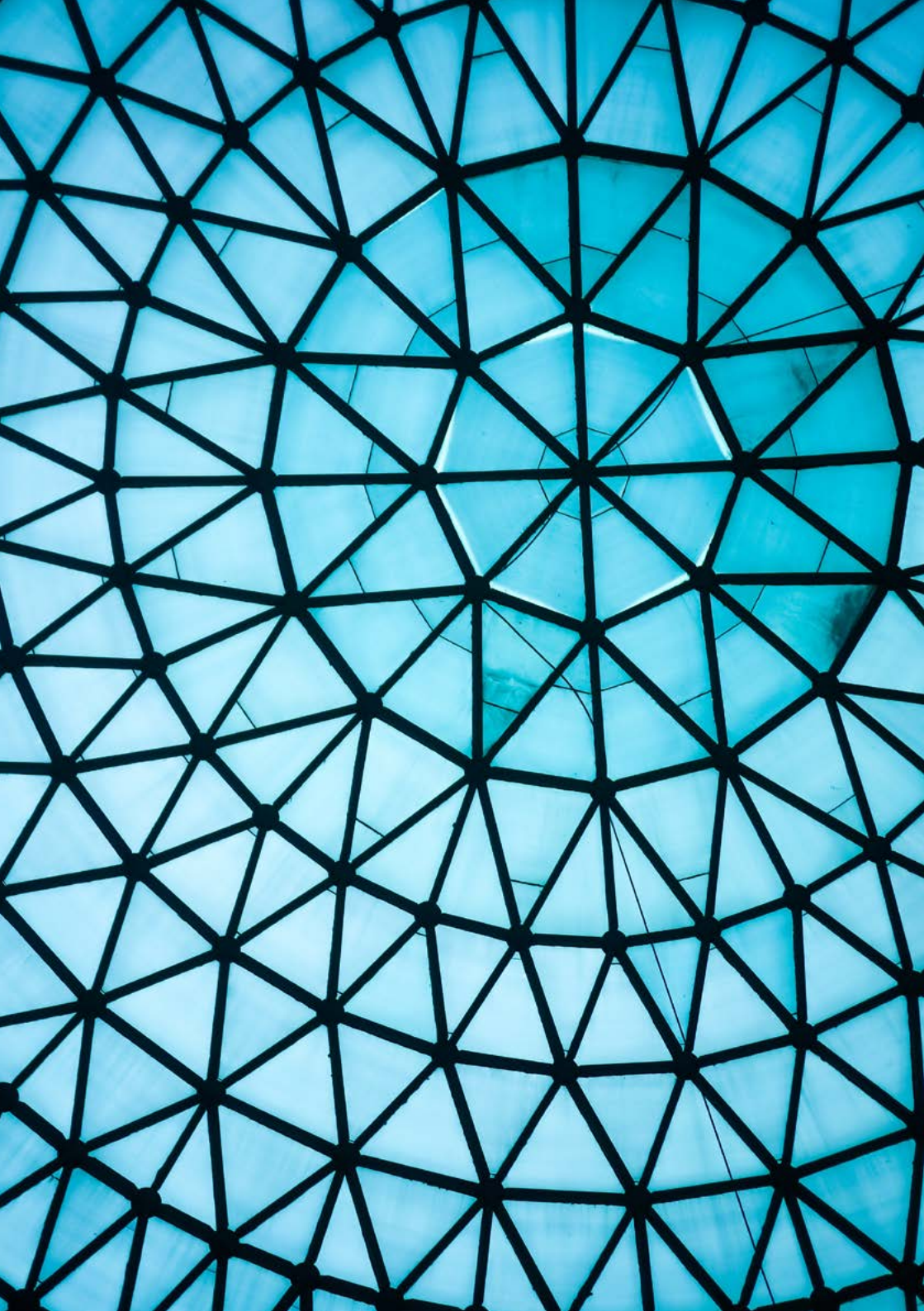


Telkom Group Ethics Handbook





Telkom Group Ethics Handbook

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Approved By
Name (Capacity and Sign)

Board of Directors
Date Approved: 31 March 2023



Ethics leadership pledge

Principle 1 of the King IV™ Code on Corporate Governance (King IV™) states that “the governing body should lead ethically and effectively”. In accordance with this Principle, the Telkom Board of Directors herewith confirms its annual commitment to the Board Charter and the Telkom Group Ethics Handbook (“Handbook”), as may be amended from time to time.

In terms of the Board Charter, the Board of Directors commits to ensuring ethical behaviour and compliance with laws and regulations and the Company’s own governing prescripts, and ethical standards.

The purpose of the Handbook is to promote ethical behaviour within its environment. Telkom, as a listed entity on the JSE, subscribes to the principles of King IV™. Further, the Board of Directors through its Diversity Policy remains committed to ensuring reasonable representation of gender, race and skills across the Group in the Board of Directors, Executive and Senior Management levels.

The pillars of sound corporate governance consist of the following:

- Integrity;
- Competence;
- Responsibility;
- Accountability;
- Fairness; and
- Transparency.

Telkom’s five core values, namely Continuous Improvement, Honesty, Accountability, Respect and Teamwork, form the foundation of the Handbook. Telkom is committed to conduct its business in an ethical manner based on its core values and acceptable principles.

Leadership and Employee Pledge to the Telkom Ethics Handbook

I confirm, with my acceptance and signature of this Ethics Commitment Form, that I have read, understood, and am committed to upholding the Handbook.

By accepting this Ethics Commitment Form, I undertake to interact with all Telkom's stakeholders in line with the guidelines set out in the Handbook. I also undertake to commit to ensuring ethical behaviour and compliance with laws and regulations and the Company's own governing documents, and ethical standards.

Furthermore, should I become aware of any violation of the Handbook, I undertake to report it through the established channels that Telkom has created for this purpose.

To clarify the commitment I am making, I confirm that I:

- i. *Have read the Handbook, and understand its contents.*
- ii. *Am complying with the Handbook, and will continue to comply with it.*



Mvuleni Geoffrey Qhena
(Chairman)
On behalf of the Board
of Directors



Serame Taukobong
(Group Chief Executive Officer)
On behalf of the
Group Executive Committee

Table of Contents

1.	Introduction	9
2.	Gifts and entertainment	23
3.	Conflict of interests	39
4.	Share dealing section	54
5.	Prevention of fraud and corruption	71
6.	Whistle blowing	75
7.	Ethics handbook on a page	83



Introduction

1.1 Applicability and scope

- 1.1.1 The purpose of this Handbook is to promote and encourage ethical behaviour and decision making that enables the Telkom Group in living its values and standards.
- 1.1.2 This Handbook provides clear parameters and acceptable principles within which Directors and Employees are empowered to make decisions and act.
- 1.1.3 This Handbook applies to the Directors and all Employees within the Group. It is the responsibility of each person to whom this Handbook applies, to ensure that ethical decision making becomes part of their daily actions and execution.
- 1.1.4 The application of the Handbook is perpetual, even if the Director or Employee is on leave.
- 1.1.5 This Handbook requires that all Employees act ethically and professionally in accordance with Telkom's values, read with Telkom Group's Delegation of Authority Framework.

This Handbook encourages Whistle-blowers to report any unethical, irregular, and fraudulent activities they may be aware of. Whistle-blowers making a disclosure should do so without fear of victimisation and/or subsequent discrimination and retaliation from reported or affected parties, with the confidence that all channels stated for reporting is treated confidentially and in confidence.

- 1.1.6 Save for the Share Dealing Policy, this Handbook has replaced any other Ethics-related Policies across the Group since 2018:

- 1.1.6.1 Gifts and Entertainment;
- 1.1.6.2 Conflicts of Interests;
- 1.1.6.3 Prevention of Fraud and Corrupt Activities;
- 1.1.6.4 Whistleblowing.



1.2 What is ethics?

- 1.2.1 Ethics is the moral standing of one's behaviour and conduct.
- 1.2.2 Ethics and Integrity are the most critical foundation of corporate governance. The principles governing ethical conduct and underpinning good corporate governance include: Competence, Responsibility, Accountability, Fairness and Transparency.

1.3 What should be considered for ethical decision-making?

- 1.3.1 Adherence to the law, both in letter and in spirit is the foundation on which Telkom's ethical standards are anchored. Although Employees are not expected to know the details of each of these laws and regulations, it is important to be sufficiently informed to determine when to seek advice from the Group Ethics Officer, BU Ethics Champions, Subsidiary Ethics Champions, supervisors, managers, functionaries or other relevant Employees.

1.4 Consequences for transgression of the Handbook

- 1.4.1 Non-compliance with this Handbook may result in disciplinary action, which is defined in the in the Telkom, BUs and the Subsidiaries Human Resources Employee Relations Policy and the Collective Agreements with Organised Labour.
- 1.4.2 Any contraventions of this Handbook should be reported to the following Employees and, in the case of Directors, an ethics protocol is outlined in clause 5.5.3 of this Handbook:
- Immediate Manager; or,
 - Group Ethics Officer; and / or,
 - Business Unit or Subsidiary Ethics Champions; and / or,
 - Employee Relations Officer; and / or,
 - Telkom Group Forensics ("TGF"), either by calling the TGF hotline at 0800 124 000, or by sending an SMS to 48691, an email to Telkomhotline@behonest.co.za, WhatsApp at 081 222 5999 or Visit www.behonest.co.za

1.5 Confidentiality and the Protection of Telkom information and assets

Employees must maintain the confidentiality of proprietary information entrusted to them by Telkom. Unauthorised disclosure of Telkom Group's Information may be harmful to the Group's reputation and / or business.

Much of the information used in the Group's business activities is by its nature proprietary. The information acquired or developed by the Group is a valuable business asset and must be protected, preserved, and used only for Telkom Group's official purposes.

During dealings with suppliers and prospective suppliers, information of a proprietary nature must not be disclosed unless appropriate approval is obtained. Customer information and information about our Employees is regarded as confidential, and may not be disclosed unless when directed by a court, or in terms of any applicable law, or unless appropriate approval is obtained in terms of the Group Delegation of Authority levels.

It is each Employee's responsibility to make an annual compliance declaration on Non-disclosure on the applicable on-line portal.

Employees are further required to protect Telkom Group's property and assets against loss, damage, misuse, waste and theft. The Group's assets are only to be used for lawful business purposes.

- 1.5.1 Compliance with this Handbook will be monitored on a regular basis, and the results thereof reviewed by designated forums. Any breach will be treated as a serious disciplinary offence and may be subject to disciplinary action in accordance with the provisions of the relevant Group HR policies.
- 1.5.2 For ethics-related advice, Employees should call the Telkom Group Ethics Office, which can be reached telephonically on **012 311 0345** or by e-mail to **ethics@telkom.co.za**.
- 1.5.3 Employees are required to do a compliance declaration at the commencement of employment in the Group and thereafter at the commencement of each financial year, in respect of acknowledging receipt of this Handbook and Conflict of Interests, or during the year if and when the Employee's circumstances change.
- 1.5.4 Unless expressly provided for in this Handbook, there shall be no exceptions to and/or deviations from this Handbook.

1.6 Definitions

Definitions	Description
Affected Director	Means any Director of Telkom and/or any director of a Telkom Subsidiary and/or any trustee of the Telkom Share Incentive Scheme and the Telkom Foundation to which the Telkom Share Dealing Section applies.
Affected Person	Means any Director, Prescribed Officers (whether an Affected Director or not) and/or an Insider and the persons involved in the Finance Function (as defined below).
Associate	<p>Shall bear the meaning as defined in the JSE Listings Requirements and means, in abbreviated form, in relation to an individual: that individual's spouse; and/or</p> <ul style="list-style-type: none"> children up to the age of 18 years ("children"); and/or the trustees (acting as such) of any trust of which that individual or any of that individual's spouse or children is a beneficiary or discretionary subject including trustees of a trust without nominated beneficiaries, but who have been provided with a letter of wishes or similar document or other instruction, including a verbal instruction, naming desired beneficiaries (other than a trust that is either an occupational pension scheme, or an Employees' share scheme that does not, in either case, have the effect of conferring benefits on that individual or that individual's family); and/or any company in whose equity securities that individual, spouse or children are directly or indirectly beneficially interested (or have a conditional, contingent or future entitlement to become beneficially interested) and over which that individual or any person or trust contemplated are (or would on the fulfilment of the condition or the occurrence of the contingency be) able: <ul style="list-style-type: none"> to exercise or control the exercise of 35% or more of the votes able to be cast at general meetings on all, or substantially all, matters; or to nominate or appoint or remove Directors holding a 35% or more voting rights at board meetings on all, or substantially all, matters; and/or any close corporation in which that individual, spouse or children are beneficially interested in 35% or more of the members' interest and/or are able to exercise or control the exercise of 35% or more of the votes able to be cast at members meetings on all, or substantially all matters. <p>Where more than one Telkom director is directly or indirectly beneficially interested in the equity securities of any company, then the interests of such Telkom Directors and their Associates will be aggregated when determining whether such a company is an Associate of any one Telkom director.</p>

Definitions	Description
BCX	Means Business Connexion Proprietary Limited, a limited liability private company duly incorporated under the laws of South Africa with registration number 1993/003683/07.
BCX Employees	Means any permanent, temporary or contract person who in terms of their employment contract are employed BCX, including temporary and contract employees employed via recruitment / placement agencies.
Business Courtesy	Giving or receiving a favour, gift, or hospitality from a person or any other entity in your capacity as an Employee, for which fair market value is not paid by the recipient. A Business Courtesy may be a tangible or intangible benefit, including, but not limited to Gifts, Promotional items, free meals, drinks, entertainment, free tickets to events, hospitality, transportation (including upgrades of airline seating class), discounts, vacation, recreation, accommodation and use of a donor's time or discount on any goods or service for personal use at a rate that is not available to the general public.
Business Unit	This is a non-juristic personality business within Telkom.
Business Unit Dealing Committee	A designate committee will be responsible for the implementation of and compliance with the Telkom Group Share Dealing Policy comprising of the Business Unit's Chief Executive Officer, Chief Financial Officer, and the Designated Company Secretary. The activities of the Dealing Committee will be formally shared with the Chairperson of the Business Unit Board.
Business Unit Prescribed Executive	<p>Means a person who is a member of any Business Unit Committee, despite not being a director of the company, within a company, performs any function that exercises general executive control over and management of the whole, or a significant portion, of the business and activities of the company; or regularly participates to a material degree in the exercise of general executive control over and management of the whole, or a significant portion, of the business and activities of the company.</p> <p>This applies to a person irrespective of any title given by the company to an office held by the person in the company or a function performed by the person for the company. The Business Unit will provide the Group Secretariat with a list of its Prescribed Executives.</p>
Cautionary Announcements	Means the announcement published in the press and SENS which intends to preserve the integrity of Telkom's share price preceding or during negotiations where any pending activity is likely to have a material effect on Telkom's share price and/or on the price of any relevant derivative securities.

Definitions	Description
Charitable Goods and Services	Any charitable sports memorabilia, sporting event or function hosted by sports dignitary or other entity, any charitable promotional memorabilia, social event or function and/or any other memorabilia, event or hosted function that could be perceived to be of value to Telkom Group's Customers.
Closed period	Financial closed periods and/or cautionary closed periods as described in clause 4.3 of the Share Dealing Section.
Commission	Means the Companies and Intellectual Property Commission in terms of the Companies Act.
Companies Act	Means the Companies Act No. 71 of 2008, as amended from time to time.
Company or Telkom	Means Telkom SA SOC Limited, a limited liability public company duly incorporated under the laws of South Africa and listed on the JSE with registration number 1991/005476/30, with registered address at 61 Oak Avenue Highveld, Pretoria, 0002, South Africa.
Conflict of Interests	A conflict of interests, used in relation to members of the governing body and its committees, Executive Committee and its committees (including but not limited to the Sourcing and Contracts Approval Council ("SCAC")) and/or other management committees, occurs either when there is a direct or indirect conflict, in fact or in appearance, between the interests of such member and that of the organisation. It applies to financial, economic and other interests in any opportunity from which the organisation may benefit, as well as use of the property of the organisation, including information. It also applies to the member's related parties holding such interests. Or Where a person is or may be influenced by his/her personal or business interests (direct or indirect); and being prevented (or reasonably be perceived or being prevented) from objectively applying his / her mind solely in the best interest of the Group.
Corruption	Similar anti-corruption laws in the countries where the Telkom Group conducts business have a definition of corruption specific to the business. In accordance with section 3 of the Prevention and Combating of Corrupt Activities Act No.12 of 2004 ("PRECCA"), PRECCA and more specifically means directly or indirectly accepting or agreeing to accept any "gratification" from another person; giving or agreeing to give any other person any gratification, in order to act, personally or by influencing another person so to act, by directly or indirectly to exercise his power, duties or legal obligations in a manner which is/ amounts to: <ul style="list-style-type: none"> ▪ Illegal, dishonest, unauthorised, incomplete or biased action; ▪ Misuse or selling of information or material acquired; ▪ Abuse of position of authority; ▪ Breach of trust; ▪ Violation of a legal duty or set of rules;

Definitions	Description
Customers	Means persons (internally or externally) or entities to which the Telkom Group has provided, are providing or intend to provide a service or product.
Telkom Dealing Committee	Means a designated committee responsible for the implementation of and compliance with the Group Telkom Share Dealing Section as more fully set out in clause 4.2.
Group Ethics Officer	Means the person appointed by the Group Chief Executive Officer to assume the accountability of effective and adequate ethics management in the Group.
Director	Means any director of Telkom and/or any director of a Telkom Subsidiary.
Disclosure	<ul style="list-style-type: none"> ▪ Means any disclosure of information regarding an Irregularity and/ or the conduct of an Employee, or a Supplier of the Company made by any Employee or Third Party who has reason to believe that the information concerned relates to: ▪ regulating information identification, treatment, disclosure and dealing in Telkom securities and other derivative securities thereof by Affected Persons. ▪ a criminal offence being committed, or is likely to be committed, or a person failing or likely to fail with a legal obligation or non-compliance of any statutory obligation ▪ a miscarriage of justice has occurred or is likely to occur, the health and safety of an individual is endangered or likely to be endangered or that the environment has been, is being or is likely to be endangered. ▪ a contravention of the Companies Act and / or the PRECCA and/or any other legislation.
Earnings Per Share ("EPS")	Means the Basic earnings per share, being the profit or loss attributable to Telkom shareholders (the numerator) divided by the weighted average number of ordinary shares outstanding during the period (the denominator).
Employee	Means any permanent, temporary or contract person who in terms of their employment contract are employed by Telkom and/ or a Telkom Subsidiary and/or are reflected on the official Online Portal or temporary and contract employees employed through recruitment / placement agencies. References to " Employee " may include references to " BCX, Trudon and/or Swiftnet Employee ", as the context may require.
Family member	Means a spouse/life partner, children, step children, adopted children, own parents, adoptive parents, and siblings of an Employee, Director and/or Shareholders, as the context may require.

Definitions	Description
Finance Function	Means any Employee in the following sections: External Reporting, Management Reporting, Investor Relations, Tax Services, Group Treasury, Business planning, Financial statutory reporting, the Group Chief Financial Officer and finance section of the different Business Units / Subsidiary, any Employee reporting to the Group Chief Financial Officer as well as any person involved with the preparation of the financial statements.
Financial Markets Act	Means the Financial Markets Act No. 19 of 2012, as amended from time to time.
Financial Sector Conduct Authority	Means the independent institution established by the Financial Sector Regulation Act No. 9 of 2017 to oversee the South African non-banking financial services industry in the public interest.
Fraud	The unlawful and intentional making of a misrepresentation resulting in actual or potential prejudice to another. (CR Snyman, SA Criminal Law jurist)
Gift and/or Gratification	<p>Gift and Gratification includes the following in accordance with the PRECCA Act:</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 another disadvantage; • any office, status, honour, employment, contract of employment or services, any agreement to give employment or render services in any capacity and residential or holiday accommodation; • 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 of duty; • Any right or privilege; • Any real or pretended aid, vote, consent, influence, or abstention from voting; or • Any valuable consideration or benefit of any kind, including any discount, commission, rebate, bonus, deduction or percentage. Including Sexual gratification which means a behaviour or act committed to stimulate or satisfy or otherwise the sexual interest or desire of the person(s). Committing the act with the intent of arousing, appealing to, or gratifying the lust, passions, or sexual desires of oneself.

Definitions	Description
Governing Body	<p>The governing body is the structure that has primary accountability for the governance and performance of the organisation. Depending on context, it includes, amongst others, the board of directors of a company, the board of a retirement fund, the accounting authority of a state-owned entity, and a municipal council.</p> <p>Members of a governing body, (also referred to as those charged with governance duties) are those duly appointed to serve on the governing bodies and/or its committees.</p>
Gifts Register	Is an electronic system to capture, record, store and retrieve any Gift received by or offered to an Employee.
Good Faith	Means that the Employee or Third Party must act in a responsible and honest manner without any motives to gain personal advantages from making the disclosure, excluding any reward payable in terms of law.
Group Invitation	Means an event to which Employees are invited by Customers or Suppliers or any Stakeholder by virtue of the employee's function.
Group Company Secretary	Means the Company Secretary of Telkom SA SOC Ltd.
Group Executive Committee	Means the Telkom Executive Committee comprising the Group Executive Committee members (Prescribed Officers).
Group Executive Committee Member	Means, solely for the purposes of this Policy, Telkom's Group Executive Committee members as determined from time-to-time.
Headline Earnings Per Share ("HEPS")	Means headline earnings per share, being basic earnings per share after adjusting for acceptable re-measurements in terms of Circular 4/2018 issued by the South African Institute of Chartered Accountants divided by the weighted average number of ordinary shares outstanding during the period (the denominator).
Independent Administrator	Means an independent Third Party contracted by the Company to receive information from Whistle-Blowers.
Insider	Means a person who has inside information of an issuer of securities listed on a regulated market to which the inside information relates, or having access to such information by virtue of employment, office or profession, or where such persons knows that the direct or indirect source of the information was a person contemplated as a Director, Employee or Shareholder of an issuer of securities listed on a regulated market to which the inside information relates.

Definitions	Description
Inside information	Means information concerning a listed company which is specific or precise and is likely to have a material effect on such listed company's share price if it were made public, as more fully set out in in clause 4.5 in the Telkom Share Dealing Section.
Insider trading offences	Means the insider trading offences described in clause 4.5.6 in the Telkom Share Dealing section.
Intimate relationship	In accordance with the ISO37001 standards: Means any relationship in which feelings of dependence, affection or loyalty by the employee to that person that may impair objective decision-making or create the actuality or perception of favouritism or discrimination.
Irregularity	Includes, but is not limited to, misconduct, Fraud, theft, crime and/or Corruption and as well as the contravention of the Companies Act, any Telkom business policy/rules and/or other applicable legislation.
JSE	Means the JSE Limited (Registration No. 2005/022939/06), a limited liability public company duly incorporated in South Africa and licensed to operate as an exchange under the Financial Markets Act.
Major Entertainment Invitations	Includes, but is not limited to, invitations to local sporting events, the theatre, meals, cinema, year-end functions or any similar functions which are extended to Employees as a courtesy during the normal course of business by potential and/or existing Customers or Suppliers, where the value of such invitation is between R1 500 (excluding tangible gifts and Promotional Items), and up to a maximum of R5 000.00.
Major Subsidiary	Means a Telkom Subsidiary (post consolidation) that represents 25% or more of total assets or revenue of the consolidated Telkom Group based on the latest published financial results (being interim or year-end).
Material	Means significant in the circumstances of a particular matter, to a degree that is of consequence in determining the matter or might reasonably affect a person's judgement or decision-making in the matter.
Material Interest	Directorship in any private / public company. Ownership of shares in a public company and ownership of any shares in a private company that is greater than 10% of an Employee's total net worth.
Meals and Minor Entertainment Invitations	Includes invitations to local sporting events, the theatre, meals, cinema, year-end functions or any similar functions which are extended to Employees as a courtesy during the normal course of business by potential and / or existing Customers or Suppliers valued up to a maximum of R1 500. (excluding tangible Gifts and Promotional Items).

Definitions	Description
Misconduct	Means unacceptable or improper behaviour, especially by an employee or professional person, or to behave in an improper manner.
Occupational Detriment	Means being wrongfully subjected to disciplinary action, being dismissed, demoted, harassed or intimidated, transferred against one's will, refused transfer or denied promotion, unfair altering of employment conditions, denial of appropriate job references, loss of employment opportunities or job security or being threatened with any of the above because of making any disclosures in terms of this Handbook.
OEM	Original Equipment Manufacturer.
Online Portal/s	Means in respect of Telkom Employees, the Telkom Employee Data System (SAP) and in respect of BCX Employees, the Work Zone.
Prescribed Executive	Means a person who is an Executive Committee member of a Business Unit/ Subsidiary despite not being a director of the company, within a company, performs any function that exercises general executive control over and management of the whole, or a significant portion, of the business and activities of the company; or regularly participates to a material degree in the exercise of general executive control over and management of the whole, or a significant portion, of the business and activities of the company.
Prescribed Officer	<p>Shall bear the meaning as contemplated in section 66(10) of the Companies Act, read together with Regulation 38 to the Companies Act which states –</p> <p>“(1) Despite not being a director of a particular company, a person is a “prescribed officer” of the company for all purposes of the Companies Act if that person:</p> <ol style="list-style-type: none"> exercises general executive control over and management of the whole, or a significant portion, of the business and activities of the company; or regularly participates to a material degree in the exercise of general executive control over and management of the whole, or a significant portion, of the business and activities of the company.” <p>For Telkom purposes, Prescribed Officers includes, but is not limited to Group Executive Committee Members. For purposes of the Subsidiaries and Divisions, Prescribed Officers include, but is not limited to the Subsidiary and Divisions Executive Committee Members with voting powers.</p>
Price Sensitive Information	Means unpublished information described in clause 4.4 of the Share Dealing section of this Handbook.

Definitions	Description
Prohibited Period	Means a Closed Period and/or Price Sensitive Period as described in clause 4.3 of the Share Dealing section.
Promotional Items	Is a corporate gift bearing any company logo or is directly associated with any company's products and / or services including souvenir and appreciation gifts, calendars, pens, mugs, caps, T-shirts, ties, company specific souvenirs, memory sticks, clothing, mouse mats, telephone message pads, phones, mobile phones.
Protected Disclosure	Means for purposes of an employer any disclosure made in Good Faith by an Employee and / or Third Party and made in terms of the procedure set out in clauses 3 and 6 of this Handbook, the Protected Disclosures Act No 26 of 2000 and the system as envisaged in terms of the Companies Act. These disclosures include, but are not limited to, disclosure made to, legal advisers, employers, members of Cabinet or of the Executive Council of a province.
Related Party	A related party is a person or entity as set out in section 2(1) of the Companies Act. It applies mutatis mutandis to organisations other than companies.
Securities	Includes any shares, debentures or other instruments, irrespective of their form or title, issued or authorised to be issued by Telkom.
Sponsorship	Means support provided for an event, activity or to a person or organisation (financially or through the provision of a donation of products, services).
Subsidiary	<p>A company is:</p> <ul style="list-style-type: none"> a. a subsidiary of another juristic person if that juristic person, one or more other subsidiaries of that juristic person, or one or more nominees of that juristic person or any of its subsidiaries, alone or in any combination- <ul style="list-style-type: none"> i. is or are directly or indirectly able to exercise, or control the exercise of, a majority of the general voting rights associated with issued securities of that company, whether pursuant to a shareholder agreement or otherwise; or ii. has or have the right to appoint or elect, or control the appointment or election of, directors of that company who control a majority of the votes at a meeting of the board; or b. a wholly owned subsidiary of another juristic person if all of the general voting rights associated with issued securities of the company are held or controlled, alone or in any combination, by persons contemplated in paragraph (a)

Definitions	Description
Subsidiary Dealing Committee	A designated committee will be responsible for the implementation of and compliance with the Telkom Group Share Dealing Policy comprising of the Subsidiary's Chief Executive Officer, Chief Financial Officer, and the Designated Company Secretary. The activities of the Dealing Committee will be formally shared with the Chairperson of the Subsidiary Board.
Telkom Share Dealing	Includes any sale or purchase of, or agreement to sell or purchase, any securities, relating to Telkom, including derivative instruments, and the grant, acceptance, acquisition, disposal, exercise or discharge of any option (including, but not limited to, options in terms of a share incentive / option scheme) or other right or obligation, present or future, conditional or unconditional, to acquire or dispose of securities, or any interest in Securities relating to Telkom and the terms "dealing" and "deal" shall be construed accordingly.
Subsidiary Prescribed Executive	<p>Means a person who is a member of any Subsidiary Executive Committee, despite not being a director of the company, within a company, performs any function that exercises general executive control over and management of the whole, or a significant portion, of the business and activities of the company; or regularly participates to a material degree in the exercise of general executive control over and management of the whole, or a significant portion, of the business and activities of the company.</p> <p>This applies to a person irrespective of any title given by the company to an office held by the person in the company or a function performed by the person for the company. The Subsidiary will provide the Group Secretariat with a list of its Prescribed Executives.</p>
Stakeholder	<p>A person, organisation, interests' group or community who have:</p> <ul style="list-style-type: none"> a. a direct economic interests' in the acts of Telkom Group (e.g. Directors, management, Employees, Creditors, Shareholders); or b. an indirect interest in Telkom Group relating to social and environmental issues (e.g. public at large, and the community that the Telkom Group forms part of)
Supplier	Means a supplier of goods and/or services to any member of the Telkom Group.

Definitions	Description
Swiftnet Employee	Means any permanent, temporary or contract person who in terms of their employment contract are employed by Swiftnet, including temporary and contract employees employed via recruitment / placement agencies.
Telkom Crime Hotline	Means the 0800124000 number that is being administered by an independent Third Party.
Telkom Group	Means each company and division in the Telkom group of companies (as the term 'group of companies' is defined in section 1 of the Companies Act.)
Telkom Group Company Secretary	Means the Company Secretary of Telkom and the current Group Ethics Officer.
Telkom Share	Means an ordinary share in the issued share capital of Telkom.
Telkom Share Dealing	Includes any sale or purchase of, or agreement to sell or purchase, any securities, relating to Telkom, including derivative instruments, and the grant, acceptance, acquisition, disposal, exercise or discharge of any option (including, but not limited to, options in terms of a share incentive/option scheme) or other right or obligation, present or future, conditional or unconditional, to acquire or dispose of securities, or any interests in Securities relating to Telkom and the terms "dealing" and "deal" shall be construed accordingly.
Telkom Share Dealing Section	Means the Share Dealing section contained in clause 4 of this Handbook.
Telkom Share Incentive Scheme	Means any current or future share incentive scheme or schemes adopted by Telkom as an Employee incentivisation initiative in compliance with Schedule 14 of the JSE Listings Requirements.
Telkom Subsidiary	Means each of Telkom's subsidiaries (as such term is defined in section 1 of the Companies Act).
Third Party/ies	Vendors / Suppliers / Service Providers and / or any other third party(s) appointed by the Company / business.
Trading Day	Means any day on which the JSE is open for trading.
TRP	Means the Takeover Regulation Panel established in accordance with section 196 of in the Companies Act.
VAR	Value Added Reseller.
Whistle-Blower	Means a person who makes a Disclosure of an Irregularity and any person who subsequently assist the investigation of that irregularity by providing relevant information including but not limited to witnesses.
Whistle-Blowing	Means the making of a Disclosure to a third party / Telkom Group Forensics / Group Ethics Office of an Irregularity.

Section 2

Gifts and entertainment



2. Gifts and entertainment

2.1 Purpose of This Section

- 2.1.1 The primary purpose of this section is to ensure that Directors, Prescribed Officers and/or Employees comply with the Gift and Entertainment guidelines when receiving or offering Gifts. It is not meant to be exhaustive, but rather provides general procedures for compliance in respect of Gifts given or received by Directors and/or Employees in the course and scope of their duties.
- 2.1.2 Due to the wide variety of potential items included and differing circumstances, it is not possible to be prescriptive in terms of what is acceptable and not acceptable as it relates to Merchandising Gifts and Sponsorships.
- 2.1.3 Accordingly, before accepting or offering any Gift and Gratification, Directors, Prescribed Officers and Employees must consider and apply the guidelines as set out below.
- 2.1.4 The Handbook does not apply to Gifts exchanged between fellow Employees within the Telkom Group, for example birthday gifts, promotional items from within the Group subject to the levels outlined below for external gifting purposes.



2.2 What is the objective of managing acceptance and offering of gifts?

- 2.2.1 To ensure business decisions are made in the interest of the Telkom Group and from a sound and objective basis without any undue influence or compromising position.
- 2.2.2 To ensure that an Employee's relations with Stakeholders, Customers and Suppliers are fair, transparent and unbiased.
- 2.2.3 To provide guidance in respect of the receiving and/or offering of a Gift to Suppliers, Customers and other Stakeholders for:
 - 2.2.3.1 allowing, where appropriate, to receive, accept and offer Gifts, if the Gifts do not interfere with or have the potential to affect the responsibilities to the Telkom Group, improperly influence the judgement expected of Employees when acting on behalf of the Telkom Group or resulting in corrupt activities and / or fraud in any way; and
 - 2.2.3.2 avoiding any unjustified perception of bias or self-interest by Employees acting in situations where Telkom Group has approved the acceptance, receipt, and/or offering of a Gift and Gratification by Employees.

2.3 Prohibitions on the acceptance or offering of gifts, and gifts which cannot be accepted

- 2.3.1 Telkom Group Employees and their Family Members and / or Related Parties and a person in a personal relationship are not permitted to accept or give any Gift and Gratification and/or other benefit of any type (regardless of value) from / to any Customer or Supplier unless -
 - 2.3.1.1 the Family Members and/or Related Parties and/or a person in a personal relationship has an independent relationship with the Customer or Supplier; or
 - 2.3.1.2 it is permitted in terms of this Handbook, read together with the Delegation of Authority.

2.3.2 The following prohibition is placed on the acceptance or offering of a Gift and Gratification:

2.3.2.1 Employees involved in the sourcing / procurement process including but not limited to Subject Matter Expert Evaluation Team ("SMEET"), Spend Review Council ("SRC") and SCAC members, may not accept a Gift and Gratification from any party, bidder and/or Supplier until that tender process has been finalised and a tender has been awarded, following which the further stipulations of this section shall apply;

2.3.2.2 **A ZERO-TOLERANCE** Policy to receive and offer all Gifts and Gratification will be applicable to all Employees within the Group Procurement and various Procurement functions; unless the gift is below R300.00

2.3.2.3 **A ZERO-TOLERANCE** Policy to accept and offer all Gifts and Gratification will be applicable to the External Auditors;

2.3.2.4 an Employee may not accept and/or offer money, property, immoveable assets, irrespective of the value or, gift cards or vouchers, loans, shares or share options, above the value of R1,000.00 and Hospitality Packages above the value of R5,000.00 in retail value from/to Customers or Suppliers or from / to any person representing a company with whom Telkom Group does business, or who is seeking to do business with Telkom Group;

2.3.2.5 any personal favours offered to an Employee or to an Employee's Family Members and/or Related Parties, from any person representing a company with whom Telkom Group does business, or who is seeking to do business with Telkom Group which could be construed as influencing a business decision, must be declined;

2.3.2.6 anything that is illegal, sexually explicit, involves gambling or would otherwise violate the Telkom Group's values;

2.3.2.7 any item that might present an appearance of offensiveness or conflict of interests;

2.3.2.8 Employees should use good judgement and decline Gifts, invitations for meals and entertainment that are inappropriate, lavish or excessive above the said thresholds or create the perception of undue influence;

2.3.2.9 costs of travel and overnight lodging to individual or group invitations to local or sporting events, the theatre, year-end functions or any similar functions, (Major Entertainment Invitations) must not to be paid by Customers, any Suppliers or bidders. Such costs must be borne by Telkom Group as per the Delegation of Authority and approved accordingly;

2.3.2.10 an Employee may not receive/offer trips for pleasure to / from persons or entities with which Telkom Group does business, unless approved in terms of this Handbook read with the Delegation of Authority; and

2.3.2.11 receiving/offering of Gifts must not impair the objectivity of the Employee.

2.4 Does the value of the gift matter? (All amounts are inclusive of vat)

2.4.1 Acceptance of Gifts, provided it is not prohibited in terms of clause 2.3 above, are subject to the following:

2.4.1.1 if the value of the Gift is up to R300.00, then the Employee is **NOT** required to declare the Gift and Gratification in the Gift Register, and no approval is required from the immediate Manager;

2.4.1.2 if the value of the Gift is between R301.00 and R1,000.00, the Employee must declare it in the Gift Register and the immediate Manager / Supervisor **MUST APPROVE**, where the minimum level should be M5 / S5;

2.4.1.3 if the value of the Gift is above R1,001.00, the Gift **MAY NOT** be accepted and must be declared in the Gift Register and returned to the Supplier or Customer or sender;

2.4.1.4 all Gifts above R1,000.00 received and **ACCEPTED** by the Group Chief Executive Officer/Subsidiary Chief Executive Officers/Divisional Chief Executive Officers should be noted by the Group Chief Executive Officer or Chairman of the Telkom Board, respectively for information purposes.

- 2.4.2 The following Gifts may be offered by Employees provided it is not prohibited in terms of clause 2.4 above:
- 2.4.2.1 any Gift and Gratification offered to Suppliers or Customers by Employees **MUST** be approved by the Employee's superior with a minimum level of Executive;
 - 2.4.2.2 any Gift and Gratification offered with a value above R1,000.00 **MUST** be approved by the relevant Chief Executive Officer;
 - 2.4.2.3 entertainment and events offered (including meals, minor and major entertainment invitations/events and customer hospitality) – approval to be obtained as per Delegation of Authority.
- 2.4.3 When receiving or offering such Gift, the following conditions will apply:
- 2.4.3.1 all Gifts above R301.00, offered to an Employee **MUST** be declared in the Gift Register within 5 (five) working days from the receipt of the Gift and indicate whether it is accepted or declined;
 - 2.4.3.2 all Gifts, offered by an Employee **MUST** be declared in the Gift Register within 5 (five) working days from the offering of the Gift and indicate whether it is accepted or declined by the Supplier or Customer or any other recipient.
- 2.4.4 The reporting of the Gift in the Gift Register is the responsibility of the Employee.
- 2.4.5 All Gifts offered, including Entertainment and events offered (including meals, minor and major entertainment invitations/events and customer hospitality), may only be re-imbursed to Employees by way of a Telkom refund voucher.
- 2.4.6 If the Employee is out of the office at the time of the receipt of any Gift, then it must be disclosed within 5 (five) working days after returning to the office.
- 2.4.7 If the immediate Manager of the Employee is not available to approve or reject the Gift, the workflow will escalate to the next higher level after 72 hours.

- 2.4.8 When circumstances make it inappropriate to decline the Gift, it should be accepted, and the process of disposing of such Gift should be followed referred to in clause 2.10, and accordingly recorded in the Telkom's Gift register.
- 2.4.9 Any Gift and Gratification received or offered by an Employee shall only be allowed **ONCE PER FINANCIAL YEAR** to avoid patterns of accepting/offering frequent Gifts from/to the same Supplier, Customer or person.
- Frequency should be monitored by the immediate Manager as per the Gift Register and **any violations reported to the Group Ethics Office through** ethics@telkom.co.za, Telkom Group Forensics or the Whistle Blowing line on 0800 124 000 or send an SMS to 48691, send an email to Telkomhotline@behonest.co.za or on **WhatsApp** at 081 222 5999, and may visit www.behonest.co.za
- 2.4.10 Contributions to charitable and/or non-profitable organisations will be viewed as a Gift and as such is subject to this Handbook.
- 2.4.11 Any Employee who offers/receives or approves the offering or receipt of a Gift must ensure the following:
- 2.4.11.1 that it is ethical and legal in all respects to receive/offer the Gift;
 - 2.4.11.2 that the Gift cannot reasonably be interpreted to reflect negatively on the reputation of Telkom Group or the recipient; and
 - 2.4.11.3 a request for approval should include all relevant information to make a decision.

2.5 Major entertainment invitations For business

- 2.5.1 Any travel by an Employee for individual or Group Invitations to local sporting events, the theatre, year-end functions or any similar functions, which are extended to Employees as a courtesy during the normal course of business by existing Customers or Suppliers,

may only be undertaken if the costs of travel and overnight lodging are borne by Telkom Group and where prior approval has been obtained in terms of the Delegation of Authority.

- 2.5.2 Invitations to Group Events should be directed to the relevant Telkom Group business unit who will choose the participants. If the invitation is sent to an individual the recipients' immediate Manager **MUST** approve same.

2.6 Invitations to seminars and/or to act as a guest speaker

- 2.6.1 If Employees receive invitations to attend seminars, business or professional-related events such as a business breakfast/lunch or dinner and / or to act as a guest speaker, the costs associated to this must always be borne by Telkom Group in terms of the Delegation of Authority. This includes international government related events where invited to attend as a guest in the normal course of business.
- 2.6.2 If it is not possible for Telkom Group to bear the costs, then written permission to attend the event at the cost of the Supplier or Third Party must be provided by the immediate Manager at a minimum level of Executive.
- 2.6.3 The above-mentioned written approval must clearly specify the name of the event, why it is necessary to attend same and the value to Telkom Group. A full list of expenses should be provided.
- 2.6.4 In the event of the Employee having to attend a seminar, course or similar event as part of training then the approval will be in terms of Telkom Group's procedure related to training and skills development.

2.7 Sponsorships

In limited circumstances, Employees may be required to solicit sponsorships or donations from outside companies / entities / organisations in their personal capacity. Employees will be allowed to canvass sponsorships or donations in the following situations:

- 2.7.1 representing a specific association and / or affiliation (e.g. Telkom Group Sport, Organised Labour, Professional body, etc.);

- 2.7.2 requesting in personal capacity for own or family members' participation in a local or international event and / or member of a sport / cultural team;
- 2.7.3 requesting donations for direct families, schools, fund raising for non-profit organisations ("NPOs").
- 2.8 Where sponsorships are solicited as contemplated in 2.7 above, the following must be adhered to:
- 2.8.1 the request for sponsorship and / or donations must be under the letterhead of relevant body/institution/ association;
- 2.8.2 the sponsorship should not cause any embarrassment to or reflect negatively on the reputation of Telkom Group;
- 2.8.3 the Employee should always consider whether the request and / or action is impacting negatively on Telkom Group;
- 2.8.4 avoid compromising situations;
- 2.8.5 the request for sponsorship and / or donations must also be recorded on the Online Portal (gift register).

NOTE: The list of current Telkom Group Suppliers can be validated with Telkom Group's Enterprise SAP Contact Centre at: ars@telkom.co.za.

2.9 How does the gift register work?

- 2.9.1 The Gift Register is electronically available through the Online Portals.
- 2.9.2 A report of Gifts received and accepted / declined or offered is available on the Online Portals for immediate Managers for their specific organisation.
- 2.9.3 The Employee's direct line manager will also be notified through a SAP mail notification of Gifts declared.

2.10 Steps on disposal of a gift

- 2.10.1 Where a Gift is delivered and declined by an Employee or rejected by the next level, he / she must return such Gift to the donor with an appropriate explanation of the Telkom Group policy in this regard (a standard letter is available on the Online Portal).
- 2.10.2 Should the Gift received be perishables, it should be donated to a charity and the appropriate explanation on the Telkom Group policy as well as the action taken, communicated to the donor (a standard letter is available on the Online Portal).
- 2.10.3 Where gifts received in a diplomatic setting exceeds the prescribed thresholds, such gift then becomes an asset of the Group. These are received for cultural sensitivity reasons, as it is sometimes considered inappropriate to return a Gift. If such items are not perishable, they should be collected by the relevant section or Business Unit or Subsidiary, and donated to the Telkom Foundation for an online Group auction and proceedings must be donated to the Foundation. The donor should be diplomatically advised of the action taken and the reason for such action (a standard letter is available on the Online Portal).

2.11 Director gift declaration process

A Director should declare and inform the Board of Directors of all Gifts received or offered related to Telkom Group, and the Gift MUST be recorded regardless whether it was accepted or declined at the next Board of Directors' meeting. When in doubt whether a Gift should be accepted, the Director must consult with either the Chairman of the Board or the Chairperson of the Social and Ethics Committee for guidance.

2.12 BCX invitations

This part applies specifically to the BCX Employees.

2.12.1 Attendance at vendor / customer events

- 2.12.1.1 As a rule, invitations to BCX Employees to attend OEM

Marketing Events is acceptable. The acceptance of invitations where the OEM pays for travel, accommodation, attendance / registration fees is only acceptable under conditions that; it is a general invitation not only to BCX, but also to multiple VAR's / Partners and the relevant Chief specifically approves acceptance of payment of costs.

- 2.12.1.2 When the invitation is Funded from Marketing Development Funds, no declaration is required.

2.12.2 OEM training events

- 2.12.2.1 BCX may be required to retain a specific level of technical certification and technical resources to have VAR status.
- 2.12.2.2 OEMs either subsidise or pay fully all costs associated with specific product / service certification training.
- 2.12.2.3 As such, invitations to attend such technical training may be accepted.
- 2.12.2.4 Acceptance of such training must be aligned with the Training and Development Policy and approved in terms of the Delegation of Authority Framework.

2.12.3 OEM marketing events

- 2.12.3.1 OEMs use the General Marketing Development Fund or Joint Marketing Fund (with VAR) for various marketing events. Each VAR accrues funds in terms of its own specific formal Marketing Development Fund Policy, which normally includes:
 - 2.12.3.1.1 funds made available based on product revenue percentage in an annual cycle;
 - 2.12.3.1.2 funds made available by OEM on discretionary basis, based on a specific formal proposal approved by various governance structures; and
 - 2.12.3.1.3 Business Development funds targeting new markets.

2.12.3.2 Costs can be claimed against the Marketing and Development Fund, if the following criteria are met:

- 2.12.3.2.1 costs are within the approved policy of the OEM (this requires specific verification from time to time);
- 2.12.3.2.2 costs are accounted for correctly, particularly where an OEM offers additional discount for purposes of specific marketing activities; and
- 2.12.3.2.3 costs are declared in a transparent manner.

2.12.4 OEM site visits

2.12.4.1 Request for Proposal / Tender processes may call for a Customer visit to view a specific solution (installations) as part of the Request for Proposal/Request for Quotation proceedings.

2.12.4.2 A BCX representative may accompany the prospective Customer under the following conditions:

- 2.12.4.2.1 the Request for Proposal/Request for Quotation specifically requires such a site visit;
- 2.12.4.2.2 written confirmation is received from the Customer's Procurement/Supply Chain (or similar governance structure) that such visit, paid for by prospective OEM is permissible; and
- 2.12.4.2.3 the OEM site visit itinerary is approved by the relevant Chief.

2.12.5 Award events

2.12.5.1 The following principles shall apply when BCX received an invitation to attend a Vendor/OEM Award Event:

- 2.12.5.1.1 the invitation should be addressed to BCX;
- 2.12.5.1.2 the relevant Chief will approve the acceptance of the award;
- 2.12.5.1.3 the relevant Chief will nominate the BCX representative(s) to attend the event; and
- 2.12.5.1.4 the nature of the event and who pays for various cost elements, including if representatives spouse may accompany him/her will be recorded and specifically approved by EXCO.

2.12.6 Individual incentives

2.12.6.1 OEMs may from time to time use individual incentives to drive relevant Vendor Marketing and Sales Strategies.

2.12.6.2 Any participation by BCX in such incentive programs will be considered if it complies with the principles in this guideline.

2.12.7 Public sector customers

2.12.7.1 Gifts, entertainment and hospitality should not be offered to government officials if they:

- 2.12.7.1.1 are offered or made in exchange for a contract, a permit, a license, or any other specific benefit;
- 2.12.7.1.2 are offered to obtain an improper advantage in the conduct of business;
- 2.12.7.1.3 are in breach of local or international anti-bribery laws; and

2.12.7.1.4 would, if covered in the media, adversely affect BCX's reputation.

2.12.7.2 Additional requirements pertaining to public sector clients are contained in the following:

2.12.7.2.1 Public Finance Management Act 1 of 1999;

2.12.7.2.2 each OEM specific requirements;

2.12.7.2.3 UN Global Compact – Principle 10 Anti-Corruption;

2.12.7.2.4 OECD Policy Guidelines for preventing Combating Bribery of Foreign Public Officials in International Business Transactions;

2.12.7.2.5 the UK Bribery Act 2010; and

2.12.7.2.6 US Foreign Corrupt Practices Act of 1977.

2.12.8 Hosting of events

BCX may invite Customers, potential Customers and Vendors to any of the BCX events for Sales and Customer Engagement purposes where the cost of the attendance will be carried by the relevant Business Unit in terms of an approved budget.

2.12.9 Disclosure requirements

2.12.9.1 As part of ensuring sound corporate governance and in support of this Handbook, a Gift Register must be utilised by BCX Employees. A central Gifts Register will be maintained by the Ethics Office as record of all gifts and entertainment invitations received.

2.12.9.2 When receiving allowable gifts or invitations, an online declaration must be done, or a Gift Register Form must be completed within 7 (seven) business days of the receipt of such allowable gift or invitation. Line Managers must approve or reject the declared gifts on the Gift Register.

2.12.9.3 All Line Managers are responsible for upholding Group values and standards and are tasked with:

2.12.9.3.1 seeking guidance from the Ethics Office where unclear;

2.12.9.3.2 Approving / Rejecting Gifts on the Gift Register in accordance with the provisions of this Handbook; and

2.12.9.3.3 Notifying the Ethics Office of any breaches.



Section 3

Conflict of interests

3. Conflict of interests

3.1 Purpose of this section

- 3.1.1 The primary purpose of this section is to serve as a guide to identify when a conflict of interest may exist, how to disclose a conflict and how to manage it.
- 3.1.2 Through this Handbook, the objective of maintaining integrity and transparency during all interactions and / or business decisions, must be enforced.
- 3.1.3 In terms of King IV, Directors and Employees should act in the best interest of the Company and ensure that real or perceived conflicts are disclosed, and adequately managed. The interests of Telkom Group should take precedence over personal or professional interests of Employees, Directors, consultants, contractors and any other third party acting on behalf of the Telkom Group.
- 3.1.4 In accordance with the JSE Debt Listings Requirements, a conflict of interests register for Directors and Prescribed Officers must be maintained by the Group Company Secretariat, referenced in the Integrated Report and published on the Telkom website on an annual basis.
- 3.1.5 Thus, potential conflict of interests should be disclosed timeously in the interest of transparency. The Companies Act also places a responsibility on Directors to deal with instances where there is an interest in a contract or a proposed contract, in a specific way.

3.2 Duty to declare a conflict of interests

The responsibility remains with the individual to identify any situation where there may be a potential Conflict of Interest and declare it. All Directors and Employees have a duty to avoid any Conflict of Interest and to ensure that they always act in the best interest of Telkom.

3.3 Key questions to ask yourself:

- 3.3.1 Have I acted in a manner that is lawful and legitimate in the interests of Telkom?
- 3.3.2 Do I have any interests in companies / suppliers who have contracts with Telkom?
- 3.3.3 Have I competed improperly with Telkom?
- 3.3.4 Have I misappropriated opportunities proposed to or pursued by Telkom?
- 3.3.5 Have I exercised my authority for the purpose for which it was conferred?

3.4 How to avoid conflict of interests

Employees should:

- 3.4.1 act in the exclusive interest of Telkom and not for personal gain;
- 3.4.2 not own a competing business and / or enter into any business relationships with suppliers and / or competitors;
- 3.4.3 perform their duties with integrity and in a fair, unbiased manner;
- 3.4.4 place Telkom's needs above your, personal needs;
- 3.4.5 not place your private interests above the Company's interests;
- 3.4.6 not compromise Telkom when making decisions;
- 3.4.7 refrain from using Telkom information for personal benefit and enrichment.

3.5 Responsibility for identifying a conflict of interest

- 3.5.1 The responsibility remains with the Employee or Director to identify the situation of a potential conflict of interests.
- 3.5.2 The Employee or Director should inform relevant / applicable parties about any conflict that may exist or arise and proceed to record the matter on the Online Portals.
- 3.5.3 Should a situation of potential Conflict of Interest occur, the best course of action for the Employee is to review the situation with their immediate Manager or next level, and make an informed decision.
- 3.5.4 If needed, the Ethics Officer may also be consulted for counsel.
- 3.5.5 Any Director or Employee with a Conflict of Interest shall not form part of any discussion and /or decision panel relating to the specific issue.
- 3.5.6 All declarations and / or conflicts of interest shall timeously be recorded electronically on the relevant system/Online Portals. A verbal notification to the promoter or any other party is insufficient.
- 3.5.7 A Director shall declare / inform the Board accordingly, and the potential conflict shall be recorded as such in the minutes.
- 3.5.8 A decision shall then be made by relevant parties which, should also be recorded, through the Online Portal and / or within the minutes of the Board meeting.
- 3.5.9 It is important that the process should always be transparent.

3.6 What to look out for when involved in a procurement process

- 3.6.1 Employees who are engaged in Telkom's sourcing/procurement process including but not limited to the SMEET, SRC, the SCAC and Executive Committee members and other office bearers according to the Telkom Delegation of Authority, as well as Employees within the procurement function, are more closely involved in providing or withholding substantial rewards for Suppliers/Service Providers who serve Telkom, and they may constantly operate under pressure and potential threats from conflicting resources and/ or associations. Hence, the potential risk associated with attempted bribes and Corruption from Suppliers and/or bidders conflict of interest between Directors, Employees and Suppliers are elevated.
- 3.6.2 There are specific activities that impact the relationship between Telkom and its Supplier base or potential Suppliers during the bidding, award, renewal, contract execution, day-to-day management and supplier performance. Therefore, this does not lessen the responsibility and/or accountability of the individual to comply with any other legislation, policy, practice or method and procedure.
- 3.6.3 All activities of Employees engaged in the sourcing/procurement process must be consistent, fair and transparent. Therefore, they have specific professional conduct requirements that are aligned with the Telkom values.
- 3.6.4 The following are additional applicable disclosure requirements:
 - 3.6.4.1 Anyone who has an interests in a company and / or entity being evaluated as part of the bidding process **MUST** be excluded from any participation in this bid/procurement process.
 - 3.6.4.2 If an Employee believes he / she is at risk of being in potential Conflict of Interests, he / she is obligated to disclose same and recuse themselves from the situation.
 - 3.6.4.3 If any doubt exists whether or not a situation could be a conflict of interests, rather make the disclosure.

3.6.4.4 Occasions may also arise that are ambiguous or environmental changes could cause potential violations which would require immediate disclosure/rectification.

3.7 Cooling-Off period for Directors and Prescribed Officers

- 3.7.1 Directors and Prescribed Officers that have left the office and/or employment, respectively, from the Telkom Group are prohibited from procuring business opportunities within the Telkom Group within the first 18 months of vacating such office to align with the Group Human Resources' principles.
- 3.7.2 The Telkom Group reserves the right to procure the services of the Director or Prescribed Officer within the 18 months cooling off period, in exceptional circumstances where the knowledge and/or experience of the Director or Prescribed Officer required would be to the benefit of the Telkom Group, subject to provisions of the Group Delegation of Authority.
- 3.7.3 The procuring of business by such Directors and Prescribed Officers will include solicited or unsolicited business opportunities.
- 3.7.4 The cooling-off period shall run concurrently with any employment contract that provides for a restraint of trade.
- 3.7.5 Any deviations from such cooling-off period for Prescribed Officers must be referred for consideration and approval by the respective Business Unit or Subsidiary Chief Executive Officer. This will be in consultation with the Group Chief Executive Officer, or the Group Chief Executive Office where the subject matter is a Group Exco Member. In the instance of a Director, same must be referred to the Group Ethics Officer for consideration and recommendation to the Social and Ethics Committee for approval.

3.8 Disclosing a conflict of interests

When an Employee/Director finds him/herself in a situation of conflict it is important to mitigate such a conflict through the following mechanisms:

Step 1: Disclosure: Declare potential conflict of interests.

Step 2: Divest: Request the Employee to divest his/her interest in the situation causing the potential conflict of interests.

Step 3: Recusal: Recuse yourself from decision making process where there is a potential conflict of interests.

3.9 What to declare

- 3.9.1 In addition to the above, the Employee/Director is required to disclose to Telkom to ensure that the situation is managed properly.
- 3.9.2 The nature and the extent of the interest must be declared.
- 3.9.3 The disclosure must be complete and provide sufficient detail to enable Telkom to make an informed decision pertaining to the resolution.
- 3.9.4 If the status in respect of the conflict changes (e.g. becomes aggravated) then an additional disclosure must be submitted, recorded and filed accordingly.
- 3.9.5 Declaring a conflict of interests does not in itself resolve the conflict.

3.10 Interest in suppliers / competitors

- 3.10.1 The Vodacom shares that Employees received with the unbundling of Vodacom and national broad-based empowerment deals are excluded from the application of this clause.
- 3.10.2 No Employee may under any circumstances procure a loan from a Supplier / competitor, except if that Supplier is a registered bank or financial institution and the loan is secured in the ordinary course.
- 3.10.3 Any Material Interests that an Employee's Family Member may have in a competitor must be disclosed.

3.11 Management of potential conflict of interests

- 3.11.1 A recommendation will be provided to take appropriate action to eliminate or manage the conflict by the Line Manager.
- 3.11.2 Until the recommendation (approval / rejection) has been received, the individual declaring the conflict should recuse himself / herself from any form of engagement (internal / external) relating to the matter.
- 3.12 Employees **MUST** disclose if a potential conflict of interests exists or may arise, prior to the commencement of the meeting.

3.12 Working outside the scope of Telkom duties

- 3.12.1 Employees may not perform any work outside of their Telkom employment without prior written permission from Telkom management, nor may they solicit business while on Telkom premises or in Telkom time, nor may Telkom equipment, materials, resources or proprietary information be used for any outside work.
- 3.12.2 Work that conflicts with an Employee's duties, or within scope of such duties, is prohibited.
- 3.12.3 To avoid conflicts of company interests or impair the Employee's ability to render productive service to Telkom, no Employee should undertake outside formal employment, or conduct a business, without direct written permission of the immediate Manager at the minimum level of a Managing/Group Executive, and in the case of a Managing/Group Executive from the Group Chief Executive Officer.
- 3.12.4 If there is existence of a potential conflict of interests, approval would be automatically denied, or withdrawn in those instances where approval was previously granted.
- 3.12.5 When applying for approval, Employees must clearly state their intended position of employment or business and declare upfront, in the application, the income or compensation flowing from such activity or appointment.
- 3.12.6 Once approval is granted, the Employee is required, on an annual basis, to update on the Online Portals that no Conflict of Interest or the potential thereof has arisen.

- 3.12.7 As soon as Conflict of Interests arises, the disclosure and approval process contemplated in this section will apply.
- 3.12.8 Telkom management **MAY** withdraw such approval at any time.
- 3.12.9 Outside work, business or employment **EXCLUDES** the following:
- 3.12.9.1 hobbies (whether or not from which an income is derived);
 - 3.12.9.2 selling of items such as Tupperware, Cosmetics or similar products;
 - 3.12.9.3 baking and selling cakes or selling any other food or beverages; or
 - 3.12.9.4 renting out a second property for investment purposes.
- 3.12.10 Although approval to conduct the excluded activities is not required, the rules around not soliciting business while on Telkom premises or in Telkom time, and the prohibition against using Telkom equipment, materials, resources or proprietary information for any outside work will still apply.

3.13 Community-based or social non-profit organisations

- 3.13.1 Applications to work for community based (which would include serving as a councillor at a Municipality), social non-profit organisations (government national / international approved NGO) or in a leadership role for a union not recognised by Telkom, must be submitted to the Managing/Group Executive or higher level. The application must include the following information:
- 3.13.1.1 a complete description of the duties attached to the position;
 - 3.13.1.2 the remuneration attached to the position, if any;
 - 3.13.1.3 the time that will be spent on the position, if any;
 - 3.13.1.4 the period of appointment;

- 3.13.1.5 the extent to which the election will interfere with the Employee's duties; and
 - 3.13.1.6 the extent to which the duties attached to the organisation will necessitate the Employee being absent during normal Telkom working hours.
- 3.13.2 Management will consider the following:
- 3.13.2.1 applications to work for these organisations shall be considered taking company business needs into consideration;
 - 3.13.2.2 management reserves the right not to approve an application if it is considered that it would unduly interfere with the Employee's ability to fulfil his / her job requirements;



- 3.13.2.3 all absences are subject to prior approval from management, and in terms of the stipulations of the leave policy and are at the discretion of management;
- 3.13.2.4 no special leave will be granted. Employees must utilise their own vacation leave;
- 3.13.2.5 if the demands of the above-mentioned positions require the Employee's working time and this impacts negatively on his/her Telkom duties, the Employee will need to choose between continued employment in Telkom and the responsibilities of the external organisation; and
- 3.13.2.6 work that is done as a volunteer at non-profit organisations, where no remuneration is received is not regarded as permanent employment, for example volunteering at an animal shelter, old age home, etc.

3.13.3 Volunteering during national and local government elections:

- 3.13.3.1 Employees, who volunteer to assist during national and local government elections, in whatever capacity, may be released from duty in Telkom to perform such duties provided this can be done without disrupting the business, and such absences are **APPROVED** at the discretion of management.
- 3.13.3.2 Employees are prohibited from utilising Telkom Group equipment to fulfill the volunteering during national and local government elections.
- 3.13.3.3 All such absences will be regarded as leave without pay, or alternatively Employees may utilise their vacation leave for this purpose.

3.14 Acceptance of directorship of an external board

- 3.14.1 Employees are required to act in the exclusive interest of Telkom and serving on a Board of Directors external to Telkom Group should be considered for strategic and retention reasons.
- 3.14.2 How to manage directorships in private capacity
 - 3.14.2.1 Employees **MAY NOT** accept membership of a board of directors without prior written permission by the Employee's Group Executive / Managing Executive or higher ranked official of Telkom.
 - 3.14.2.2 In the case of Group Executive / Managing Executive, permission should be obtained from the Telkom Group Chief Executive Officer.
 - 3.14.2.3 In the case of the Telkom Group Chief Executive Officer and the Group Chief Financial Officer, there is a restriction to one (1) external directorship and approval should be obtained from the Nominations Committee and noted in a Board meeting. Telkom may withdraw approval to serve on boards at any stage, should there be potential Conflict of Interests identified.
 - 3.14.2.4 For Telkom Prescribed Officers, other than executive directors, there is a restriction to one (1) external directorship and approval shall be obtained by the Group Chief Executive Officer and noted to the Group Executive Committee.
 - 3.14.2.5 Employees must clearly disclose the name of the company and the nature of their business in making such application for permission.
 - 3.14.2.6 Employees, other than members of the Group Executive Committee, serving on external bodies or on boards of directors, may accept compensation flowing from such position, they must utilise their vacation leave to attend Board meeting. However, such compensation should be declared when applying for permission.
 - 3.14.2.7 Employees who accept external memberships of a board of directors should ensure that they have no personal

interest that could be seen to have the potential to interfere with their objectivity in performing their duties or exercising their judgement on behalf of Telkom.

3.14.2.8 Employees **MAY NOT** accept external board memberships of a company who is a competitor of Telkom or an organisation that could cause a conflict of interest.

3.14.2.9 Employees **MAY** attend external board meetings in their own time by taking vacation leave.

3.14.2.9.1 The dates for the intended board meetings must be submitted to the Group Executive / Managing Executive or higher at the beginning of each year for information purposes.

3.14.2.9.2 In the instance where the Employee is a Prescribed Officer, the appointment to external Board's must be approved by the Group Chief Executive Officer or the Chief Executive Officer of the Business Unit or Subsidiary prior to appointment, then any compensation received when serving on external bodies must be paid to the Telkom Foundation within fourteen (14) days from receipt of such fee.

3.14.3 Steps to be complied with when being appointed to a Telkom Subsidiary Board

3.14.3.1 The Group Chief Executive Officer has the mandate to appoint and remove any Telkom Subsidiary Director at any time as provided for in the Nominations Committee terms of reference.

3.14.3.2 Employees must adhere to all company policies pertaining to the disclosure of information.

3.14.3.3 Employees undertake to familiarise themselves with relative legislation including but not limited to the Companies Act.

3.14.3.4 Employees may attend related meetings in Telkom time as this is within their scope of duties.

3.14.3.5 There will be no additional remuneration paid for these services.

3.15 Declaration of personal interest applicable to management

3.15.1 To assist management in the provision of effective leadership based on an ethical foundation, acting in the best interests of the Company and ensuring that Telkom is seen to be a responsible corporate citizen, a declaration of private interests form has been formulated based on best practices.

3.15.2 From a governance perspective, Telkom will utilise the declaration of personal interests form to prevent potential conflicts of interests concerning employment, financial concerns, and public appearances.

3.15.3 This document will be utilised in conjunction with the Delegation of Authority and other relevant policies to ensure that the relationship between Telkom and its stakeholders, its Directors, Employees and its Suppliers are properly governed to avoid potential conflicts of interests.

3.15.4 Telkom expects management to comply with the declaration statement electronically on the Online Portals, disclosing any/all relationships (financial and other interests) in the spirit of transparency.

3.15.5 Through this action, management will show commitment and adherence to Telkom's core values.

3.15.6 The declaration must be made electronically on the Online Portals and should cover the following detail:

3.15.6.1 shareholding of a Material Interest;

3.15.6.2 trusts / nominee companies;

3.15.6.3 directorships, appointments and ancillary employment in other enterprises;

3.15.6.4 partnerships; and

3.15.6.5 other personal interests which could constitute a

potential conflict of interests.

- 3.15.7 Any disagreements between the Employee and his / her promoter or the person who is responsible to action the disclosure or request regarding possible conflict of interests should be referred to the next management level.
- 3.15.8 Subsidiary and Business Unit Ethics Champions could be consulted for further guidance and objectivity in the decision-making process.
- 3.15.9 The Ethics Officer could also be consulted in writing or verbally for mediation.
- 3.15.10 The annual compliance declaration includes the Employee's consent, as required in terms of the Protection of Personal Information Act No. 4 of 2013 that Telkom may proceed to verify any associations and / or interests of the Employee as declared.

3.16 The online portals disclosure procedure work

- 3.16.1 The disclosure procedure is to be done electronically as per the user guide for all declaration of interests available on the Online Portals (**SAP ESS and Work Zone**).
- 3.16.2 Employees are required to declare any interests they may have on an annual basis at a minimum or when a conflict arises, and also upon appointment in the Group. This may be, at the commencement of the financial year on 1 April, or either declare any conflicts / declarations or to confirm that there was "nothing to declare".

3.17 Export Restrictions

- 3.17.1 This section is not meant to be a complete guide, nor does it constitute legal advice.

Employees are urged to seek guidance from legal services on applicable laws and regulations (including but not limited to the International Traffic in Arms Regulation, the General Data Protection Regulation) when they are involved in transactions where the Telkom Group provides or intends to provide services or products in a country outside South Africa; or contract with a party based in a country outside of South Africa; or transfer data to a third party situated in a country outside of South Africa.



Section 4

Share dealing

4. Share dealing section

4.1 Purpose of This Section

- 4.1.1 The Telkom Share Dealing section applies primarily to Telkom Directors, Telkom's major subsidiary companies' Affected Directors, all Telkom Company secretaries, all Executive members and all insiders ("Affected Persons"). This Share Dealing section is to regulate information identification, treatment, disclosure and dealing in Telkom Securities and other derivative securities thereof by Affected Persons.
- 4.1.2 The Telkom Share Dealing section also applies to Telkom Group Employees.
- 4.1.3 Information concerning Telkom and the effect of such information on dealing in Telkom Shares and related securities is fully regulated by the Handbook.

4.2 Dealing committee

- 4.2.1 A designated committee is established which shall be responsible for the implementation of and compliance with the Telkom Share Dealing Section (hereinafter referred to as the **"Dealing Committee"**). The requests from Directors to effect Telkom Share Dealing is detailed in 4.12 below.
- 4.2.2 The Telkom Dealing Committee comprises of the Group Chief Executive Officer (the Chairman), the Group Chief Financial Officer, and the Group Company Secretary.

4.3 Prohibited periods

4.3.1 Prohibited periods comprise both price sensitive periods and closed periods

- 4.3.1.1 Price Sensitive Periods are periods when Telkom is in possession of price sensitive information regarding "in the ordinary course of business" activities or a Corporate Action or event.

- 4.3.1.2 Closed periods are either financial closed periods or cautionary closed periods -
- 4.3.1.2.1 a financial closed period automatically commences at end of the interim period, and financial year. The interim financial closed period ends upon publication of the interim report on SENS (and in the press the interim financial closed period ends upon publication of next interim financial closed period ends upon publication of business day). The financial year end financial closed period ends upon the publication of the year end condensed report, being an abridged, preliminary or provisional report on SENS (and in the press the next business day);
- 4.3.1.2.2 a deemed price sensitive period for Non-Executive Directors, the Group Executive Committee and Affected persons, including but not limited to Employees in the Finance Function automatically commences on 1 September; a month prior to the financial interim period end, and on 1 March - a month prior to financial year end. The interim financial closed period ends on the publication of the interim report on SENS (and in the press the next business day). The financial year end closed period ends on the date of publication of the year end condensed report, being an abridged, preliminary or provisional report on SENS (and in the press the next business day).
- 4.3.1.3 A cautionary closed period automatically commences after publication of a Cautionary Announcement on SENS. It ceases when the Cautionary Announcement is withdrawn or publication of information concerning the subject matter of the Cautionary Announcement.
- 4.3.1.4 Price sensitive information is the same as inside information, therefore price sensitive periods are also inside periods.
- 4.3.1.5 Affected Persons are prohibited from effecting Telkom Share Dealings during all Prohibited periods, which comprise both price sensitive periods and closed periods.

- 4.3.1.6 The Dealing Committee or the Business Unit / Subsidiary must ensure that the Group Company Secretary / Designated Company Secretary sends out relevant e-mails notifying all Affected Persons of the commencement and completion of price sensitive periods and completion of closed periods (cautioning such persons that such period is not known to other persons).
- 4.3.1.7 During a Closed period, but not during any Price sensitive period, any Affected Director or Person who has an unexpected and urgent need, due to hardship, to affect a Telkom Share Dealing sale may make special application to the Telkom Dealing Committee or the Business Unit / Subsidiary Dealing Committee to affect such Telkom Share Dealing sale.
- 4.3.1.8 If an Affected Person is also an Affected Director, an application must be made to the JSE for approval to affect any Telkom Share Dealing by such Affected Director.

4.4 Price sensitive information

- 4.4.1 The concept of price sensitive information is contained in the JSE Listings Requirements which provides for the following:
- 4.4.1.1 any information "in the ordinary course of business" or regarding a particular corporate action or event, that would be expected to have a 5 % or greater effect on the ruling price of a Telkom Share if it were made public by way of a SENS announcement (and press announcement where necessary) ("published") is considered to be price sensitive;
- 4.4.1.2 any information that is considered to be price sensitive would therefore be expected to have an equal to or greater than 5% effect on the market capitalisation of Telkom. Market capitalisation is equal to all issued Telkom shares (excluding Treasury Shares and shares held by a Share Incentive Scheme Trust) multiplied by Telkom's ruling price at the time.

4.4.2 Determination of Price sensitive information

The determination of whether information is considered price sensitive requires such information to be reviewed on an integrated basis regarding its importance, size and certainty as follows:

4.4.2.1 Importance

4.4.2.1.1 The determination of the importance of any information is largely judgmental in nature and requires careful consideration on a case by case basis by the Telkom Dealing Committee or the Business Unit / Subsidiary Dealing Committee as to whether its publication would be likely to have an equal to or greater than 5% effect on the share price if it were published.

4.4.2.1.2 Where a Corporate Action is being negotiated and related parties, as defined in Section 10 of the JSE Listings Requirements, are involved in the Corporate Action the information arising there from is automatically deemed to be price sensitive information.

4.4.2.2 Size

4.4.2.2.1 Even though it can be argued that a Corporate Action effected at fair value should have no effect on a share price because of the lack of impoverishment to Telkom or its shareholders post such Corporate Action, the Board will treat any information relating to a Corporate Action subject matter that is 5% or more of Telkom's market capitalisation as being price sensitive.

4.4.2.2.2 Therefore, any Corporate Action having a consideration value or subject matter value equal to or exceeding 5% of Telkom's market cap is generally considered to be

price sensitive.

4.4.2.3 Certainty

4.4.2.3.1 Certainty (or confidence) is a critical element because a Corporate Action being negotiated usually commences with a low probability of success which then increases until agreement is reached, or negotiations are terminated.

4.4.2.3.2 Either way, whether the Corporate Action is successful or not, certainty increases as negotiations progress.

4.4.2.3.3 Therefore, in the early stages of negotiations it is quite common that the uncertainty involved dictates that no publication in any form be made. In fact, if publication were made it would probably constitute misleading information in terms of the Financial Markets Act 19 of 2012.

4.4.2.3.4 The Dealing Committee or the Business Unit / Subsidiary Dealing Committee will determine when that level of certainty is deemed to be reached that satisfies the final definition of price sensitivity.

4.4.2.3.5 The Dealing Committee or the Business Unit / Subsidiary Dealing Committee must take account of each of the three elements of price sensitivity in determining whether information is deemed to be price sensitive or not in making its decision.

4.5 Inside information and the linkage to price sensitive information

4.5.1 Any person who receives inside information concerning Telkom becomes an Insider, and if they commit an insider trading offence

they are liable to up to a maximum civil liability of four times the profit made (or loss avoided). In terms of the Financial Markets Act, section 109, the criminal sanction is up to 10 years in jail and up to a R50m fine.

- 4.5.2 The Financial Markets Act defines inside information as information concerning a listed company which is likely to have a material effect on such listed company's share price if it were made public. However, there is no definition of "material" in the Financial Markets Act which effectively renders price sensitive information as being Inside information. Therefore, Price sensitive information qualifies as Inside information.
- 4.5.3 The Insider trading offences are summarised as follows:
- 4.5.3.1 an Insider (being a person in possession of Inside information concerning a listed company) dealing (being buying, subscribing or selling listed securities) directly or indirectly for his/her own benefit in listed securities to which the inside information relates;
 - 4.5.3.2 dealing (usually as a stockbroker) in listed securities for a person if the person effecting the dealing (usually a stockbroker) is aware that the person being dealt for is an insider;
 - 4.5.3.3 an Insider disclosing Inside information to any person; and
 - 4.5.3.4 an Insider encouraging or discouraging any person to deal or not deal.
- 4.5.4 The Dealing Committee or the Business Unit/ Subsidiary Dealing Committee will automatically deem price sensitive information to be inside information and whilst Telkom is in possession of such information, the period will be recorded as a Prohibited Period. The Dealing Committee or the Business Unit/ Subsidiary Dealing Committee through the Telkom Group Company Secretary will inform all Affected Directors, Affected Persons and all Employees that are in possession of Price sensitive information not effect Telkom Share Dealings during such Prohibited periods.
- 4.5.5 Insiders are to be reminded of and directed to read the insider trading offences detailed in 3.3 of the Share Dealing Policy, and are to be made aware that they will not only be guilty of an Insider trading offence in terms of the Share Dealing Policy, and the Financial Markets

Act, if they deal themselves, but will also be guilty of an offence if they disclose Inside information to any person or encourage another person to deal. All Telkom Directors and Employees must take note and be aware that notwithstanding the content of the Share Dealing Policy, the Insider trading provisions apply to all persons on a continual basis, and that whenever a person comes into possession of Inside information they become insiders and are subject to such provisions.

- 4.5.6 A Prohibited Period that commences as a Price sensitive period and continues through a cautionary Closed period, can only be declared complete and finished by the Dealing Committee or the Business Unit/ Subsidiary Dealing Committee upon:
- 4.5.6.1 formal withdrawal from negotiations during a Price sensitive period;
 - 4.5.6.2 formal withdrawal of a Cautionary Announcement during a cautionary closed period; or
 - 4.5.6.3 publication of finalisation information concerning a successful Corporate Action.

4.6 Confidentiality rule regarding price sensitive information

The concept of confidentiality of information is contained in the JSE Listings Requirements, which provides for the following:

- 4.6.1 A prime principle of the JSE Listings Requirements is that price sensitive information may not be given to select persons only. Price sensitive information that is announced on SENS becomes information in the public domain and ceases to be price sensitive at such time.
- 4.6.2 Where a Corporate Action is being negotiated, price sensitive information may be given in strict confidence to persons being negotiated with, including shareholders and various advisers involved. The giving of such information requires written notification to the persons receiving such information that the information is

considered to be price sensitive and is also inside information and that they may not deal in any securities concerned. The Dealing Committee or the Business Unit / Subsidiary Dealing Committee must ensure that the necessary written notification is effected.

- 4.6.3 The Dealing Committee or the Business Unit/ Subsidiary Dealing Committee must authorise the selective disclosure of any price sensitive information to any person(s) and must ensure compliance regarding relevant notification and recordal thereof.

4.7 Publication of announcements regarding price sensitive corporate actions / events

- 4.7.1 The JSE Listings Requirements require price sensitive information to be published on SENS, but not in the press. This rule presumes that such information has not “leaked” into the market, and that the SENS announcement therefore apprises all persons equally at the same time.
- 4.7.2 When a Corporate Action is being affected and negotiations have reached the level of price sensitivity described in paragraph 4.4 above, the Dealing Committee will strive to ensure that public disclosure is affected before a breach of confidentiality occurs.
- 4.7.2.1.1 The Dealing Committee will monitor the progress of all price sensitive situations and will react to any leak by the immediate publication of relevant price sensitive information, or where this is impossible due to uncertainty, will request the Telkom Board to request the JSE to suspend trading in Telkom securities until the situation is cured by way of publication of relevant information, thereby lifting the suspension.

4.8 Publication of announcements regarding price sensitive corporate actions or events

- 4.8.1 In terms of the JSE Listings Requirements, material price sensitive information concerning a Corporate Action must be published in a Cautionary Announcement if such information cannot be kept confidential.
- 4.8.2 A Cautionary Announcement must be announced on SENS and in the

press (in one official language). The content of a Cautionary Announcement varies from Corporate Action to Corporate Action and during a Corporate Action. At a minimum, the content of each Cautionary Announcement must include all known material facts concerning the Corporate Action, “Bland” cautionary announcements must not be published.

- 4.8.3 The Dealing Committee or the Business Unit / Subsidiary Dealing Committee is responsible for the timing and authorisation of all Cautionary Announcements and the content thereof.

4.9 Publication of trading statements in the ordinary course of business and the linkage to price sensitive information and prohibited periods

- 4.9.1 Trading statements are announcements whereby Telkom apprises the public that it is likely to be 20% up or down for this year's interim or full financial year EPS or HEPS versus either last year's interim or full financial year comparative EPS or HEPS or a forecast interim or financial year EPS or HEPS number.
- 4.9.2 Trading statements affect two distinct financial periods – the interim and the financial year end. They require a rolling year- to- date determination of EPS and HEPS which is used to forecast EPS and HEPS to the interim period or financial year ending.
- 4.9.3 When Telkom's Board, or any other delegated governance structure, is reasonably certain that the 20% difference in EPS or HEPS has been reached, a trading statement is required to be published (SENS only) providing an actual number or percentage or range not exceeding 20% or a minimum number and percentage. Where a minimum number and percentage is published a later trading, statement is required providing an actual number, percentage or range not exceeding 20%.
- 4.9.4 A monthly review of consolidated year to date EPS and HEPS is required to be produced and used to forecast to interim period end or financial year end. Such forecast must be reviewed monthly by the Group Executive Committee to determine the requirement for publishing a trading statement, or not.
- 4.9.5 When Telkom is experiencing an increase or decrease in EPS or HEPS

because of current trading conditions and the Board believes such financial information may influence the share price equal to or greater than its price sensitive policy threshold i.e. 5%, such information places Telkom into a Price sensitive period, which is a Prohibited period.

- 4.9.6 The publication of a trading statement provides the market with an update of all financial price sensitive information and therefore automatically removes a price sensitive period that arose from “in the ordinary course of business” trading conditions. The publication of a trading statement does not give rise to a cautionary period or a financial closed period.
- 4.9.7 The Audit Committee should recommend to the Board the timing and content of trading statements as per provisions of its Terms of Reference.
- 4.9.8 The Group Executive Committee will determine whether any unpublished financial information in the ordinary course of business is price sensitive, and if so, will notify persons in possession thereof that they are Insiders and that they may not affect Telkom Share Dealings.
- 4.9.9 A trading statement will discharge all financial price sensitivity, and the Dealing Committee or the Business Unit/ Subsidiary Dealing Committee will accordingly formally notify relevant persons that they are no longer insiders.

4.10 Presentations to the public regarding the issuance of periodic financial information and other derivative presentations thereof.

- 4.10.1 All presentations of interim and financial year results require such results to be published on SENS before the presentation commences. No information may be published if it differs from the SENS contents.
- 4.10.2 The presenter(s) of financial results – typically the Group Chief

Executive Officer or any person nominated by the Group Chief Executive Officer – requires careful briefing as to what can be divulged in answer to any question. Any unplanned price sensitive disclosures require immediate announcement on SENS.

- 4.10.3 Any presentation placed on the Telkom website must be referred to in the appropriate SENS announcement and may only contain information that has been made public. Such presentations must be carefully structured to avoid giving data or information from which any person could calculate price sensitive information or forecast financial information.

4.11 Internal briefings of employees

- 4.11.1 Internal briefings should only contain public information unless the intention is to make such persons' Insiders.
- 4.11.2 Directors, Group Executive Committee members, persons involved in the finance function and other persons are often privy to price sensitive information. Such persons must be made aware that such information is inside information and must not be given out by way of any communication – verbal, written, e-mail, Facebook, twitter etc - to any persons outside of Telkom.

4.12 Affected directors dealing policy

- 4.12.1 Affected Directors are subject to the Directors dealings requirements of the JSE Listings Requirements.
- 4.12.2 The Dealings Committee or the Business Unit / Subsidiary Dealing Committee must ensure that each Affected Director has completed and delivered the Telkom Notification Form to each of his/her associates informing such associates that in terms of the Share Dealing Policy:
 - 4.12.2.1 they are free to effect Telkom Share Dealing at any time;
 - 4.12.2.2 however, within 72 business hours of effecting Telkom Share Dealing, such associate must notify the Affected Director concerned of all pertinent dealing details;

- 4.12.2.3 the Affected Director concerned will then, within a further 72 business hours, in turn, notify the Group Company Secretary of such information, who will then ensure publication on SENS within the next 72 business hours;
- 4.12.2.4 Associates should not ask for clearance to deal from the Dealing Committee or the Business Unit/ Subsidiary Dealing Committee.
- 4.12.3 Each Affected Director and Telkom Prescribed Officer wishing to effect Telkom Share Dealing must obtain approval from the Dealing Committee. To facilitate the process, Telkom has prepared a pre-clearance form attached herewith marked as Annexure "A1" - to be completed and submitted to the Group Company Secretary.
- 4.12.4 Each Business Unit / Subsidiary Prescribed Executive wishing to effect Telkom Share Dealing must obtain approval from the Business Unit / Subsidiary Dealing Committee. To facilitate the process, Telkom has prepared a pre-clearance form attached herewith marked as Annexure "A2" - to be completed and submitted to the Designated Business/Subsidiary Unit Company Secretary.
- 4.12.5 Whenever clearance is requested, the Dealing Committee or the Business Unit / Subsidiary Dealing Committee must immediately refresh its knowledge base regarding Telkom's prohibited period status, and if Telkom is in a prohibited period, must not provide clearance to deal.
- 4.12.6 The Dealing Committee or the Business Unit/ Subsidiary Dealing Committee may give an Affected Director clearance to deal when Telkom is in a prohibited period if a specific dispensation is obtained from the JSE due to such Affected Director having no discretion and having to deal in respect of hardship, loss or other similar reason acceptable to the JSE and the Dealing Committee or the Business Unit / Subsidiary Dealing Committee. Such request will require an application for a ruling from the JSE, which the Telkom Dealing Committee or the Business Unit / Subsidiary Dealing Committee must approve.

- 4.12.7 When a member of the Dealing Committee or the Business Unit / Subsidiary Dealing Committee requests clearance to effect Telkom Share Dealing, the the remaining members of the Dealing Committee or the Business Unit / Subsidiary Dealing Committee may give clearance to deal.
- 4.12.8 A written record of all requests, approvals and denials will be kept in a register which will be noted in the next Telkom Directors meeting by the Group Company Secretary.
- 4.12.9 After receiving clearance to effect Telkom Share Dealing, an Affected Director will be provided 5 business days to deal after such clearance.
- 4.12.10 Within 72 business hours after dealing, an Affected Director must complete Annexure B notifying the Group Company Secretary of all pertinent dealing details as follows:
- 4.12.10.1 the name of the Affected Director (or associate if applicable including the relationship to the Affected director)
- 4.12.10.2 the name of the Telkom Group Company of which he / she is an Affected Director;
- 4.12.10.3 the date on which the transaction was effected;
- 4.12.10.4 the price, number, total value and class of securities concerned. A deemed value based on the prevailing market price must be included in situations where there is no price attributable to the transaction (e.g. donations).
- Aggregation and averaging of prices is not allowed and therefore, in instances where there have been various trades at various prices during the course of a day, the volume weighted average price must be shown together with the highest and lowest trading prices for the day;
- 4.12.10.5 in the case of options or any other similar right or obligation, the option strike price, strike dates and periods of exercise and/or vesting;
- 4.12.10.6 the nature of the transaction; and Confirmation as to whether the trades were done on- market or off-market;

- 4.12.10.7 Confirmation as to whether the trades were done on- market or off-market;
- 4.12.10.8 The nature and the extent of the Affected Director's interest in the transaction. In the case of dealings by associates it must disclose the name of the associate and the relationship with the director.
- 4.12.11 The Group Company Secretary will ensure publication of such information (plus information concerning clearance) on SENS within a further 24 hours.
- 4.12.12 Each Affected Director must similarly notify the Group Company Secretary of any dealing notifications received from associates.
- 4.12.13 Each Affected Director must instruct his / her asset manager in writing that such asset manager may not effect Telkom Share Dealings unless the director concerned has contacted such asset manager and specifically requested the asset manager to effect Telkom Share Dealings. The Affected Director concerned must interrupt any discretionary mandate given by the director to the asset manager with respect to Telkom Share Dealing i.e. a discretionary mandate cannot override this rule.
- 4.12.14 Any Affected Director who uses Telkom securities as security, guarantee, collateral or otherwise is in terms of the JSE Listings Requirement 3.63 (b) (ix) required to disclose all existing transactions in the Integrated Reports and new dealings on SENS.

4.13 Affected Persons, excluding affected directors ("AP")

- 4.13.1 Affected Person excluding Affected Directors, are subject to the Share Dealing Policy, mutatis mutandis, except that all references and compliance requirements in terms of the JSE Listings Requirements are not applicable.
- 4.13.2 Therefore, Affected Persons, are subject to the Share Dealing Policy mutatis mutandis, except that the Group Secretary will ensure that no JSE SENS disclosures are affected, and that no correspondence is transmitted to the Associate.
- 4.13.3 In terms of JSE Listings Requirement 3.63, an issuer, through its sponsor, must announce details of all transactions (including off market transactions) in securities relating to the issuer by or on behalf of an Affected Director, and Company Secretary and a Prescribed Officer. The announcement of transactions is only applicable to the Directors and Prescribed Officers who are Group Executive Committee members.

4.14 Telkom share incentive scheme

- 4.14.1 Any issues of shares by Telkom to or in relation to the Telkom Share Incentive Scheme are subject to the same terms and conditions contained in the Share Dealing Policy.

and in accordance with paragraph 10 of the Telkom Share Allocation Policy which states that Top Management, Executive Committee members, Managing/Group executives and executives (M3 and higher) are expected to purchase a number of shares during the three year vesting period of the initial award(s) in the forfeitable share scheme.

- 4.14.2 Any issues or purchases of any security or rights to any security in accordance with the rules of the Telkom Share Incentive Scheme by the Telkom Share Incentive Scheme itself or by any other person on behalf of the Telkom Share Incentive Scheme are subject to the same terms and conditions contained in the Share Dealing Policy.
- 4.14.3 For non-discretionary trades, the Affected Persons shall obtain a waiver from the JSE clearance compliance through the office of the Group Company Secretary, where such trade does not comply with paragraph 3.69 of the Listings Requirements. This will only be in situations where the director has no discretion in the transaction.
- 4.14.4 The JSE must be consulted formally through the office of the Group Company Secretary and the JSE Sponsor for a ruling in these cases, and if a waiver is granted by the JSE, the SENS must clearly explain the reasons why the director had no discretion to deal within four business days after the trade.

Section 5

Prevention of fraud and corruption



5. Prevention of fraud and corruption

5.1 Purpose of This Section

- 5.1.1 The Telkom Group promotes an organisational culture that is committed to the highest level of honesty and ethical dealings and will not tolerate any act of fraud or corrupt activity. The Telkom Group philosophy on fraud and corrupt activity is one of zero tolerance.
- 5.1.2 The primary purpose of this section is to ensure that the Telkom Group complies with the PRECCA and any similar anti-corruption laws in the countries where the Telkom Group conducts business (the "International Anti-Corruption Laws"). This section is not meant to be exhaustive, but rather provides general guidelines for compliance with the Applicable Laws and Regulations.
- 5.1.3 This section applies to any fraudulent or corrupt activity or suspected fraudulent or corrupt activity involving the various stakeholders (Telkom Group Employees, Directors, Consultants, Representatives, Sales Agents, Contractors, Brokers any other Third Parties, acting on the Telkom Group's behalf.)

5.2 RESPONSIBILITY FOR THE PREVENTION OF FRAUD

- 5.2.1 The Directors and all Employees in the Telkom Group set the "tone at the top" for high standards of ethical behaviour. They are responsible for pro-active and systematic prevention of fraudulent and corrupt activities to enhance the operation and reputation of the entity.
- 5.2.2 All Directors, management and Employees have a duty to:
 - 5.2.2.1 comply with the principles contained in this Handbook and all relevant procedures and controls;
 - 5.2.2.2 act ethically, lawfully and in accordance with the principles contained in this Handbook;

- 5.2.2.3 inform management of weaknesses in the internal control systems that might lead to fraud and corrupt activities, and aid to improve such procedures or controls where they are found to be inadequate;
- 5.2.2.4 adhere to the Prevention of Fraud and Corruption principles contained in this Handbook and must, within their areas of control, ensure that all necessary systems and procedures are in place to support fraud/corruption risk identification and Employee awareness;
- 5.2.2.5 identify areas of work that are of inherently higher risk in terms of fraud and corruption and put in place preventative strategies; and
- 5.2.2.6 report reasonable suspicions of fraud and corruption activities to the relevant ethics and forensics platforms.

5.3 Duty to report corrupt transaction

- 5.3.1 The PRECCA stipulates that any person who holds a position of authority and who knows or ought reasonably to have known or suspected, that any other person has committed an offence in terms of the PRECCA or the offence of theft, fraud, extortion, forgery or uttering a forged document, involving an amount of R100 000.00 or more, must report such knowledge or suspicion or ensure it is reported to any police official, failing which he is guilty of an offence. Offences committed that are below R100 000.00 will be dealt with per the merits of each case when deciding if it should be reported to the law enforcement authorities. This process will be facilitated by Telkom Group Forensics and Legal Services.

5.4 Reporting fraudulent and corrupt activities

- 5.4.1 To limit the risks associated with widespread negative perceptions within the Company, the Telkom Group requires Employees to report all situations or activities that they perceive to be fraudulent. This includes reporting of all suspicions, and incidents or allegations of fraud.

- 5.4.2 The Telkom Group will investigate all reported and suspected acts of fraud and/or corruption and will deal appropriately and consistently with all parties in this regard. If required matters may be referred to the relevant law enforcement authorities, for appropriate action including the institution of criminal proceedings. The Telkom Group may further refer the matters to any other competent authority for appropriate actions.
- 5.4.3 Where the Affected Director and/or Affected Person is a Board Member or Prescribed Officer, the following Ethics Protocol shall apply:

Affected Person	Report the matter to:	Notification to:
Non-Executive Director	Chairperson of the Board	Chairpersons of the Audit and Social and Ethics Committees
Chairperson of the Board	Chairperson of the Audit Committee	Chairperson of the Social and Ethics Committee
Group Chief Executive Officer	Chairperson of the Board	Chairpersons of the Audit and Group Social and Ethics Committees
Group Chief Financial Officer	Group Chief Executive Officer	Chairpersons of the Board, Audit and Group Social and Ethics Committees
Prescribed Officer	Group Chief Executive Officer	Chairperson of the Board

5.5 Procurement of goods and services

- 5.5.1 Compliance to the provisions of the PRECCA should be incorporated in Telkom Group's vendors, suppliers and /or service providers' contracts. A compliance letter and a master service agreement, which also incorporates the Telkom tender terms and conditions, should be signed by relevant parties.
- 5.5.2 Sundry vendors should complete a Telkom Group Compliance letter, which deals with the issues of corruption and fraud, and file that with Group Procurement.

5.6 Mergers and acquisitions

- 5.6.1 In instances where the Telkom Group considers a merger or an acquisition, the questionnaire set out in the Whistleblowing Procedures must be completed by the various parties involved in the transaction, as part of the due diligence process.
- 5.6.2 Compliance to the provisions of the PRECCA (or similar legislation for other jurisdictions outside of South Africa) should be incorporated in all contracts where third parties are involved.
- 5.6.3 The division responsible for Mergers and Acquisitions must submit the completed questionnaire to the Group Executive Forensics.
- 5.6.4 The division responsible for Mergers and Acquisitions and/or integration of acquired or merged entities must develop a plan for compliance with this policy as part of the Telkom Group's post-acquisition/merger integration plan and the implementation thereof.



Section 6

Whistle-blowing

6. Whistle blowing

6.1 Purpose of this section

Telkom recognises that compliance with the Protected Disclosures Act, the Prevention and Combating of Corrupt Activities Act as well as applicable regulations, the Companies Act, (applicable regulations in terms of the Companies Act) and any other relevant legislation will:

- 6.1.1 help protect its Directors, Employees, customers and stakeholders;
- 6.1.2 enhance its reputation;
- 6.1.3 contribute to good corporate governance;
- 6.1.4 represent good business practice and corporate citizenship; and
- 6.1.5 assure Employees of protection from any unfair treatment.

To blow the whistle is to alert a Third party that someone has done, or is doing, something wrong. So, literally, “whistle-blowing” means that you alert others of actual or suspected irregularities. You can also blow the whistle when you have knowledge that someone is planning to do something wrong thereby preventing the incident. By blowing the whistle on irregularities in the Company, you are sending an alert that the Company, and/or its stakeholders are being wrongfully harmed, or that they are at risk of harm.

This section has also been introduced to ensure that information relating to improper or criminal conduct raised by a member of the public aimed at the Company will be addressed in a thorough and consistent manner.

6.2 What is a criminal activity?

A broad description of some of the most common crimes such as fraud / theft / corruption.



6.3 What is fraud?

Fraud is the unlawful and intentional making of a misrepresentation which causes prejudice (actual) or which is potentially prejudicial to another.

6.4 What is corruption?

6.4.1 Corruption as defined in the Prevention and Combating of Corrupt Activities Act no.12 of 2004 as - “Any person who, directly or indirectly—

6.4.1.1 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

6.4.1.2 gives or agrees or offers to give to any other person any gratification, whether for the benefit of that other person or for the benefit of another person, to act, personally or by influencing another person so to act, in a manner that amounts to the—

6.4.1.2.1 illegal, dishonest, unauthorised, incomplete, or biased; or

6.4.1.2.2 misuse or selling of information or material acquired during the, exercise, carrying out or performance of any powers, duties or functions arising out of a constitutional, statutory, contractual or any other legal obligation;

6.4.1.2.3 the abuse of a position of authority;

6.4.1.2.4 a breach of trust; or

6.4.1.2.5 the violation of a legal duty or a set of rules;

6.4.1.2.6 designed to achieve an unjustified result; or

6.4.1.2.7 that amounts to any other unauthorised or improper inducement to do or not to do anything, is guilty of the offence of corruption.”

6.5 What is theft?

6.5.1 The unlawful, intentional appropriation of movable corporeal property belonging to:

6.5.1.1 somebody else, irrespective of whether at the time of appropriating the property is in perpetrator's own possession or in possession of another; or

6.5.1.2 the perpetrator himself, where property is in another's possession and such other person has a right to possess it which legally prevails against the owner's right of possession;

6.5.1.3 if the intention to appropriate includes an intention to permanently deprive the person entitled to possession of such property.

6.5.2 This section is not intended to deal with matters that are covered by other policies and/or procedures and which will continue to be dealt with in terms of these policies and/or procedures, such as:

6.5.2.1 employee grievances which are dealt with in terms of the Human Resources Employee Relations policy;

6.5.2.2 customer complaints which are dealt with through Telkom's Corporate Complaints procedure; or

6.5.2.3 matters that have already been settled through other procedures within the Company.

6.5.3 Should Employees have any questions or uncertainty as to when a crime or irregularity is committed, the best practise would be to rather report suspicions or discuss their concerns with Line Management, Legal Services, Enterprise Risk Management (“ERM”): Forensics, Human Resources Employee Relations or the Group Ethics Office. It should be ensured that in all instances that a reference number is obtained from the Telkom Crime Hotline to enable the tracking progress on a matter or Irregularity which was reported. The Forensic department will only investigate a Disclosure or report once it has been assigned a reference number via the Telkom Crime Hotline.

6.6 Telkom as a good corporate citizen

- 6.6.1 Telkom as a responsible corporate citizen, has a zero-tolerance policy towards fraud, corruption, crime and misconduct.
- 6.6.2 It is therefore the duty of every Employee and Third Parties with whom Telkom conducts business to disclose information relating to fraudulent conduct, corrupt activities and/or unethical behaviour as described in this Handbook.
- 6.6.3 The Company is committed to ensuring that any reports or Disclosures made in terms of this section are taken seriously, investigated and that effect is given to the provisions of the Protected Disclosures Act and section 159 of the Companies Act, which specifies the remedies available to Whistle Blowers who are treated unfairly because of Disclosures made in terms of this section or the Protected Disclosure Act and the Companies Act.
- 6.6.4 An Employee making a disclosure in terms of this section does so without fear or victimisation and/or subsequent discrimination, and ought to be protected from such prejudice.

6.7 The protection of Whistle-blowers

- 6.7.1 The welfare of the whistle-blower and duty of care remains a priority for the Telkom Group leadership, Group Ethics Office, and Telkom Group Forensics. Noting that it is not easy to blow the whistle, the group remains mindful of the occupational detriment and other associated risks facing whistle-blowers.
- 6.7.2 Protecting the whistle-blower from victimisation and retaliation is paramount, especially if a whistle-blower is known. Depending on the actual threats or risks facing the whistle-blower, among other things, the protection can include moving the whistle-blower to another part of the group or transferring to an alternative line manager. This is in line with the provisions of the Protected Disclosures Act 26 of 2000 ("PDA").
- 6.7.3 The protection accorded to whistle-blowers include reporting or assisting the whistle-blower to open a criminal case as per the PDA, and where evidence is available, institute corrective action against the person(s) that victimised or caused occupational detriment to the whistle-blower.

- 6.7.4 The protection afforded under section 159 of the Companies Act applies ex lege (as a matter of law) to Whistle-blowers.
- 6.7.5 No Employee of the Company, including without limitation those in management positions, shall engage in any conduct that is tantamount to an Occupational Detriment as such conduct is prohibited by this section and the Protected Disclosures Act and may give rise to disciplinary action and/or dismissal.
- 6.7.6 Any Whistle-blower who has been or may be subjected to any Occupational Detriment because of his / her Disclosure in terms of this section, is encouraged to seek appropriate relief in terms of the Labour Relations Act for unfair dismissal or unfair labour practice, whichever is applicable.

6.8 The protection of falsely accused persons from malicious reports by Whistle-blowers

- 6.8.1 Whistle-blowers are encouraged to report suspected or actual wrongdoing. This is based on allegations where the whistle-blower, has a reasonable belief that the allegations are true at the time of reporting.
- 6.8.2 Based on the reported allegations, if they have merits, TGF will investigate, as per the Telkom Group Forensics Charter. This include conducting an investigative interview with the implicated person(s).
- 6.8.3 Any employee or persons connected to Telkom is protected against malicious reporting. Malicious reporting are the reports made by a person knowing (at the time of the report) very well that they are false. The protection of whistle-blowers indicated above, does not apply to a person(s) making malicious reporting. Telkom will institute necessary corrective, including legal action against malicious reporters.

6.9 Procedure to follow to report:

1. A Whistleblower should first report an Irregularity internally to Telkom's Crime Hotline @ 0800 124 000; or
2. Send an SMS to 48691; or

3. Send an email to Telkomhotline@behonest.co.za; or
4. Add us on WhatsApp at 081 222 5999 and communicate; or visit www.behonest.co.za.
5. Upon reporting an Irregularity in terms of the above channels, the Whistle-blower must ensure that a reference number is issued to him or her as proof that the matter has been officially reported, and to track progress.
6. A Disclosure by a Whistle-blower can be done anonymously.
7. Only after the Whistle-blower has enquired about the progress regarding a Disclosure and has not received any reasonable feedback may he/she proceed to report it externally, as per the options provided in the Protected Disclosures Act and the Companies Act. These options are namely to report the alleged Irregularity either to the Public Protector, the Auditor-General, a person or body who in the ordinary course concerned would be responsible for the matter, the Commission (meaning the Companies and Intellectual Property Commission), the Companies Tribunal, the Takeover Regulation Panel, a regulatory authority, an exchange, a legal advisor, a Director, Prescribed Officer, the Company Secretary, Auditor, a person performing the function of internal audit, or a board committee of the Company.
8. Under no circumstances should the matter be reported to the media and/ or any other external parties except those indicated above, as this will not be regarded as a Protected Disclosure.

6.10 Persons who must disclose information

- 6.10.1 Any Employee, shareholder, director, a registered trade union that represents the Employees or another representative of the Employees, a Supplier of goods or services to the Company, or an employee of such a Supplier who has a reasonable belief / suspicion, based on reliable information.
- 6.10.2 Contractors / Suppliers contracted to Telkom and members of the public may also use the provisions of this Handbook to disclose information.
- 6.10.3 The Disclosure may relate to any Employee, Director, Customer,

contractor, Supplier, ex-Employee, Third Party and any member of the public who commits or is likely to commit any criminal, irregular or fraudulent activity, which occurs within or is aimed at the Company.

- 6.10.4 A Whistle-blower must have reason to believe that the information disclosed by him/her is substantially true and correct and must disclose such information in Good Faith without malice or for personal gain.
- 6.10.5 If a Whistle-blower, in the instance where the disclosure was not made anonymously, makes a Disclosure frivolously, in bad faith, maliciously or for personal gain, disciplinary and/or legal action may be taken against such person.

6.11 Further queries

Any questions arising from this section may be directed to Group Forensics by sending an e-mail to **Forensics@telkom.co.za**.

6.12 Reference documents

- 6.12.1 The Handbook should be read in conjunction with the Telkom Group's Delegation of Authority, and the following applicable legislation and codes are the regulatory instruments used in this Handbook:
- | | |
|-----------|--|
| 6.12.1.1 | the JSE Listings Requirements; |
| 6.12.1.2 | the Companies Act No. 71 of 2008; |
| 6.12.1.3 | the King IV™ Report on Governance, 2016; |
| 6.12.1.4 | the Financial Markets Act No. 19 of 2012; |
| 6.12.1.5 | the Protected Disclosures Act No. 26 of 2000; |
| 6.12.1.6 | the Prevention and Combating of Corrupt Activities Act No. 12 of 2004; |
| 6.12.1.7 | the UK Bribery Act 2010; |
| 6.12.1.8 | the US Foreign Corrupt Practices Act of 1977; |
| 6.12.1.9 | Telkom Whistle-blowing Procedure; |
| 6.12.1.10 | Forensic Charter; and |
| 6.12.1.11 | all applicable internal Telkom policy documents. |

7. Ethics handbook on a page

7.1 Gifts and entertainment

Prohibited acceptance or offering gifts/entertainment:	Permitted to be received by employee:		Permitted to be offered by employee:	
	Value:	Conditions for acceptance:	Value:	Conditions for offering:
To any external auditor.	≤ R300	Accepted without declaration or approval.	≤ R1000	Approved by manager/supervisor (minimum M5/S5).
Above R1000 in value.	R301 – R1000	Declaration and approval of manager/supervisor (minimum M5/S5).	≥ R1001	Approved by the Subsidiary CEOs / Divisional CEOs/Group CEO.
Hospitality above R5000 in value.	≥ R1001	No acceptance. Must be declared and returned.	Entertainment and events	Subject to DOA framework.
Any personal favour.	≥ R1000	Subsidiary CEOs / Divisional CEOs/Group CEO may accept and declare to Group CEO and Chairman of the Telkom Board, respectively.	N/A	N/A
Anything illegal, sexually explicit, gambling or violates Telkom values.	N/A	N/A	N/A	N/A
Any offensive item.	N/A	N/A	N/A	N/A

Specific types of gifts/entertainment:			
Major entertainment invitations:	Invites to seminars / to be a guest speaker:	Sponsorships:	Gifts to directors:
<ul style="list-style-type: none"> May be accepted <u>but</u> costs of travel and accommodation must be paid by Telkom and subject to Delegation of Authority. 	May be accepted <u>but</u> costs must be paid by Telkom and subject to Delegation of Authority.	Allowed if in personal capacity: <ul style="list-style-type: none"> representing an association/affiliation In personal capacity for sport or cultural event Requesting donations for school/fund raising 	To be declared to the Board and recorded (whether declined or accepted) and consult Chairman or social and ethic committee.
<ul style="list-style-type: none"> Group invitations to be approved by manager. 	If costs not paid by Telkom, then manager approval required.		
<ul style="list-style-type: none"> Training 	Training events subject to Telkom procedure on training and skills development.		



Specific types of gifts/entertainment:						
OEM training events	OEM marketing events	OEM site visits	Award events	Individual incentives	Public sector customers	Hosting events
<ul style="list-style-type: none"> May be accepted subject to Training and Development Policy and DOA framework. 	May be accepted and costs claimed against the Marketing and Development Fund.	Allowed if: <ul style="list-style-type: none"> RFQ requires site visit; Customer confirmation received; Approved by BCX CEO. 	Allowed if: <ul style="list-style-type: none"> Invitation sent to BCX; CEO approval and selection of attendees; Costs approved by BCX Exco. 	Participation to be considered and approved by BCX CEO on a case by case basis.	Should not be offered to attract or win business. Subject to the above rules for gifts/entertainment.	Can be hosted subject to the costs being borne by the relevant business unit in terms of an approved budget.

7.2 Conflict of interests

Definition
Conflict of Interest: A conflict of interest occurs when there is a direct or indirect conflict, in fact or in appearance, between your interests and that of the Telkom Group.
Do I have a conflict of interest? Here are some key questions to ask yourself:
<ol style="list-style-type: none"> 1. Have I acted in a manner that is lawful and legitimate in the exclusive interests of Telkom and not for personal gain? 2. Do I have any interest in or have I entered into business relationships with any companies/suppliers/competitors of Telkom or do I own a competing business? 3. Have I misappropriated opportunities proposed to or pursued by Telkom instead of placing Telkom's needs above my own personal/private interests? 4. Have I exercised my authority for the purpose for which it was conferred and not using Telkom information for personal benefit and enrichment?
If the answers to any of the above is "yes" then what do I do?
<ul style="list-style-type: none"> • Disclosure – Declare the Conflict of Interest to your Line Manager or next level and if needed, the Group Ethics Officer or BU/Subsidiary Ethics Champion may also be consulted. • Divest – You may be requested by Telkom to divest your interest in the situation causing the Conflict of Interest. • Recusal – Recuse yourself from decision making process where there is a Conflict of Interest.
What to declare?
<ol style="list-style-type: none"> 1. The nature and the extent of the interest in the situation causing the Conflict of Interest must be declared and to the extent that the status of the conflict changes (e.g. becomes more conflicted or new facts have arisen), then you are required to make additional disclosures. 2. The disclosure must be complete and provide sufficient detail to enable your Line Manager or next level to make an informed decision pertaining to the resolution of the situation causing the Conflict of Interest.
Additional disclosure requirements applicable in a procurement process
<ol style="list-style-type: none"> 1. Anyone who has an interests in a company and / or entity being evaluated as part of the bidding process MUST be excluded from any participation in this bid/procurement process. 2. If an Employee believes he/she is at risk of being in potential Conflict of Interests, he / she is obligated to disclose same and recuse themselves from the situation. 3. If any doubt exists whether or not a situation could be a conflict of interests, rather make the disclosure. 4. Occasions may also arise that are ambiguous or environmental changes could cause potential violations which would require immediate disclosure / rectification

Management of potential conflict of interests

1. A recommendation will be provided to take appropriate action to eliminate or manage the conflict by the Line Manager.
2. Until the recommendation (approval / rejection) has been received, the individual declaring the conflict should recuse himself / herself from any form of engagement (internal / external) relating to the matter.
3. Employees **MUST** disclose if a potential conflict of interests exists or may arise, prior to the commencement of the meeting.

Examples of situations where I may have a conflict of interests

Who to declare to / whose approval is required:

1. Interest in a supplier or competitor of Telkom.	Immediate Manager at the minimum level of a Managing/Group Executive, and in the case of a Managing/Group Executive from the Group Chief Executive Officer
2. Working outside the scope of Telkom Duties.	Immediate Manager at the minimum level of a Managing/Group Executive, and in the case of a Managing/Group Executive from the Group Chief Executive Officer
3. Involvement in community-based or social non-profit organisations.	Managing/Group Executive or higher level
4. Having a personal interests in any decision I am required to make for and on behalf of Telkom which may lead to potential Conflict of Interest and disclosing any/all relationships (financial and other interests) in the spirit of total transparency.	Declaration statement electronically on SAP and for BCX Employees on Work Zone

Serving on an external board

1. Serving on the board of directors external to the Telkom Group

- 1.1. Employees must clearly disclose the name of the company and the nature of their business in making such application for permission.
- 1.2. Telkom may withdraw approval to serve on boards at any stage, should there be potential conflict of interest identified.
- 1.3. Employees, other than Prescribed Officers, serving on external bodies or on boards of directors, may accept compensation flowing from such position, and must utilize their vacation leave to attend board meetings. However, such compensation should be declared when applying for permission.
- 1.4. Employees who accept external memberships of a board of directors should ensure that they have no personal interest that could be seen to have the potential to interfere with their objectivity in performing their duties or exercising their judgement on behalf of Telkom.
- 1.5. Employees **MAY NOT** accept external board memberships of a company who is a competitor of Telkom or an organisation that could cause a conflict of interest.

2. Serving on the board of directors of a Telkom Subsidiary –

- 2.1. The Group Chief Executive Officer has the mandate to appoint and remove any Telkom Subsidiary Director at any time as provided for in the Nominations Committee terms of reference.
- 2.2. Employees must adhere to all company policies pertaining to the disclosure of information.
- 2.3. Employees undertake to familiarise themselves with relative legislation including but not limited to the Companies Act, etc.
- 2.4. Employees may attend related meetings in Telkom time as this is within their scope of duties.

1. Group Executive / Managing Executive.
2. In the case of a Group Executive / Managing Executive from the Telkom Group Chief Executive Officer.
3. In the case of the Telkom Group Chief Executive Officer and the Group Chief Financial Officer – there is a restriction of 1 (one) external directorship and approval by the Nominations Committee is required and it shall be noted in a Board meeting.
4. For Telkom Prescribed Officers, there is a restriction of 1 (one) external directorship and approval by the Group Chief Executive Officer is required and it shall be noted to the Group Executive Committee.



What to do when applying for approval and once approval is granted?

1. When applying for approval, Employees must clearly state their intended position of employment or business and declare upfront, in the application, the income or compensation flowing from such activity or appointment.
2. Once approval is granted, the Employee is required, on an annual basis, to update on the SAP system/WorkZone that no Conflict of Interest or the potential thereof has arisen.
3. As soon as Conflict of Interest arises, the disclosure and approval process contemplated in this section would apply.
4. Telkom Management **MAY** withdraw such approval at any time.

7.3 Share dealing

Directors (and company secretary) only:		Employees and directors:
No dealing during "Prohibited Period" :		No dealing while in possession of "Inside Information" ¹ :
Closed Period:	Price Sensitive Period:	Specific or precise unpublished information, obtained as an employee or director, which would likely have a material effect on the price or value of the Telkom shares.
<ul style="list-style-type: none">▪ From half year end to publication of the interim financial results.▪ From year end to publication of year-end financial results.▪ The period while Telkom trades under a cautionary announcement.	The period where there is unpublished information that is specific or precise which would have a material (5% or more) effect on Telkom share price.	
When do I become free to deal in Telkom shares? ²:		When do I become free to deal in Telkom shares?
<ul style="list-style-type: none">▪ Publication of interim / final financial results.▪ Withdrawal of cautionary announcement.	Publication of finalisation information concerning the relevant corporate action.	Publication of finalisation information concerning the relevant corporate action giving rise to the inside information.
<ul style="list-style-type: none">▪ By obtaining clearance from the Telkom Dealing Committee to deal in Telkom shares during a prohibited period.		

¹ And no disclosure of inside information or encouragement or discouraging others to deal or not deal.

² Directors require clearance from the Dealing Committee or the Chairman to deal in Telkom at any time outside of a prohibited period.

7.4 Prevention of fraud and corruption

YOU HAVE A DUTY TO:

- Act ethically, lawfully and in accordance with the principles contained in the Handbook;
- inform management of weaknesses in the internal control systems that might lead to fraud and corrupt activities, and aid to improve such procedures or controls where they are found to be inadequate;
- adhere to the Prevention of Fraud and Corruption principles contained in the Handbook and must, within your areas of control, ensure that all necessary systems and procedures are in place to support fraud/corruption risk identification and Employee awareness;
- identify areas of work that are of inherently higher risk in terms of fraud and corruption and put in place preventative strategies;
- report reasonable suspicions of fraud and corruption activities to the relevant ethics and forensics platforms.
- in terms of the Prevention and Combatting of Corrupt Activities Act PRECCA, any person who holds a position of authority and who knows or ought reasonably to have known or suspected, that any other person has committed an offence in terms of the PRECCA or the offence of theft, fraud, extortion, forgery or uttering a forged document, involving an amount of R100 000.00 or more, must report such knowledge or suspicion or ensure it is reported to any police official, failing which he is guilty of an offence.

Ethics protocols applicable to board members and prescribed officers

Affected person	Report matter to:	Notification to:
Non-Executive Director	Chairperson of the Board	Chairpersons of the Audit and Social and Ethics Committees
Chairperson of the Board	Chairperson of the Audit Committee	Chairperson of the Social and Ethics Committee
Group	Chief Executive Officer	Chairpersons of the Audit and Social and Ethics Committees
Group Chief Financial Officer	Group Chief Executive Officer	Chairpersons of the Board, Audit and Social and Ethics Committees
Prescribed Officer	Group Chief Executive Officer	Chairperson of the Board

Procurement of goods and services

1. Compliance to the provisions of the PRECCA should be incorporated in Telkom Group's vendors, suppliers and /or service providers' contracts. A Compliance letter and a Master Service Agreement, which also incorporates the Telkom tender terms and conditions, should be signed by relevant parties.
2. Sundry vendors should complete a Telkom Group Compliance letter, which deals with the issues of corruption and fraud

Mergers and acquisitions

3. In instances where the Telkom Group considers a merger or an acquisition, the questionnaire set out in the Whistleblowing Procedures must be completed by the various parties involved in the transaction, as part of the due diligence process.
4. Compliance to the provisions of the PRECCA (or similar legislation for other jurisdictions outside of South Africa) should be incorporated in all contracts where third parties are involved.
5. The division responsible for Mergers and Acquisitions must submit the completed questionnaire to the Group Executive Forensics.
6. The division responsible for Mergers and Acquisitions and/or integration of acquired or merged entities must develop a plan for compliance with this policy as part of the Telkom Group's post-acquisition/merger integration plan and the implementation thereof.



7.5 Whistle-blowing

Definitions

What is Whistle-blowing? To blow the whistle is to alert a third party that someone has done, or is doing, something wrong. So, literally, "whistle-blowing" means that you alert others of actual or suspected irregularities. You can also blow the whistle when you have knowledge that someone is planning to do something wrong thereby preventing the incident. By blowing the whistle on irregularities in Telkom, you are sending an alert that Telkom, and/or its stakeholders are being wrongfully harmed, or that they are at risk of harm.

What is a Criminal Activity: A broad description of some of the most common crimes such as **Fraud / Corruption / Theft**.

Fraud:

Fraud is the unlawful and intentional making of a misrepresentation which causes prejudice (actual) or which is potentially prejudicial to another. It also includes making a dishonest representation for your own advantage or to cause another a loss, dishonestly neglecting to disclose information when you had a duty to do so, conspiring with others to commit fraud by agreeing to do something which causes loss to a third party. Fraud is an intentionally deceptive action designed to provide the perpetrator with an unlawful gain or to deny a right to a victim.

Corruption:

Any person who, directly or indirectly, accepts or agrees to accept (or gives or agrees to give) any gratification from any other person, whether for the benefit of himself or for the benefit of another person, in a manner that amounts to the—

- illegal, dishonest, unauthorised, incomplete, or biased; or
- misuse or selling of information or material acquired during the, exercise, carrying out or performance of any powers, duties or functions arising out of a constitutional, statutory, contractual or any other legal obligation;
- the abuse of a position of authority;
- a breach of trust; or
- the violation of a legal duty or a set of rules;
- designed to achieve an unjustified result; or
- that amounts to any other unauthorised or improper inducement to do or not to do anything, is guilty of the offence of corruption.

Theft:

The unlawful, intentional appropriation of a movable corporeal property which (a) belongs to, and is in the possession of, another; (b) belongs to another but is in the perpetrator's own possession; or (c) belongs to the perpetrator but is in another's possession and such other person has a right to possess it which legally prevails against the perpetrator's own right of possession, provided that the intention to appropriate the property includes an intention permanently to deprive the person entitled to the possession of the property, of such property.

What to do when a crime or irregularity is committed (or if you are uncertain)?

Report suspicions or discuss concerns with Line Management, Legal Services, Enterprise Risk Management ("ERM"): Forensics, Human Resources Employee Relations or Group Ethics Office.

Procedure to follow

1. A Whistleblower should first report an Irregularity internally to Telkom's Crime
2. Hotline @ 0800 124 000.
3. Send an SMS to 48691
4. Send an email to Telkomhotline@behonest.co.za
5. Add us on WhatsApp at 081 222 5999
6. Visit www.behonest.co.za
7. A Disclosure should be done in accordance with Telkom's Whistle Blowing Procedure located on the Forensic website (http://www.webfarm.telkom.co.za/bookshelf_II/edp/EdoxPublic.asp?doc=TKG-000032).
8. Upon reporting an Irregularity in terms of the above channels, the Whistleblower must ensure that a reference number is issued to him or her as proof that the matter has been officially reported, and to track progress.
9. A Disclosure by a Whistle-blower can be done anonymously.
10. Only after the Whistle-blower has enquired about the progress regarding a Disclosure and has not received any reasonable feedback may he/she proceed to report it externally, as per, the options provided in the Protected Disclosures Act and the Companies Act. These options are namely to report the alleged Irregularity either to the Public Protector, the Auditor-General, a person or body who in the ordinary course concerned would be responsible for the matter, the Commission (meaning the Companies and Intellectual Property Commission), the Companies Tribunal, the Takeover Regulation Panel, a regulatory authority, an exchange, a legal advisor, a Director, Prescribed Officer, Telkom Secretary, Auditor, a person performing the function of internal audit, or a board committee of Telkom.
11. Under no circumstances should the matter be reported to the media and/ or any other external parties except those indicated above, as this will not be regarded as a Protected Disclosure.

Persons who must disclose information

1. Any Employee, shareholder, director, a registered trade union that represents the Employees or another representative of the Employees, a Supplier of goods or services to Telkom, or an employee of such a Supplier who has a reasonable belief/suspicion, based on reliable information.
2. Contractors / Suppliers contracted to Telkom and members of the public may also use the provisions of the Handbook to disclose information.
3. The Disclosure may relate to any Employee, Director, Customer, contractor, Supplier, ex-Employee, Third Party and any member of the public who commits or is likely to commit any criminal, irregular or fraudulent activity, which occurs within or is aimed at Telkom.
4. A Whistleblower must have reason to believe that the information disclosed by him/her is substantially true and correct and must disclose such information in Good Faith without malice or for personal gain.
5. If a Whistleblower, in the instance where the disclosure was not made anonymously, makes a Disclosure frivolously, in bad faith, maliciously or for personal gain, disciplinary and/or legal action may be taken against such person

Protection of whistleblowers

1. The protection of Whistleblowers referred to in this section, refers specifically to an Employee of Telkom.
2. Telkom will, in the case of Third Parties who make a Disclosure, in Good Faith and in accordance with the Protected Disclosures Act, provide the necessary protection as per the provisions of the Protected Disclosures Act.
3. Telkom expressly prohibits any form of Occupational Detriment against any Whistleblower who makes a Disclosure in terms of this Handbook.
4. Telkom will ensure that a Whistleblower who discloses, any Irregularity in Good Faith shall enjoy maximum protection against victimisation and retaliation of affected parties and any Occupational Detriment levied against such a person because of his/her Disclosure in terms of this Handbook.
5. The protection afforded under section 159 of the Companies Act applies ex lege (as a matter of law) to Whistle-blowers.
6. No Employee of Telkom, including without limitation those in management positions, shall engage in any conduct that is tantamount to an Occupational Detriment as such conduct is prohibited by this policy and the Protected Disclosures Act and may give rise to disciplinary action and/or dismissal.
7. Any Whistle-blower who has been or may be subjected to any Occupational Detriment because of his/her Disclosure in terms of this policy, is encouraged to seek appropriate relief in terms of the Labour Relations Act for unfair dismissal or unfair labour practice, whichever is applicable.
8. If any Whistle-blower has reason to believe that he/she may be adversely affected because having made a Protected Disclosure Telkom must, upon such request from the Whistle-blower and if reasonably possible or practicable, arrange for the transfer of that Whistle-blower to another post or position in Telkom on the same terms and conditions as those relating to his/her incumbent employment.



