

NET 1 UEPS TECHNOLOGIES, INC.

POLICY FOR THE REVIEW AND  
INVESTIGATION OF COMPLIANCE MATTERS

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## 1. EXECUTIVE SUMMARY

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### 1.1. INTRODUCTION

Net 1 UEPS Technologies, Inc., its affiliates and subsidiaries (hereinafter refer to as the “Company”) will adhere to the highest ethical standards and will conduct its business in accordance with applicable laws, rules and regulations.

The Policy for the review and investigation of the compliance matters (hereinafter refer to as the “Policy”) provides a protocol for the receipt, triage and treatments of allegations of misconduct or improper practices.

This will include communications raising concerns regarding conduct or business practices inconsistent with legal, regulatory or fiduciary obligations or violation of codes of conduct or policies applicable to the Company

This policy is intended to supplement all existing policies and codes, and applies to all Compliance Allegations however submitted or received.

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## 2. COMPLIANCE ALLEGATIONS

### 2.1. COMPLIANCE ALLEGATIONS

For purposes of the Policy, Compliance Allegation is defined as any and all communications or allegations involving any of the following:

- Accounting, internal accounting controls or auditing matters;
- Violations of any law, rule or regulation of any country in which the Company operates;
- Violations of the Company's ethics policy or any other Company code or policy;
- Unfair or unethical business practices, or conflicts of interest, of any kind;
- Improper use of Company property or expenditure of Company funds;
- Hostile or threatening communications; and
- Any other fraudulent or improper activity.

### 2.2. SOURCE OF COMPLIANCE ALLEGATIONS

The Policy will apply to all Compliance Allegations received by the directors, officers and employees of the Company, in any form, from any source, including the following:

- Customers, shareholders or other members of the public;
- Media allegations;
- Anonymous/Whistle-blower submissions, via the Hotline or otherwise<sup>1</sup>;
- Current or former employees or management of the Company;
- Current or former vendors, or agents; and
- Government, regulatory or law enforcement agencies.

### 2.3. PROTOCOL FOR REFERRAL OF COMPLIANCE ALLEGATIONS

#### • COMPLIANCE ALLEGATIONS DIRECTED TO THE BOARD OF DIRECTORS

Unless the Board of Directors determines that another process should be used (such as a special committee to independently manage the review or investigation of a Compliance Allegation), Compliance Allegations received by any director shall be forwarded to the Group Compliance Officer, unless directed otherwise by the recipient.

If the Compliance Allegation was received in letter form, all original documentation including any packaging, shall be sent to the Group Compliance Officer.

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<sup>1</sup> When faced with a Whistleblower allegation, it is essential to give immediate consideration to any levels of protection which may be afforded to the Whistleblower under locally applicable legislation. The introduction of protective legislation in some jurisdictions means that the Company must take care to ensure that the Whistleblower is not subjected to any detriment by any act, or any deliberate failure to act, based on the disclosure and that any employee who blows the whistle is not dismissed by reason of the disclosure. In this context, "dismissed", can also include a claim for constructive dismissal. It is important to demonstrate that all Whistleblower claims follow a proper investigation process, including an assessment of key evidence. If the Whistleblower wishes to make the disclosure in confidence, then his/her anonymity should be preserved, so far as is possible, in accordance with local law.

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- **COMPLIANCE ALLEGATIONS RECEIVED OR OBSERVED BY OFFICERS/EMPLOYEES**

Compliance Allegations received or observed (including having been observed in the media and/or received via hotline or any other source) by officers and employees of the Company shall be forwarded to the Group Compliance Officer within three business days (or as soon as practicable thereafter).

If the Compliance Allegation was received in letter form, all original documentation including any packaging, shall be sent to the Group Compliance Officer.

When in doubt about whether a communication, allegation or inquiry constitutes a Compliance Allegation, the communication, allegation or inquiry should be forwarded to Group Compliance Officer in accordance with this policy.

## 2.4. INTAKE OF COMPLIANCE ALLEGATIONS

- **COMPLIANCE ALLEGATION RECORDS**

The Group Compliance Officer shall maintain a log of all Compliance Allegations which shall identify:

- the source of the Compliance Allegation;
- the time and date received;
- the business unit, department or corporate policy implicated by the Compliance Allegation;
- upon resolution, the date and means of resolution of the Compliance Allegation, including any remedial action taken; and
- any other information that, in the judgment of the Group Compliance Officer, warrants inclusion.

- **EVALUATION**

The Group Compliance Officer shall use commercially practicable and best efforts to ensure that s/he promptly conducts an initial evaluation of the Compliance Allegation (or where appropriate the Board of Directors) to consider its appropriate distribution and transfer, as set forth in below.

This initial evaluation is intended to look at the Compliance Allegation at a cursory level to assess validity, credibility, and basic subject matter but is not meant to encompass extensive factual or legal investigation. The initial evaluation should also include an assessment of the following matters:

- An assessment of the legal issues which may arise, including possible breaches of Company policy; regulatory requirements; director duties; statutory obligations; and criminal offences;
- The evaluation should include an assessment of the potential liability to which the Company is exposed and/or losses which the Company may have suffered;
- Consideration of the timeframe within which the investigation will need to be completed and in particular, identify where there is a need for urgent action;
- Factors to be taken into account when determining the speed with which investigation should be conducted:
  - Company reporting/disclosure obligations;
  - Likelihood of action/intervention by a third party/regulatory authority;
  - Ensuring that any regulatory investigation is not hindered or obstructed in any way;
  - Risk of 'tipping-off';
  - Risk of publicity;
  - Risk of movement or dissipation of assets;
  - Destruction of evidence;

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- Movement/departure of key personnel involved; and
- Seriousness of the issues under investigation.
- The Company may have reporting obligations to regulators, the market, lenders and so on which are likely to be time sensitive;
- Failure to make the notification on time, or at all, is likely to have serious consequences;
- Consent to proceed with an investigation may also be required once a notification has been made. The Group Compliance Officer must assess the need for any such notification and/or consent;
- It is critical to assess at the outset, all possible multi-jurisdictional issues which may impact on the investigation process. Such issues can dictate: the structure of the team; what evidence is gathered and how it is reviewed; how team members communicate with each other; reporting obligations; what type of work product is produced (if any); and even whether any investigation should be carried out at all;
- Many jurisdictions impose strict controls around access to, and transfer of, personal data. Early consideration should be given to applicable local laws on data protection and privacy.

If necessary, the Group Compliance Officer can seek the assistance of the Board of Directors and counsel in making this initial evaluation. The Group Compliance Officer shall be aware that any initial evaluation is not likely to be covered by privilege, and thus should be careful in reaching any premature or unsubstantiated conclusions in writing.

• **DISTRIBUTION TO NAMED RECIPIENT**

Unless otherwise directed, the Group Compliance Officer will cause a copy of any Compliance Allegation addressed to particular recipients to be distributed promptly to the named recipients.

In addition, copies of communications directed generally to the Board of Directors or to members or committees of the Board shall be forwarded immediately to the members of the Board and the Chairman of the Audit Committee.

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### 3. SUPERVISION OF INVESTIGATION

#### 3.1. DIRECT TRANSFER OF COMPLIANCE ALLEGATIONS

Compliance may transfer primary responsibility for conducting investigations of Compliance Allegations based on subject matter expertise, in accordance with the following procedures:

- The Compliance Officer shall supervise any direct transfer Compliance Allegations to monitor whether uniform and appropriate practices are used when evaluating and responding to Compliance Allegations;
- For all direct transfer Compliance Allegations, it shall be the responsibility of the transferee to inform the Compliance Officer at least monthly (or more frequently if appropriate) of the status of the investigation, and further, promptly to inform the Compliance Officer of all material developments in the investigation or its resolution;
- The Compliance Officer will, in consultation with the recipient department or business unit, set a timely deadline for resolution of each Compliance Allegation and be informed of the resolution of each transferred Compliance Allegation; and
- All direct transfers shall be subject to and limited by the procedures set forth in the Policy.

#### 3.2. TRANSFER TO THE CHIEF FINANCIAL OFFICER'S OFFICE

The Compliance Officer will transfer any Compliance Allegation concerning the following to the Chief Financial Officer for fact finding and resolution:

- Accounting, internal accounting controls or auditing matters;
- Employee theft;
- Personnel issues or disputes;
- Benefits, payroll or administrative issues;
- Benefits, payroll or administrative issues
- Allegations of employee discrimination, harassment or hostile work environment; and
- Threats regarding bodily harm or other physical security issues.

#### 3.3. TRANSFER TO AUDIT COMMITTEE

The Compliance Officer will transfer any Compliance Allegation to the Audit Committee for fact finding and resolution when in the judgment of any of the Group Compliance Officer, the Chairman of the Audit Committee, or the Board of Directors if:

- The Compliance Allegation alleges or implicates a violation of any law, rule or regulation of any country in which the Company operates and/or any code or policy that if proven true would:
  - Expose the Company to significant external liability; or
  - Require the Company to report its fact finding to a government, law enforcement or other agency or regulatory authority.
- The Compliance Allegation refers (explicitly or implicitly) to conduct of any current or former Director, executive officer (defined as the president and any vice president in charge of a principal business unit, or any other officer who performs a policy making function or any other person who performs similar policy making functions) or senior financial officer (defined as the principal financial officer and comptroller or principal accounting officer or persons performing similar functions) of Net 1, its subsidiaries or any of the business units; or
- The Compliance Allegation refers to conduct, which poses a serious and likely harm to the Company's reputation and goodwill; or

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- Transfer of the Compliance Allegation would create either a real or perceived conflict of interest, and compromise the independence of the fact finding and resolution of the Compliance Allegation.

### 3.4. ALLEGATIONS RETAINED

Except as set forth above or as resolved by the Board of Directors, all other Compliance Allegations shall be retained by the Group Compliance Officer for fact finding and resolution.

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**4. INVESTIGATION TRANSFERRED TO AUDIT COMMITTEE**

**4.1. INVESTIGATION RESOURCES**

The Audit Committee will determine whether an investigation should be conducted with internal resources or with the assistance of outside counsel or other external resources. In each instance, particular consideration should be given as to the appropriate steps which need to be taken to ensure that legal privilege attaches to any investigation work product and to consider whether it is preferable to have an independent investigator conduct the investigation.

Following the Audit Committee’s determination of these issues, it shall seek Board approval before the investigation commences.

The Audit Committee will be entitled to depart from the above process requiring Board approval where approval as provided would in the good faith judgment of the Audit Committee (or outside counsel):

- Unduly delay the investigative process; or
- Create either a real or perceived conflict of interest, and compromise the independence of the fact finding and resolution of the Compliance Allegation.

Unless resolved otherwise, the Audit Committee shall select and directly engage any outside counsel responsible for conducting any investigation.

**4.2. INVESTIGATION**

The Audit Committee will assess the extent and nature of the investigation based on the materiality and source of the Compliance Allegations. The Audit Committee shall appoint a single individual to direct and supervise the investigation (“Responsible Party”):

- Every Compliance investigation shall be free from actual or perceived bias or conflicts of interest;
- The investigation must be allowed to proceed with reasonable haste, and should not be compromised by unreasonable management control or interference, or other artificial restraint;
- In order to ensure the investigating team has a clear understanding of the intended scope and timeframe of the investigation, the Responsible Party (or outside counsel, as appropriate) should prepare the Investigation Plan.
- In general, the Investigation Plan should include the following detail:
  - Scope of the Investigation  
Effort should be made to clearly define the appropriate scope of the investigation. However, the investigative team shall routinely reassess the question of scope, as appropriate, to consider whether the scope of the investigation should properly be widened and/or narrowed in light of all available information.
  - Team Members  
There should be a clear allocation of responsibilities between respective team members.
  - Communication  
Lines and methods of communication should be set out so that team members understand how privilege will be preserved (if necessary and/or available).
  - Timeframe  
Deadlines should be set for each task so that the investigation can be completed with the minimum disruption possible to the business.
  - Other Company organization assistance needed

A discussion of the anticipated need for assistance, if any, from other organizations or units within the Company having special expertise or interest in the subject matter of the investigation (e.g., human resources, etc.) or from outside consultants (e.g., industry, forensic accountants).

- Budget

If outside resources are being used, a proposed budget for the retention of these services will be needed.

- Anticipated reporting obligations

Discussion of whether the investigation is reportable to any regulator, government agency or to the markets. Consideration should also be given to what notice and/or involvement should be given to the outside auditors. Where appropriate, the investigators should consult with the external auditor at the outset of the investigation to ensure that the proposed scope of the investigation will be sufficient to be relied upon for audit purposes.

- The Responsible Party shall submit the Investigation Plan to the Audit Committee, and if appropriate, the Board of Directors;
- Where the identity of the employees or officers of the Company involved in any suspected wrongdoing is known, the Responsible Party should consider taking the following steps as appropriate and consistent with local employment legislation and any applicable contract:
  - denying any authority to move or withdraw funds or to execute contracts on the Company's behalf;
  - informing the Company's bankers, or any other holders of the Company's assets (and in appropriate cases, the Company's customers and counterparties) that this is the case;
  - denying access to the Company's computer system and records;
  - changing passwords, security codes and locks;
  - avoiding the promotion or payment of bonuses to such individual(s);
  - moving the individual(s) away from their usual place of work and allocating different responsibilities; and
  - suspending the individual(s) or placing them on administrative leave pending completion of the investigation.
- The Responsible Party will take reasonable steps to gather and protect all potentially relevant information by, for example, directing that appropriate notices and instructions be sent to management and employees, securing relevant physical files and electronic data, and, where necessary, securing computers and work areas. Many jurisdictions have strict data protection laws that must be observed by investigators;
- Where appropriate all interviews will be conducted by, or at the direction of, counsel so as to be preserve privilege;
- The Responsible Party and investigative team will be free to decide whom they want to interview, in order to preserve the independence of the investigation;
- Upon the investigation's completion, the investigators will provide an oral or written report, if so required by the Audit Committee or the Board of Directors setting forth:
  - Background as to how the matter came to the attention of the Company;
  - Scope of the investigation;
  - Process of investigation;
  - Key findings;
  - The need for disciplinary proceedings;
  - The need for improvement in the Company's systems and controls;
  - Whether the Company might face civil action and if so, whether pre-emptive action should be taken to offer redress;
  - Whether any criminal offences have been committed by the Company or its officers/employees; and
  - Whether any notifications should be made.

- In determining whether to require a report and the form of such report, the Audit Committee and the Board must consider issues related to privilege and potential waiver of same;
- The Committee and the Board should particularly consider whether such report could be exploited by third parties in any ancillary litigation;
- Accordingly, the level of detail in the report may be guided by the likelihood of subsequent disclosure;
- Further, the Company may wish to consider whether particularly sensitive, confidential or unsubstantiated issues could be addressed in an oral report made in conjunction with the formal written material;
- The Company will have to ensure that accurate minutes of the meeting are kept in these circumstances.

In order to safeguard any available privilege protections, dissemination of any report within the Company should be limited

#### 4.3. REPORTING

The Group Compliance Officer shall provide reports to the Audit Committee regarding the investigations (if any) handled pursuant to this policy on a monthly basis, or with such frequency as the Chairman of the Committee shall direct.

Such reports shall include among other items, a discussion of hotline statistics, training updates, the underlying cause of any improper conduct, recommended remedial actions and the status of the remediation.

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## 5. DISCLOSURE/NOTICE TO REGULATORS

In virtually all jurisdictions where business is conducted, the Company is subject to the authority of different regulators. It is imperative to manage carefully the relationship with relevant regulators in all jurisdictions which may be affected.

As soon as the Company becomes aware of matters which may have a serious regulatory impact, the Company should give consideration to making an immediate notification. Certain regulatory provisions will oblige companies to make reports in specified circumstances.

Notwithstanding any obligation to report, there may in any event be a benefit in making an early voluntary disclosure. On sensitive issues, specialist legal advice should be sought before making a notification.

The Company also should consider what insurance coverage may apply to the matters under investigation, including E&O and D&O insurance, and comply with relevant notification requirements.

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## **6. RETALIATION, COOPERATION AND REVIEW**

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### **6.1. NO RETALIATION**

It is the Company's policy, in accordance with U.S. federal law, that there will be no disciplinary action or retaliation for the reporting, in good faith, of an actual or suspected Compliance Allegation, concern or inquiry of any kind.

### **6.2. DUTY OF COOPERATION**

It is the Company's policy that all personnel cooperate with the investigation in both substance and spirit.

### **6.3. THE POLICY IS SUBJECT TO REVISION**

The policy has been approved and adopted by the Board on the recommendation of the Audit Committee.

The Audit Committee will periodically review this Policy and may recommend changes in this policy from time to time for the consideration of the Board.

**BOARD APPROVAL RECEIVED: AUGUST 2019**

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