



ENSAfrica Forensics
1 North Wharf Square Loop Street
Foreshore Cape Town South Africa 8001
P O Box 2293 Cape Town South Africa 8000
Docex 14 Cape Town
tel +2721 410 2500
info@ENSAfrica.com

our ref

your ref

28 May 2018

date

EOH

Block D EOH Business Park
Gilloolly's View
1 Osborne Lane
Bedfordview
Gauteng

By email:

Dear

RE: EOH COMPLIANCE AND GOVERNANCE SUPPORT | UPDATE

1. In late November 2017, EOH appointed the forensics services division of ENSAfrica to provide forensic services as well as governance and compliance support to the company, following adverse media.

The ENSAfrica mandate from EOH

2. The services provided by our team were divided into a number of work streams that were designed to gather the facts related to the media allegations against _____ as well as to strengthen and enhance existing governance and compliance processes and controls at EOH.
3. Work stream 1: Fact finding review of the commercial activities of the

3.1.

3.2.

3.3.

3.4.

3.5.

4. Work stream 2: Review of EOH's governance framework regarding public sector contracts

4.1. The next area that we have provided support to EOH (**Work Stream 2**) relates to a review of EOH's Governance framework regarding public sector contracts.

4.2. This included an oversight review of EOH's public sector contracts as well as the EOH public sector bidding process with a view to ensuring that it is effective, compliant with government procurement prescripts and consistent with procurement best practice.

4.3. We have made several recommendations to further strengthen governance and compliance in this area. Additionally, we have been requested to play an on-going risk based, monitoring and oversight role in order to ensure that EOH manages its public sector engagements optimally.

4.4. Furthermore, several anti-corruption compliance initiatives, which are being implemented as part of the broader regulatory compliance initiative, (set out in the ensuing section below), will further strengthen and optimize EOH controls regarding interactions with the public sector.

5. Work stream 3: General review of the Group Regulatory Compliance framework

5.1. We have made significant strides regarding (**Work stream 3**) the performance of a general review of the Group Regulatory Compliance framework, to further strengthen and enhance existing anti-corruption controls.

5.2. In order to further and optimize the EOH Group Regulatory Compliance framework, ENS Africa is assisting EOH with adopting and implementing the key principles of ISO 37001: the ISO standard for Anti-Bribery Management Systems (ABMS) in light of the fact that EOH operates internationally and needs to also ensure that it complies with international laws and regulations.

5.3. The six principles that EOH is in the process of implementing to ensure consistency across its business structures, include the following:

5.3.1. **Proportionate procedures**, reaffirming its anti-bribery and corruption policy and controls (ABC);

5.3.2. **Tone from the top** – leadership commitment to anti-bribery and corruption compliance;

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- 5.3.3. **Risk Assessment** – EOH has mandated ENSafrica to perform a risk assessment on the business to ensure that the Group has identified all the associated material risks and the mitigating steps it has in place, to minimise any potential risks;
 - 5.3.4. **Due diligence** – the group is strengthening its risk based due diligence process to ensure that people and business partners are appropriately screened;
 - 5.3.5. **Training** and communication on ABC compliance. ENSafrica is assisting EOH with the rollout of ABC training to all of its divisions and subsidiaries; and,
 - 5.3.6. **On-going monitoring** of ABC risks. ENSafrica is supporting EOH with its processes and procedures to continuously monitor corruption risks to the business and to assist EOH with the effectiveness of their compliance program.
- 5.4. By adhering to the above principles, EOH will be able to ensure that it complies with the anti-corruption compliance requirements set out in Regulation 43 of the South African Companies Act (No. 71 of 2008). It will also ensure that the group is able to withstand scrutiny by a global regulator.

6. Conclusion

- 6.1. EOH has responded positively to the alleged unethical activities at the [redacted] and as conveyed above, the exposure to the group as a result of those activities, is minimal.
- 6.2. Importantly, EOH has recognized that there is scope to further strengthen its activities in the public sector and has mandated us to review the internal processes, as well as to perform an oversight role.
- 6.3. Furthermore, EOH has recognised that there is some scope to improve and enhance its regulatory compliance framework to ensure good governance and to minimise the potential risk posed to the business by unethical employees and/or business partners.
- 6.4. We believe that these responses by EOH to the media reports relating to [redacted] demonstrates that EOH's GRC framework is robust and resilient and that the Group is committed to good corporate governance and to further strengthen it.

7. Kindly note that this update on the progress of the support that we have rendered to EOH is provided at a very high level, in order to ensure that legal privilege is not waived.
8. Please do not hesitate to contact me, should you wish to discuss any of the points set out above.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Steven Powell', written in a cursive style.

ENSAfrica Forensics

Per Steven Powell (Director)