

# **SEBENZA**

## **Code of Ethics**

## **1. COVERAGE**

This business code of ethics (“Code of Ethics”) is applicable to all Sebenza employees. To the extent set out at items 2.4, 5.1 and 7 below, this Code of Ethics is also applicable to internal and external stakeholders who are not employees, being shareholders, non-executive directors, customers, suppliers, service providers, government and the general public.

## **2. STATEMENT OF INTENT**

### **2.1 INTENT**

This Code of Ethics is a statement of the morally and ethically acceptable behaviours for all employees (including directors) of Sebenza. This Code of Ethics provides a template for ethical reasoning to guide all employees in their dealings with internal and external stakeholders.

### **2.2 PURPOSE**

The purpose of this Code of Ethics is to:

- emphasise Sebenza’s commitment to ethics;
- set out basic standards of ethical behaviour;
- provide reporting mechanisms for known or suspected ethical violations; and
- help prevent and detect wrongdoing.

## 2.3 STANCE

From an ethical perspective, management wishes to state Sebenza's stance on the following matters:

- Honesty and integrity is expected in all dealings with all stakeholders, being shareholders, directors, employees, customers, suppliers, service providers, government and the general public. Stakeholders must engage in good faith.
- It is also expected that stakeholders shall interact with fairness, dignity, and respect to create and protect a trusting business and working environment free from harassment and discrimination.
- Sebenza strives for excellence and professionalism in all its endeavours. In particular, it seeks to:
  - protect shareholders' investment and to provide acceptable returns;
  - provide optimal support to its partners and clients in the context of its operating model and growth strategy;
  - respect its stakeholders' human rights;
  - provide decent working conditions and competitive terms of service for its employees; promote the development and best use of human talent; avoid discrimination of any nature; and, achieve employment equity targets in the context of a spirit of empowerment;
  - maintain mutually beneficial relationships with suppliers and service providers on the basis of sound business ethics;
  - conduct business as a responsible corporate member of society; observe the laws of the countries in which it operates; express support of fundamental human rights; give proper regard to safety, health and environmental concerns; and, support appropriate social responsibility programmes.

- Sebenza is committed to community development initiatives and seeks to actively engage in enterprise development programmes and mentorship.
- Fraudulent, corrupt, or illegal practices will not be tolerated. Bribes or any other illicit payments will neither be paid nor accepted. Refer to the Anti-Bribery, Corruption, and Money Laundering Policy for further details in this regard.
- Sebenza does not participate in any illegal anti-competitive activity. It seeks to compete in a fair, ethical, and lawful manner. Employees should not authorise nor participate in any illegal conduct or action (such as price manipulation or tender fixing) that restricts competition.
- Sebenza is non-political. It does not make contributions to political parties/organisations or allow its assets and services to be used in any way which favours any particular political grouping, other than in the provision of its normal products and services, under its standard terms and conditions and arm's length practices.
- Sebenza expects its shareholders, directors, and employees to act in its best interests.

## **2.4 EXPECTATIONS PERTAINING TO STAKEHOLDERS**

- Sebenza expects its stakeholders to:
- commit to conduct themselves in accordance with this Code of Ethics – in particular, Sebenza's stance as detailed in item 2.3 above;
- observe both the intent and literal application of the law in their dealings with Sebenza or on its behalf;
- recognise the responsibility to all its stakeholders and assess priorities in the context of appropriately discharging these responsibilities; and
- conduct themselves as responsible members of society.

### **3. COMPONENTS OF THE CODE OF ETHICS**

#### **3.1 CONFLICT OF INTEREST**

Sebenza requires that its employees will not engage in practice or pursue private or personal interest, which are in conflict with the Company's interests. A conflict of interest in this sense is one which could result in financial damage or loss for the Company, or harm to the Company's image in the eyes of its business associates or the general public.

A conflict of interest exists when employees have direct or indirect personal interest or derive benefits from transactions to which the Company or an employee in his/her capacity as an employee is also a party (indirect means any family member or close relation). To the extent possible, such situations must be avoided and prevented in the interest of honest bona fide business practices. The onus rests on the employees to disclose all potentially conflicting interests.

##### **3.1.1 Disclosure and Annual Declaration of Appointments**

- A proposed appointment as director of any public company, private company and/or public body, or appointment as a member of a close corporation or a trustee of a trust other than family trusts must be submitted in advance to the relevant Executive for consideration, prior to acceptance of such appointment.
- If the relevant Executive is not certain he/she may in his/her discretion refer the matter to the Managing Director/CEO for a decision. Approval of particular interests may be made subject to certain conditions or withheld if there is potential conflict of interests.
- An annual declaration of holding of interests and Directorship in any institution, must be made by all employees including executives/directors and senior management.  
The annual declaration must be sent to the relevant Company's Board and the Group Compliance Officer on an annual basis or when requested.
- All such disclosures and declarations will be treated with the strictest confidence.

### 3.1.2 Alternative Employment: Conducting Business

An employee (including executive directors) shall not without the knowledge and prior written consent of the Company; be directly employed full or part-time, by any person or other business concern or conduct any business on behalf of another company whilst being:

- A shareholder or partner in that company;
- Member of a closed corporation;
- Related and/or affiliated to it in any other capacity; or • An employee of the company.

Employees shall not perform any work for any third party, whilst in the employ of Sebenza unless explicitly approved by the Managing Director/CEO and disclosed to the relevant HR representative.

3.1.3 Supply of goods and services or contracts entered into by employees, immediate family members, relatives, or close friends of an employee with Sebenza.

Unless approval is sought and granted in accordance with Sebenza's delegation of authority framework, no immediate family member, relative of an employee, or close friend is to supply the Company with goods, repairs, or services of any kind or is to enter into contracts with Sebenza. If any employee has a family member or relative that works for the organisation that supplies goods, repairs, or services to Sebenza this fact should be disclosed to the relevant Executive.

An immediate family member and relatives are as follows: parents, husband, wife, spouse, children, brothers, sisters, grandparents, parents-in-law, brothers, and sisters-in-law.

An annual declaration of supply of goods and services to Sebenza or contracts entered into with Sebenza by employees, immediate family members, relatives, or close friends of an employee, must be made by all employees.

### 3.2 CONFIDENTIAL INFORMATION

Employees undertake that for the duration of their service with the Company and after termination and expiry (as outlined in the terms of the employee's Employment Contract) thereof:

- No information having bearing on any of the Company's activities or any company in which the Company has an interest will be communicated, transmitted, or otherwise made known to any third party, and that he/she will not collaborate in breaching this condition.
- If he/she has any information, documents, or any other articles in his/her possession or under his/her control which he/she, in terms of the above paragraph, may not inform, transmit, or make known to anyone, or use, that reasonable steps will be taken to protect that information, those documents and/or articles and ensure that the confidential nature thereof is not compromised.
- Not use information which he/she has obtained through the above, however much it might be to the advantage of another person or to permit that it be used, at any time.
- Not to remove, other than for official Company use, any information pertaining to the Company or its clients' activities from the premises of the Company without the prior written authorisation of his/her immediate superior.
- Employees are required to take adequate precautions to ensure that all confidential information, which is not generally available to the ordinary public, will not be leaked to person/s who are not entitled to it.
- Information must be treated in accordance with the requirements of the POPI Act at all times.

### **3.3 USE OF COMPANY SERVICES AND PROPERTY**

The Company services and/or property which do not form part of an employee's service benefits may under no circumstances be used for private purposes unless prior written approval has been obtained from the company's CEO responsible for the asset or who provides the service, unless the materiality is less than R10.00 on any given day.

Each staff member must be familiar with the procedures applicable to his/her responsibilities and must be sure that they are followed, particularly in connection with the acquisition, use, or disposition of the Company assets.

Staff members should recognise that the Company assets are not only physical or tangible items, but also include intangibles (such as ideas, concepts, or inventions which staff members have access to as a result of their work responsibilities).

### **3.4 ACCEPTANCE OF GIFTS AND REWARDS**

Employees should always act with integrity and should not allow any person to induce him/her by way of any reward with a monetary value to him/her or to a relative, to do or omit or do anything which is prejudicial or potentially, prejudicial to the Company. Such conduct constitutes a serious offence, which may lead to dismissal.

#### **3.4.1 Publicity Gifts**

Occasional small promotional gifts of a nominal value as well as business lunches and tickets to sporting events etc., which are in fact necessary or useful to promote or expedite business affairs, are not regarded as a contravention of this code or as constituting a conflict of interest. For the purposes of this paragraph, a cumulative amount of R5,000.00 per year may be regarded as a nominal value.



Employees should however keep in mind that if such gifts are given or accepted with a corrupt or fraudulent intention, or in conflict with the rules set out in this policy, then it constitutes a transgression.

If any employee is uncertain whether a gift or any other consideration may be accepted, he/she should immediately consult his/her Executive in this regard. When in doubt, the onus for proving that a transaction is not corrupt would be on the employee.

If gift considerations of a monetary value are received by any relative, friend or acquaintance of an employee from any person, in circumstances which may give rise to a conflict of interest, or influence an employee in the execution of his/her normal duties, then the employee concerned must immediately (within 24 hours) report such a gift or consideration to his/her Executive who will take further action.

#### 3.4.2 Invitations

Invitations from customers and suppliers are a courtesy extended during the normal course of business may be accepted, provided this is not being offered to influence employee's business decision and should be in the interest of the Company.

Invitations for domestic trips where expenses are paid partially or in full by the host should be declined and may only be accepted with prior approval of an employee's Managing Director/CEO.

The acceptance of personal invitations for trips outside the boundaries of the country in which you are employed in, is totally prohibited under any circumstances.

#### 3.4.3 Unacceptable Business Courtesies

In order to provide specific guidelines to employees, the following acts in particular, but not limited to these acts are deemed unacceptable.

- Acceptance of gifts or any considerations which would be perceived as having a value to the recipient, for example sponsored holidays, hunting trips, flight tickets for personal use, jewellery, electronic equipment, any other luxury items etc. Offers of

this kind must be firmly declined or immediately returned to the sender if delivered without prior notice, unless approved by a Director of the Company where refusal would unnecessarily offend the donor.

- Acceptance of cash payments, whether large or small, must be refused under any circumstance.
- Airline tickets and/or accommodation for business trips or trips for training or study purposes, paid for by the third party are not considered as prohibited if approved by the relevant Managing Director/CEO.

#### 3.4.4 Declaration of Offers

All such items exceeding a cumulative amount of R5,000.00 a year or as approved by the relevant Managing Director/CEO, must be recorded in the register maintained for this purpose on an annual basis (see Annexure A). Where a gift is received that is manufactured by the client the estimated open market value should be used for recording in the register and not the cost or selling price.

- The following information is recorded in the register:
- Name of recipient;
- Name of organisation from whom the gift was received
- Nature of gift
- Estimated open market value of gift; and
- Circumstance under which gift was given.

The non-declaration of gifts or hospitality or rewards of monetary value could lead to severe disciplinary action; the termination of future dealings with the supplier or client concerned; fines; and/or, in certain instances, imprisonment.

Employees and directors should not give or accept gifts, entertainment, or any other personal benefit or privilege that could in any way influence or appear to influence their objectivity in the execution of their duties. Employees cannot give or accept any benefit,

regardless of its form, if it is tendered as a “quid pro quo” for the employee to make a favourable decision, or if it is a cash, voucher or a similar monetary item.

#### 3.4.5 Exchange of Gifts and Entertainment

Where there is a need to give a gift to a business partner, such gift should be confined to taking the business partner to lunch or giving the Company branded pens, ties, diaries etc.

Giving of gifts which cumulatively exceed R5,000.00 per person per year should be avoided.

For gifts in excess of this amount prior approval from the relevant Managing Director/CEO needs to be obtained.

All gifts given must be recorded in the register maintained for this purpose on a monthly basis (see Annexure B) and declared on a quarterly basis. The completed register must be submitted to the Group's Chief Operations Officer and Compliance Officer on a quarterly basis or when requested.

The guidelines in this policy should be applied when issuing gifts to customers.

For the avoidance of all doubt, Sebenza makes the distinction between appropriate and inappropriate giving and receiving of gifts and entertainment, as per the following:

STRICTLY PROHIBITED	ACCEPTABLE, BUT REQUIRES PRIOR APPROVAL FROM THE RELEVANT MANAGING DIRECTOR	ACCEPTABLE AND DOES NOT REQUIRE PRIOR APPROVAL
<p>The giving and receiving of cash or cash equivalent, e.g. vouchers.</p>	<p>Any gift or entertainment that could result in a conflict of interest should be declined.</p>	<p>Provided that –</p> <ul style="list-style-type: none"> <li>• no obligation is created or expected;</li> <li>• the gift or entertainment is reasonable and the cumulative gifts each year do not exceed R5,000;</li> <li>• always mention it to your line manager and peers to ensure your actions are transparent.</li> </ul>
<p>The giving or receiving of any gift or entertainment that would contravene any law, e.g. bribery, corruption etc.</p>	<p>Should any such gift have been accepted, it should be declared.</p>	<p>Typical examples:</p> <ul style="list-style-type: none"> <li>• modest and occasional meals with a business acquaintance;</li> <li>• occasional attendance at ordinary sport, theatre and other cultural events;</li> <li>• gifts of limited and promotional value such as pens, calendars and other inexpensive items; and gifts that are considered as reasonable and not excessive and given widely in full public view.</li> </ul>

<p>The giving or receiving of anything that creates an obligation to give in return</p>	<p>Some examples of entertainment that have an inherent potential for creating conflict of interest –</p> <ul style="list-style-type: none"> <li>• It includes partners, family members, close friends, or employees.</li> <li>• It is often repeated. Expensive meals, sought after entertainment such as high-profile shows, sporting events or recreational opportunities away from the employee’s work environment.</li> </ul>	
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#### 4. ETHICAL DECISION-MAKING GUIDELINES

It is an absolute requirement that the decisions and actions of all Sebenza employees are governed by a clear understanding of what comprises right or wrong behaviour. To achieve this, all employees must be able to consistently make the right ethical choices in a variety of work-related situations, some of which may be ambiguous. The following guidelines (not being an exhaustive list) that employees should consider if there is any doubt about the ethics associated with a contemplated decision or action include:

1. is this decision/action legal?
2. does this decision/action comply with the other policies and procedures of Sebenza or the relevant Company concerned?
3. is this decision/action consistent with the values and ethical principles of Sebenza or the Company concerned?
4. does this decision/action feel right?
5. would I be happy if my manager knew about this decision/action?
6. would I be happy to have this decision/action published on the front page of the newspaper?

If the response to each of the above questions is in the affirmative, then the decision or action that is under consideration is likely to comply with this Code of Ethics. If, however, there is still uncertainty after you have applied these guidelines, then it is imperative that you seek additional guidance from the HR department.

## **5. REPORTING OF WRONG-DOING: TIP-OFFS ANONYMOUS**

### **5.1 Proposed Framework for Tip-offs**

Globally, it is recognised that the most effective source of information to combat fraud is a whistle-blowing hotline. Having an independent hotline to report unethical or criminal behaviour helps to strengthen an organisation's first line of defence in combatting fraud.

Fraud, crime, and theft is an increasing problem in South Africa. Too often, it is undetected and goes unreported, resulting in reputational and financial losses to organisations, eventually to the detriment of all stakeholders.

Sebenza is no different. We are committed to conducting healthy business practices with honesty and integrity, which will not only ensure a stable environment for everyone but also ensure the continued future success of the business. For this reason, Sebenza has a Fraud and Ethics Hotline ("Hotline") through which an employee's concerns, can be confidentially and/or anonymously reported. The Hotline is managed by the Financial and Human Resources Manager.

The Hotline service is available to employees in English every day of the week, day or night, throughout the year. Between 8 am and 5 pm (CAT) the service is provided in South Africa's 11 official languages.

Other stakeholders may report their concerns directly to Sebenza's Financial Manager or Human Resources Manager by contacting them by: - e-mail at [tipoffs@sebenza.taxi](mailto:tipoffs@sebenza.taxi).

**\*\*THIS POLICY IS LINE WITH THE DNI GROUP\*\***