

Ethics

Code of Ethics

AECI and all its businesses are committed to a policy of fair dealing and integrity in the conduct of their businesses. In support of the above, the Company has adopted a formal Code of Ethics with which all directors and employees are required to comply. The Code requires all employees to act with honesty and integrity and to maintain the highest ethical standards. First issued in 1997, the document was updated in 2006 and printed copies were distributed to all employees. New employees also receive copies and, to maximise the updated Code's accessibility, it has been made available on AECI's intranet and on the intranets of operating companies, where available. The Code can only be amended by the Board which reviews the Code periodically to ensure that it remains current and relevant to AECI's businesses.

The Code addresses the following:

- compliance with laws and regulations;
- conflict of interest – outside activities, employment and directorships; relationships with clients, customers and suppliers;
- business practices – gifts, hospitality and favours; remuneration; anti-competitive behaviour;
- Group funds and property;
- accounting standards;
- competition law matters; and
- security of information – obtaining and safeguarding information; access to information; insider trading.

Whistle blowing programme

As part of the Code's revision process, a service known as the EthicsLine was put in place. It is aimed at enabling employees, customers, suppliers and managers or other stakeholders, on a confidential basis, to raise concern in cases where conduct is deemed to be contrary to ethical behaviour and the Code of Ethics. It is administered by the accounting firm, Deloitte & Touche. Therefore, the service is totally independent of AECI and the anonymity of individuals reporting fraud or dishonest and inappropriate behaviour is protected. Legitimate issues and concerns reported are forwarded for appropriate action to the Group legal advisor, the financial director and the head of internal audit.

Conflict of interest

The Company has adopted a formal Conflict of Interest policy and all employees with the ability to bind the Company (contractually or otherwise) are required to complete and submit a Conflict of Interest declaration.

Fraud and illegal acts

The Group does not engage in or accept or condone engaging in any illegal acts in the conduct of its business. The Group's policy is to actively pursue and encourage prosecution of perpetrators of fraudulent or other illegal activities should it become aware of any such acts. A zero tolerance approach has been adopted.

Formal training for all employees on the Company's Code of Ethics, the EthicsLine as well as other applicable policies commenced during 2008.

Dealing in securities

In accordance with the JSE's guidelines, the Company has adopted a "closed period" policy. During this time, directors and designated employees are prohibited from dealing in the Company's securities, either directly or indirectly, on the basis of unpublished price sensitive information about the business of the Group. Identified employees are advised to that effect. The closed period endures from the end of a financial reporting period until the publication of financial results for that period. Additional closed periods may be declared from time to time if circumstances so warrant.

Dealings in securities by directors and officers of the Company require prior approval by the chairman or chief executive, depending on the person dealing in the securities. Any share dealings by directors and officers of the Company are notified to the JSE for publication via SENS.

The Company also has an information disclosure and communications policy designed to:

- record AECI's procedure with regard to communicating with the media, investment community, securities professionals and other audiences to avoid selective disclosure of material information; and
- govern the disclosure of price sensitive information to the public in a broad, comprehensive and lawful manner.

This policy has been brought to the attention of all AECI employees and must be adhered to by them.

Director and officer liability insurance

The Company has in place directors' and officers' liability insurance which provides some cover against legal action by third parties.

Investor relations and shareholder communication

The Company's chief executive, the chief financial officer and the managing directors of Group operating companies conduct regular presentations on the Group's performance and strategy to analysts, institutional investors and the media in South Africa.

To ensure that the Company communicates with its smaller shareholders and those stakeholders without access to the electronic media, the Company publishes and reports on details of its corporate actions and performance, including its half- and full-year financial results, in one English and one Afrikaans daily national newspaper.

The Group's communications function also maintains regular contact with the media by disseminating relevant information. The Company maintains a website through which information is available on, *inter alia*, the Company's latest financial and operational performance, its management and its history.

The website address is www.aeci.co.za