

MEMORANDUM

To: All Management Employees (Grade Level A to F), Transnet SOC Ltd.

From: Mr Tau Morwe, Group Chief Executive (Acting)

Date: 12 March 2019

SUBJECT: IMPORTANT COMMUNIQUE – LIFESTYLE AUDITS

Dear Colleagues,

Transnet is introducing measures to prevent corruption and re-affirm its commitment to its values.

Transnet is in process of implementing a lifestyle audit policy as one of the measures to prevent misconduct in Transnet.

The following principles will apply:

- Transnet will immediately commence with lifestyle audits on employees on grade levels A to F across Transnet and thereafter these audits will be conducted routinely;
- These audits will be prioritised based on grade level or in cases where specific employee/s have been implicated in misconduct;
- The lifestyle audit may be extended to include investigations into the employee's spouse and children's personal information and records;
- The personal records of the employee used for the investigation will stretch to a retroactive period of a minimum period of 5 years.
- All information processed relating to the employee will be treated confidential in accordance with the POPI Act requirements.

Transnet will safeguard the integrity and confidentiality of personal information in its possession or under its control while processing it by taking appropriate, reasonable technical and organisational measures.

Once the investigation is completed, the information will be destroyed in line with the records management policy and in compliance with the POPI Act.

The employee will be given an opportunity to comment on any apparent unexplained discrepancies in his/her financial status.

Transnet will carry all the costs associated with the sourcing of the lifestyle audit information.

During the Lifestyle Audit process, employees will be required to complete forms to obtain the required information, relating to, Biographical Information, Business Relationships, Professional Licenses, Employment History, Financial Information, Probate and Death Records.

Transnet will appoint an independent Forensic Investigation team to conduct the Lifestyle Audit. The following approach will be taken in the lifestyle audit process:

- **Phase 1:** A basic lifestyle audit will be conducted on all employees on grade levels A to F. Personal information related to the employee and relatives will be acquired through public records, such as social media, vehicles registered in employee's name, properties registered in employee's name and Companies registered in the name of the employee or directorships and compare with internal declaration of interest.
- **Phase 2:** If further investigations are required based on the outcome of the basic lifestyle audit, a detailed audit will need to be conducted. This will include, but not be limited to, investigations in the Employees Personal financial information, cellular telephone information, credit information, prior criminal history and South African Revenue Services (SARS) information.
- **Phase 3:** In the event that the detailed investigation results in further concerns, related parties may be investigated, which includes spouse, parents and children. This will include investigations in the public records of the parties related to the employee, and may include investigation in the related party's financial records which will require further consent from the related party.

Transnet will provide the employee with results of the lifestyle audit, once the process is completed.

Transnet employees are encouraged to co-operate in the process to ensure that we build and contribute towards an ethical culture in our organization.

Should you have any queries, please send an email to GRP-TCC-Security

Your support is highly appreciated.

Kind Regards,


TAU MORWE

Group Chief Executive (Acting)

Date: 12 / 03 / 2019