 <b>Eskom</b>	<b>Politically Exposed Persons Policy (PEPs)</b>	<b>Office of the Group Company Secretary</b>
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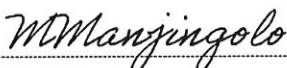


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## 1. Introduction

In terms of Sections 7.9 to 7.11 of the Johannesburg Stock Exchange (JSE) Debt listing requirements, Eskom Holding SOC (Eskom) as a debt issuer, must have a policy dealing with the disclosure and treatment of domestic prominent influential persons (i) at board level and (ii) for the prescribed officers of the issuer in respect of any transaction by the issuer with domestic prominent influential persons (DPIPs).

Eskom supplies energy to a wide range of customers in South Africa, which requires it to enter into business relationships with service providers and/or suppliers who are or whose beneficial ownership include individuals who may be considered to be DPIPs or Foreign Prominent Public Officials (FPPOs) and related individuals.

That in mind, Eskom is committed to acting with integrity in all its business dealings and to conduct its activities in accordance with all laws relating to corruption, anti-money laundering and countering the financing of terrorism.

**Note:** All capitalised words are defined in the definitions sections (clause 3.3) of this policy.

## 2. Policy Content

### 2.1 Policy Statement

Politically exposed persons (PEPs) are considered high risk as they hold positions of power and influence that may be abused for private gain or to benefit friends, family members and/or close associates. Therefore, in the process of establishing a relationship or maintaining such relationship it is imperative that Eskom takes steps to identify whether such individual is a PEP or not.

This policy is developed as a risk-based approach control for the identification and management of PEPs, for managing this risk, in regard to directors and/ or prescribed officers. The policy will serve as a framework of how to deal with specific risks that are brought about by PEPs. The policy is overarching and should be read with other Eskom related policies (as referred to in clause 3.2.1) for the purpose of implementation. Where necessary, other related policy should be revised to ensure alignment with the requirements set out in this policy.

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## 2.2 Policy Principles or Rules

Measures imposed by this policy on PEPs (including their close family members and known close associates), should not be interpreted to stigmatise a PEP as being involved in any criminal activity. Thus, the policy does not advocate the rejection of a business relationship with a person simply based on their PEP status.

## 2.3 Main Principles of Conduct

### 2.3.1 Identification of a Domestic Prominent Influence Persons (DPIPs) or Foreign Prominent Public Officials (FPPOs).

**Note:** Refer to **Annexure "A"** for who is considered a PEPs, DPIPs or FPPOs

Identification of a DPIPs or FPPOs must take place before the formation of a business relationship/ transaction, **Annexure B** of the Policy provides a process flow for the identification and management of DPIPs or FPPOs business relationships.

#### 2.3.1.1 Eskom will adopt the following process to identify DPIPs and/or FPPOs:

- Making enquiries about the DPIP status of Directors, Prescribed Officer during the screening process;
- Making enquiries about the DPIP status of prospective Suppliers during the tender, negotiation, contracting phase;
- To ensure accuracy of PEP record keeping, periodic review of declaration of interest forms completed by Directors and Prescribed Officers will be conducted;
- Verifying the identities of all new and existing service providers and Suppliers against publicly available information;
- Risk profiling a person as a DPIP utilising the occupation as well as the industry where the individual works or is a member; and
- Considering other reputable sources of information such as industry publications, government publications or press releases and/or company issued updates.

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### 2.3.2 Treatment of a DPIIP or FPPO

**2.3.2.1** Once a PEP, DPIIP or FPPO is identified, an enhanced due diligence (EDD) must be conducted to determine the appropriateness of establishing a business relationship. An EDD shall include but will not be limited to the following measures:

- Establish and verify the nature of the business;
- Establish the intended purpose of the business;
- Determine the ownership and control structure;
- Establish the identity of the beneficial owner;
- Establish if a DPIIP or FPPO influences business policies and strategy;
- Establish the nature of the position held by the individual concerned (the day-to-day management position versus an individual in a consultative role or a non-executive role); and
- Determine the source of funds for the intended transaction or business.

#### 2.3.2.2 Monitoring of DPIIP or FPPO

a) All findings on the screening/due diligence of the Directors and Prescribed Officer including recommendation shall be reported to Group Company Secretary for record keeping and consideration. The group company secretary or his/her delegate will:

- Review the process and provide guidance on the validity or otherwise of the screening/due diligence; and
- Make recommendations on how the relationship must be managed.

b) All findings on the screening/due diligence of the Suppliers and/ or Third-party including recommendations must be reported to the Group Chief Financial Officer (GCFO) for record keeping and consideration. The GCFO or his/her delegate will:

- Review the process and provide guidance on the validity or otherwise of the screening/due diligence; and
- Make recommendations on how the relationship must be managed.

### 2.3.3 Disclosure

A register of all PEPs and their relationship with Eskom must be maintained by the GCFO and must be made available on the Eskom website when Eskom publishes its annual financial statements.

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However, a Negative Statement will be made if there are no PEPs, DPIP's or FPPOs that have been identified for a particular financial year/reporting cycle.

### **3. Supporting Clauses**

#### **3.1 Scope**

This policy sets out the principles of Eskom with regards to PEPs.

##### **3.1.1 Purpose**

The purpose of this Policy is to outline Eskom's approach in dealing with business relationships with persons who are classified as DPIP's or FPPOs and to set out the process to be followed in the identification, treatment and monitoring thereof. Moreover, the policy aims to prevent Eskom from being misused to facilitate corruption, money laundering and terrorist financing.

#### **NOTE:**

Identification of PEPs- refer to clauses 2.3.1

Treatment of PEPs – refer to clauses 2.3.2

Monitoring and reporting- refer to clauses 4.2.

##### **3.1.2 Applicability**

This policy is applicable to all Eskom Directors, Prescribed Officers, Suppliers and/or Third Party in respect of any Eskom business transactions. In the event of a conflict between other policies dealing with the issue of PEPs and this policy, this policy will take precedence as far as conflicts of interests for PEPs are concerned.

##### **3.1.3 Effective date**

The policy is effective upon approval and publication thereof. Process owners (risk owners as per Eskom's risk policy) have twenty four (24) months transitional period to ensure that pre-existing relationships comply with the provisions of this policy.

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### 3.2 Normative/Informative References

The policy complements other related Eskom policies and for the purpose of implementation, parties using this document shall apply the most recent edition of the documents listed in the following paragraphs:

#### 3.2.1 Normative

- 1) Code of Ethics; 'The Way', 32-527
- 2) Conflict of Interest Policy 32-173.
- 3) Eskom Supply Chain Policy (and procurement governance protocols)
- 4) Eskom Security Vetting Policy 32-0122M
- 5) Enterprise Risk and resilience Policy 32-86
- 6) Integrated Risk Management Standards 32-391
- 7) Information Security Policy 32-85
- 8) Whistle-blowing Policy, 32-250
- 9) Eskom Delegation of Authority Policy Framework, 240-62072907

#### 3.2.2 Informative

- 1) JSE Debt Listing Requirements;
- 2) Public Finance Management Act ("PFMA"), 1999 (Act No. 1 of 1999);
- 3) Financial Intelligence Centre ("FIC") 2001 (Act No. 38 of 2001);
- 4) Prevention and Combating of Corrupt Activities (PRECCA"), 2004 (Act 12No. of 2004);
- 5) Protection of Constitutional Democracy against Terrorist and Related Activities Act 33 of 2004;
- 6) Financial Action Task Force ("FATF") guidance;
- 7) International standards, including the OECD Guidelines and the UN Convention on Prevention of Corruption.

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### 3.3 Definitions

- 3.3.1 Bribery:** the offering, giving, receiving, or requesting of something of value or gratification for the purpose of influencing the action of a person in authority in the execution of his / her public or legal duties.
- 3.3.2 Corruption** for the purpose of this policy shall have similar meaning as defined in section 3 of PRECCA, and means giving or receiving of some advantage or benefit, where the benefit or advantage is used as an improper or unauthorised way of influencing a person to do or not to do something. Corruption in its wider meaning includes any conduct or behaviour where a person accepts, agrees, or offers any benefit for him/herself or for another person where the purpose is to act dishonestly or illegally. Such behaviour also includes the misuse of material or information, abuse of a position of authority or a breach of trust or violation of duty.
- 3.3.3 Director:** Means a member of the board of Eskom, or a board of its subsidiary, or an alternate director of such board and includes a person occupying the position of a director, by whatever name designated, or a prescribed officer; or a person who is a member of a committee of the board or of the audit committee, or any participants irrespective of whether or not the person is also a member of such board.
- 3.3.4 Eskom:** means Eskom Holdings SOC Limited and its subsidiaries.
- 3.3.5 Negative Statement:** This is a statement prepared for an audit report when there is no substantial evidence and/ or finding that there are PEPs, DPIPs or FPPOs that have been identified for a particular financial year/reporting cycle.
- 3.3.6 Politically Exposed Persons (“PEPs”):** A politically exposed person is an individual who holds or has held a prominent or public function. Within this position, the person has a level of influence and control over public funds, benefits, and decision-making. The abuse of such a position in office could result in corruption and bribery that may serve as a predicate offence to money laundering.

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**3.3.7 Prescribed Officers** - 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 –

- 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.
- The Act and its regulation apply to a person irrespective of any particular 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.

**3.3.8 Supplier and/or Third party:** means any person or entity that does business with Eskom or tenders to do business with Eskom, or is registered on Eskom's supplier database, such as consultants, contractors, sub-contractors and providers of goods and services.

## 4. Policy Accountability

### 4.1 Abbreviations

Abbreviation	Explanation
AML	Anti-Money Laundering
Board	Eskom Holdings Soc
CDD	Customer Due Diligence
DPIP	Domestic Prominent Influential Person
EDD	Enhanced Due Diligence
EXCO	Eskom Executive Management Committee
FATF	Financial Action Task Force
FIC	Financial Intelligence Centre
FICA	Financial Intelligence Centre Act, No. 38 of 2001 as amended
FPPO	Foreign Prominent Public Official

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Abbreviation	Explanation
GCE	Group Chief Executive
GCFO	Group Chief Financial Officer
JSE	Johannesburg Stock Exchange
ML	Money Laundering
ODD	Ongoing Due Diligence
PEPs	Politically Exposed Person
RMCP	Risk Management and Compliance Programme

## 4.2 Policy Implementation

### 4.2.1 Roles and Responsibilities

#### 4.2.1.1 Approving Official/ Authority

- a) The Eskom Board must approve this policy as per its governance processes.
- b) The GCFO and Company Secretary should ensure reporting in accordance with relevant regulatory requirement and other governance protocols / instrument of control.
- c) The Group Chief Executive (GCE) must refer all identified DPIPs or FPPOs that exist at Board level to the Shareholder through the Board Chairperson for noting.
- d) Notwithstanding the above, matters within this policy involving the GCE and the GCFO shall be dealt with by the Board.
- e) In the case of EXCO members and Prescribed Officers, matters within this policy dealing with PEP shall be referred to the GCE on recommendation of the GCFO as the policy sponsor.
- f) The declaration of interest form must be signed, and declarations made wherever such conflicts occur.

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#### 4.2.1.2 Group Company Secretary

Group Company Secretary shall:

- a) Monitor the DPIPs or FPPOs declarations at Eskom Holding Board, Board committee, EXCO and sub-committee meetings in line with the meeting declaration of interest register;
- b) Upload and keep records of such declarations for Eskom Board members and Prescribed Officers on the Company website and report to the relevant committees for noting;
- c) Ensure that the PEPs policy requirements are communicated timeously;
- d) Provide governance advise and support on the implementation of this policy.

#### 4.2.1.3 Legal and Compliance

- a) Conduct DPIP or FPPO periodic review and provide guidance to inform decision making;
- b) Develop, maintain, and monitor the Risk Management and Compliance Programme (RMCP)
- c) Provide RMCP implementation progress report to the relevant governance structures
- d) Ongoing monitoring of DPIP or FPPO as part of compliance monitoring process and/or as part of trigger events;
- e) Conduct regular risk assessment and proactively monitor all DPIP or FPPO related risks and relationships.
- f) Monitor and report on compliance with this policy by the respective groups/divisions/subsidiaries.
- g) Provide legal advice on complex PEPs conflicts of interest including management of Conflict of Interests for Directors and Prescribed Officers.
- h) Commercial Agreement to inclusion provisions relating to DPIP or FPPO disclosure.

#### 4.2.1.4 Internal Audit

Provide assurance on the internal control system for managing PEPs policy compliance and conflicts of interest in Eskom Holdings.

- a) Investigate and report on non-compliance matters.

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**4.2.1.5 Process Owners (including but not limited to Procurement and Treasury)**

Although there are other process owners that will contribute to the identification, monitoring, and performing due diligence, Procurement and Treasury play a vital role as depicted in **Annexure B** to:

- a) Conduct transaction specific due diligence and complete and sign the DPIP or FPPO Reporting Form
- b) Initiate the screening process by completing the DPIP or FPPO reporting form;
- c) Commercial agreement should include a provision relating to DPIP or FPPO;
- d) Ensure that all activities as prescribed by the Act are carried out in line with the provisions of this policy for compliance purposes;
- e) Develop an implementation action plan to address all identified risks;
- f) Prepare clear functional processes that takes into consideration the DPIP / FPPO Policy compliance requirements;
- g) Keep records of all approved DPIP/FPPO business relationships and transaction;
- h) Ensure that a copy of the due diligence report and recommendations are kept as part of the overall transaction file/record;
- i) Ensure that process specific systems are linked to the Internal DPIP/FPPO database to make it easy to detect and for reporting purposes; and
- j) Ensure that there is an ongoing training and awareness in relation to this policy.

**Authorization**

This document has been seen and accepted by EXCO and approved by Board.

**5. Revisions**

Date	Rev.	Remarks
March 2026	1	New document.

**6. Development Team**

The following people were involved in the development of this document:

- Michael Tshikororo
- Allison Beukes

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## 7. Acknowledgements

- Group Company Secretary
- Executive Management Committee
- Eskom finance (Treasury)
- Procurement and Supply Chain Management
- Legal and Compliance
- Risk and Resilience
- Internal Audit

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## Annexure A-

### 7.1.1 LIST OF PEPs

Financial Intelligence Centre Act ("FICA") (Sections 21F-G) recognises two (2) categories of PEPs, namely:

- Domestic Prominent Influential Persons ("DPIPs"); and
- Foreign Prominent Public Officials ("FPPOs").

#### 7.1.1.1 Domestic Prominent Influential Persons (DPIPs)

A DPIP, according to Schedule 3A of FICA is an individual who holds a prominent position, including in an acting position for a period exceeding six months, or has held at any time in the preceding 12 months, in the Republic of South Africa. and that of:

- The President or Deputy President;
- A government minister or deputy minister;
- The Premier of a province;
- A member of the Executive Council of a province;
- An executive mayor of a municipality;
- A leader of a registered political party;
- A member of a royal family or senior traditional leader (Amakhosi);
- The head, accounting officer or chief financial officer of a national or provincial department or government component as defined in section 1 of the Public Service Act, 1994 (Proclamation No. 103 of 1994);
- The municipal manager or a chief financial officer of a municipality;
- The Chairperson of the controlling body, the Chief Executive Officer, or a natural person who is the accounting authority, the Chief Financial Officer or the Chief Investment Officer of another public entity listed in Schedule 2 or 3 to the Public Finance Management Act, 1999 (PFMA) (Act No. 1 of 1999);
- The Chairperson of the controlling body, Chief Executive Officer, Chief Financial Officer or Chief Investment Officer of a municipal entity;
- A constitutional court judge or any other judge as defined in section 1 of the Judges' Remuneration and Conditions of Employment Act, 2001 (Act No. 47 of 2001);
- An ambassador or high commissioner or other senior representative of a foreign government based in the Republic;

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- An officer of the South African National Defence Force above the rank of major-general;
- Chairperson of the board of directors, chairperson of the audit committee, executive officer or chief financial officer, of a company if the company provides goods or services to an organ of state and the annual transactional value of the goods or services or both exceeds an amount determined by the Minister by notice in the Gazette;
- or the position of head, or other executive directly accountable to that head of an international organisation based in the Republic 8.

#### 7.1.1.2 Foreign Prominent Public Officer (FPPO)

A FPPO on the other hand, is an individual who holds, or has been entrusted with a prominent public function in a foreign country at any time in the preceding twelve (12) months, a prominent public function in any foreign country including that of a:

- Head of State or head of a country or government;
- Member of a foreign royal family;
- Government minister or equivalent senior politician or leader of a political party;
- Senior judicial official;
- Senior executive of a state-owned corporation; or
- high-ranking member of the military

**2.2.1.3** Due to the risks associated with PEPs, Section 21H of FICA, requires that "close family members" and "known close associates" of PEPs (both domestic and foreign) should be identified.

- a). Thus "**Close family members**" include relations through direct consanguinity or through marriage or (civil) forms of partnership, such as, but not limited to:
- i. Spouses, civil partners or life partners;
  - ii. A previous spouse, civil partner or life partner, if applicable;
  - iii. Children and stepchildren, their spouses and civil partners or life partners;
  - iv. Parents;
  - v. Siblings and stepsiblings and their spouses, civil partners or life partners; and
  - vi. Other blood relatives and relatives by marriage.

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b) **“Known close associates”** are individuals who are widely and publicly known to be closely connected to a PEP, either socially or professionally. A known close associate includes, but is not limited to, a person who has a:

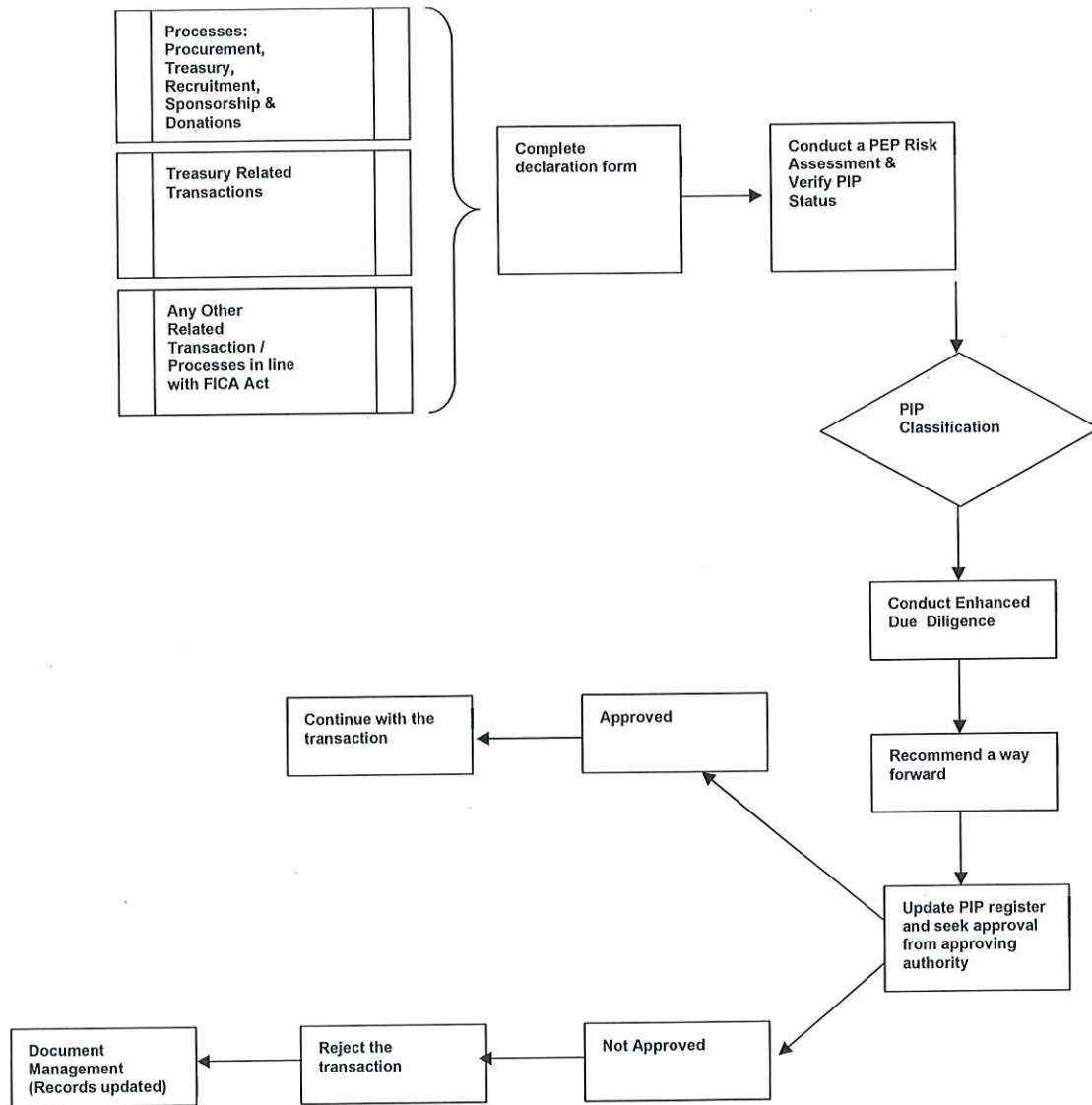
- i. Close business and / or social relations with a PEP (including paramours' friends, boyfriends and girlfriends etc.);
- ii. Prominent members of the same political party, civil organisations, labour or employee union as the prominent person.
- iii. Business partner, associates, especially those that share beneficial owners of legal entities with the prominent person, or who are otherwise connected;
- iv. Joint beneficial ownership of a legal entity or legal arrangement with a PEP; and
- v. Sole beneficial ownership of a legal entity or legal arrangement, which has been set up for the benefit of a person who is a PEP.

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Annexure B-

Process Owners-Transaction Flowchart



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