
 - o to a public official or any other person to obtain business with any Public Official, or
 - o to direct business to any person, or
 - o to obtain any other advantage in the conduct of business,
 - o or to induce or reward the improper performance by any person of any function or activity.
- Personnel who are involved in international business transactions must become familiar with the anti-corruption laws of that country and are responsible for seeking any advice or opinion in any situation involving questionable payments.
- The accounting records of Duxbury must reflect, accurately and fairly, the transactions of Duxbury and dispositions of its assets. No undisclosed or unrecorded funds or assets are to be established for any purpose.

For this purpose, 'Public Official' includes all officials, employees, agents and representatives of any branch or at any level of any local, provincial or governmental department or agency, including state-owned enterprises and political parties.

The performance, or failure to perform, any function or activity, is 'improper' if it breaches expectations of good faith, impartiality and/or breaches a position of trust.

It is a matter of the highest priority for Duxbury, and vital to the interests of the shareholders, employees and customers, that all Personnel observe and abide by this policy.

COMPLIANCE PROCEDURES

RESPONSIBILITY

All Personnel are responsible for complying with this policy and the applicable anti-corruption laws in the performance of their duties as an employee or agent of Duxbury.

Bribery and corruption of any form will not be tolerated by Duxbury.

REPORTING VIOLATIONS AND PROCEDURE

If any person becomes aware of a circumstance or action that violates or appears to violate this policy on bribery and corruption, they are encouraged to contact their supervisor or manager or in the event that this does not resolve the issue, to contact the senior management

All Personnel are treated with the utmost confidentiality and are able to report any corruption or bribery without fear of harassment or intimidation.

Any Compliance Officer or other person to whom a suspected violation is reported must ensure that senior management is notified promptly.

Duxbury will not permit any retaliation against any person, who in good faith, reports a suspected violation of this policy.

POLITICAL CONTRIBUTIONS

No funds, facilities or services of Duxbury, of any kind, may be paid or furnished to any political candidate for public office, any political party or official or any form of political campaign without the prior written approval of senior management.

When any type of political contribution is being considered, the final determination and approval in terms of amount, timing and means of contribution shall be subject to the prior written approval of the Compliance Officer and senior management.

TRAVEL EXPENSES, ACCOMMODATION AND FACILITATED PAYMENTS

No expenses for travel, meals and lodging of any Public Officials may be paid or reimbursed by Duxbury without the prior written approval of senior management.

The purpose of the expense must relate directly to the promotion, demonstration or explanation of a product or service of Duxbury or to the

execution or performance of a contract between Duxbury and a government, government agency or government-owned or government-controlled enterprise.

These expenses must be fully documented, recorded and be made available on request. Furthermore, such expenses must not violate any law applicable to the Public Official or his/her position.

INTERMEDIARIES

This policy prohibits the use of intermediaries to facilitate prohibited payments to any person, including Public Officials.

FINANCIAL PROCEDURES

SOCIAL INITIATIVE AND CHARITABLE CONTRIBUTIONS

Corporate Social initiatives and charitable contributions may also breach anti-corruption laws depending on the circumstances. Such contributions, whether through payment of funds or services, must comply with the policies and procedures, including internal approval requirements.

1.5 % of net profit after tax is allocated to social upliftment. Suitable causes are identified from time to time.

RECORD KEEPING

This Policy prohibits the maintenance of undisclosed or unrecorded funds or assets, for any purpose, and any records that disguise or misrepresent any aspect of a transaction. Examples include, but are not limited to:

- Numbered foreign bank accounts;
- Bank accounts containing Corporate funds but held in the names of individuals;
- Unrecorded petty cash funds;
- Real and personal property held by a nominee;
- Records that reflect a payment to 'X' when the payment was made to 'Y';
- Records that reflect the payment of a certain amount to an agent when there is an understanding that the agent will pay a portion of this amount to a Public Official or some other person or entity;

Transactions and disposition of assets by Duxbury must have proper authorisation, be recorded timeously and accurately in terms of amount, accounting period, accounting classification, substance and purpose of the transaction.

No transactions shall be entered into that requires or contemplates the making of false or fictitious entries or records in whole or in part. No accounting

balances shall be created or maintained that have no documentary support or that have no reasonable basis in fact.

Adjustments to accounting records must follow established procedures. Once finalised, documents are not to be altered, unless by prior approval of senior management.

INQUIRIES FROM AUDITORS

Inquiries from internal or independent auditors of Duxbury must be responded to fully and promptly.

No information shall be withheld that may be material to providing a complete and accurate answer.

PROHIBITED MEANS OF PAYMENT

Electronic Fund Transfers (EFTs) should only be made to the bank accounts in the name of the person or entity entitled to receive payment and not a third-party account designated by such person or entity.

No Corporate cheque shall be written to 'cash' or third-party designees of a party entitled to receive payment.

Other than fully documented petty cash transactions, no cash transactions will be allowed unless a valid receipt is issued in respect thereof.

No payments shall be made outside the country of the principal place of business of the person or entity entitled to receive the payment without the approval of senior management.

The person or entity entitled to receive payment will generally be the person or entity with whom Duxbury has a business relationship with and that can be proven with documentary proof. Appropriate exceptions would include payments to the company providing the products or services to Duxbury where the business relationship is with the parent company in the case of procurement contracts.

MAINTENANCE AND RETENTION OF RECORDS

Access to systems of accounting or financial records shall not be permitted to anyone without proper authorisation and approval. Record destruction may only be taken in compliance with applicable Corporation policies concerning the retention and destruction of records. Records in their original form shall not be removed from Duxbury without prior written authorisation.

GUIDELINES FOR POTENTIAL AGENTS / JOINT VENTURE PARTNERS / INVESTING IN FOREIGN BUSINESSES

DUE DILIGENCE

It is imperative that an appropriate due diligence investigation be conducted on any potential local agents, partners and investees prior to the relationship being formed or investment made in order to mitigate risk and ensure compliance with any applicable Laws.

Special attention is required if certain factors or 'red flags' are present. Below are a set of facts that in a given context would provide a reasonable person with a base to be concerned that improper activities may be intended or likely to occur. The presence of any of the following factors would suggest that a heightened due diligence is required and may, depending on the circumstances, preclude the business relationship;

- The country in which the potential agent, partner or investee is located or where work is to be performed or business conducted has a history of corruption or bribery;
- The potential agent, or party to the transaction has a reputation or history of questionable activity, for example, making improper or unethical payments;
- The potential agent, or party to the transaction does not appear capable of performing the intended services or there has been a pattern of misrepresentations or inconsistent statements previously and/or during discussions or negotiations;
- The potential agent, or party to the transaction is related to or has ties to a Public Official or other position of potential influence with respect to Duxbury's business or the business to be invested in;
- The potential agent, or party to the transaction has a record of or a reputation for significant contributions to political parties or candidates for office;
- The potential agent, or party to the transaction requests that payments be directed to a third party rather than to the agent or partner;
- The potential agent, or party to the transaction gives instructions or requests that Duxbury provide an invoice substantially in excess of the actual price for the goods or services supplied;
- The potential agent, or party to the transaction insists on anonymity or lack of transparency as to the details of how objectives are achieved or the source of the funds to conclude the transaction;
- The potential agent, or party to the transaction refuses to agree to provide documentation for expenses or asks for payment in cash or refuses to disclose relevant accounting or other financial information;

- The commission structure requested by the potential agent is unusual or excessive, or requests a substantial upfront payment, or the payment is disproportional to the expertise of the agent or the services to be performed; or
- If unusual bonuses have been paid to managers of the operations of the potential agent, partner or investee;
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The due diligence should be carefully investigated and the process should be diligently documented. The final report should include the following

- The sources consulted, which must be reliable, competent and willing to provide a candid assessment;
- The results of the review, including any questions raised by the review and how they were resolved or an explanation of why they remain unresolved;
- And why the business relationship or investment is prudent, including supporting the decision, experience and expertise of the potential agent.

CONTRACTUAL PROVISIONS

All engagements, business relationships or investment should be documented by a written agreement as additional protection for Duxbury against exposure to any violations of anti-corruption laws. The provisions listed below, appropriately adapted to the circumstances, are recommend for the inclusion in any written agreement:

- Prohibitions against third-party payments and cash investments and cash payments. All payments must be via a bank transfer or a cheque made out to the entity to whom the payment is made;
- An agreement by the agent to not employ any sub-agent or representative without the prior written approval of Duxbury;
- Prohibitions on improper inducements to Public Officials or other persons and a warranty that the parties understand and will comply with relevant anti-corruption laws. In the case of an investment in an existing entity, it is advisable to seek a commitment from the investee to implement express policies against improper inducements to Public Officials or other persons if such policies are not already in place;
- Warranties and undertakings with respect to the maintenance of adequate internal controls and accurate accounting records;
- A means for Duxbury to terminate or withdraw from the relationship, without penalty and without any further liability or obligation, in the event of a breach by the other party or the investee of any warranty or undertaking related to compliance with any of the provisions of this policy;

- Provisions affording Duxbury sufficient rights to access information and audit rights to verify the accuracy of books and compliance with applicable anti-corruption laws.

A written agreement cannot by itself eliminate the possibility of prohibited conduct. Ongoing monitoring of compliance with the terms of the agreement and consistent enforcement is required.