

CODE OF ETHICS

1. INTRODUCTION

1.1 Policy

AECI Limited and all its businesses (collectively referred to here as “the Group”) are committed to a policy of fair dealing and integrity in the conduct of their business. This commitment, which is actively endorsed by the AECI Board of Directors, is based on a fundamental belief that business should be conducted honestly, fairly and legally. The Group expects all employees to share its commitment to high moral, ethical and legal standards.

1.2 Understanding the Code

The Group’s Code of Ethics applies equally to all employees. The Code is designed to be complementary to stated company policies and Group purpose, values and commitments. Please study the Code carefully so that you understand the Group’s expectations and your own obligations.

Should you be in any doubt about the application of the Code, please discuss the matter with the person to whom you report or a person at management level responsible for your Human Resources or Legal Departments.

If you prefer, you are welcome to contact the **EthicsLine**. This confidential service is staffed by people who are not Group employees and anonymity is guaranteed.

The **EthicsLine** is dealt with in more detail in section 8 of this booklet.

2. COMPLIANCE WITH LAWS AND REGULATIONS

Employees must comply with all applicable laws and regulations which relate to their activities for and on behalf of the Group.

The Group will not condone any violation of the law or unethical business dealing by any employee, including any payment for, or other participation in, an illegal act.

3. CONFLICT OF INTEREST

Employees are expected to perform their duties conscientiously, honestly and in accordance with the best interests of the Group. Employees must not use their positions, or knowledge gained through their employment with the Group, for private or personal advantage, or in such a manner that a conflict or an appearance of conflict arises between the Group’s interest and their personal interests. A conflict could arise where an employee, a member of an employee’s family, or a business with which the employee or family is associated, obtains a gain, advantage or profit by virtue of the employee’s position with the Group or knowledge gained through that position.

If employees feel that a course of action which they have pursued, are pursuing or are contemplating pursuing, may involve them in a conflict of interest situation or a perceived conflict of interest situation, they should immediately make all the facts known to the person to whom they report.

3.1 Outside activities, employment and directorships

Employees should avoid acquiring any business interest or participating in any activity outside the Group which would create, or appear to create:

- (a) an excessive demand upon their time, attention and energy which would deprive the Group of their best efforts on the job; or
- (b) a conflict of interest – that is, an obligation, interest or distraction which would interfere or appear to interfere with the independent exercise of judgement in the Group’s best interest.

Employees may not take up outside employment without the prior approval of the senior manager in the respective operating unit or function. Employees who hold, or have been invited to hold, outside directorships should take particular care to ensure compliance with all provisions of this Code. When outside business directorships are being considered, prior approval must be obtained from the Executive Committee.

3.2 Relationships with clients, customers and suppliers

Employees should ensure that they are independent, and are seen to be independent, from any business organisation having a contractual relationship with the Group or providing goods or services to the Group, if such a relationship might influence or create the impression of influencing their decisions in the performance of their duties on behalf of the Group. In such circumstances, employees should not invest in, nor acquire a financial interest, directly or indirectly, in such an organisation.

4. BUSINESS PRACTICES

4.1 Gifts, hospitality and favours

Gifts, hospitality and entertainment may only be offered to a third party if they are consistent with customary business practice, modest in value, not in contravention of any applicable law or contract or the recipient's own Code of Ethics, and public disclosure thereof would not embarrass the Group.

An employee should only accept gifts, hospitality or entertainment from a third party on the same basis. For example, acceptance of the following would not be considered contrary to this policy:

- (a) advertising matter of limited commercial value;
- (b) occasional business entertaining such as lunches, cocktail parties or dinners; and
- (c) occasional personal hospitality such as tickets to sporting events or theatres.

In addition, no personal favours or other preferential treatment should be accepted by an employee when they are offered because of the employee's position with the Group and, therefore, might tend to place the recipient under obligation.

Unsolicited gifts which do not fall within acceptable limits should be returned.

4.2 Remuneration

The Group remunerates employees based upon formal remuneration scales and rates for salaries, wages, fringe benefits, and other regular remuneration. No employee may receive commissions or other remuneration related to the sale of any product of the Group, except as specifically provided under the individual's terms of employment.

Employees may not receive any money or item of value (other than the Group's regular remuneration or other incentives), either directly or indirectly, for negotiating, procuring, recommending or aiding in any transaction made by or on behalf of the Group, nor have any direct or indirect financial interest in such a transaction.

4.3 Anti-competitive behaviour

Employees must not be party to any form of anti-competitive behaviour such as collusion with a competitor on pricing or market-sharing, acquiring confidential information of a competitor by espionage, or deliberately implementing a restrictive trade practice.

If employees have any grounds to suspect violation of competition laws within their business, they should advise the Group as set out in the Contravention of the Code section of this booklet.

5. GROUP FUNDS AND PROPERTY

Employees must at all times ensure that the Group's funds and property are used only for legitimate business purposes. Where an employee's position requires Group funds to be spent, it is the individual's responsibility to use good judgement and to ensure that appropriate value is received by the Group for such expenditures.

If employees become aware of any evidence that the Group's funds or property may have been used in a fraudulent or improper manner they should immediately and confidentially advise the Group as set out in the Contravention of the Code section of this booklet.

6. ACCOUNTING STANDARDS

The Group's books and records should reflect all business transactions in an accurate and timely manner in conformity with generally accepted accounting principles. Undisclosed or unrecorded revenues, expenses, assets or liabilities are not permissible, and the employees responsible for accounting and record-keeping functions are expected to be diligent in enforcing proper practices.

7. SECURITY OF INFORMATION

In the regular course of business, the Group accumulates a considerable amount of information. The following principles are to be observed.

7.1 Obtaining and safeguarding information

Only such information as is necessary to the Group's business should be collected, used and retained. When personal information is needed, whenever possible it should be obtained directly from the person concerned. Only reputable and reliable sources should be used to supplement this information.

Information should only be retained as long as it is needed or as required by law, and such information should be physically secured and protected.

7.2 Access to information

Information with respect to any confidential product, plan or business transaction of the Group, or personal information regarding employees, including their salaries, must not be disclosed by an employee unless and until proper authorisation for such disclosure has been obtained. Employees must ensure that there has been no sharing of commercially sensitive information with any competitor, except in the context of a legally acceptable technical or commercial relationship which has been fully disclosed to the Legal Department. In addition, business-specific policies and procedures may be implemented to prevent improper transmission within the Group of material non-public information concerning publicly traded companies.

7.3 Insider trading

Employees in possession of confidential, unpublished, price sensitive information must not make use of such information to deal in the securities of AECI or to provide such information to third parties for that purpose. Similar considerations apply where confidential, price sensitive information is used for dealing in the securities of other companies.

8. CONTRAVENTION OF THE CODE

The Group regards any contravention of the Code as a serious matter. At the same time, any suspected or alleged contravention under investigation must be treated with utmost confidentiality.

If employees believe that their own actions have, or may have, contravened the Code, they should either advise the person to whom they report or a person at management level responsible for Human Resources, Group Internal Audit, or the Legal Department.

If employees suspect that a contravention of the Code has been committed by another employee of the Group, they should promptly and confidentially report this as follows:

- (a) by advising the person to whom they report or one of the management level persons referred to above; or
- (b) by contacting the **EthicsLine on 0800 205 280, when dialing from within South Africa, or +27 31 571 5709, when dialing from outside of South Africa.**

This service is available seven days a week, 24 hours a day. It is staffed by trained personnel from Deloitte, as an independent service provider with extensive expertise in matters pertaining to corporate ethics, and not by any Group employees. Trained operators will respond to calls in English, Afrikaans, Zulu, Sotho or Xhosa.

Callers will be asked for specific facts so as to record as much information and understand the situation as clearly as possible.

Legitimate issues and concerns reported will be forwarded for appropriate action to the Group Chief Executive or his nominated representative.

Although you may choose to tell the EthicsLine who you are, your identity or even your gender will never be revealed unless you choose otherwise.

Should you prefer not to phone the **EthicsLine**, you may contact the service via these alternative routes:

FreeCall fax: **0800 007 788**

(this is also the number for sending of relevant documentation to support your complaint or concern).

email: ethics@ethics-line.com

(if the company where you work has a server, do not send email from work as this can be traced. Your emails will remain anonymous since they will be received at the EthicsLine through a server which “strips out” your name as the sender as well as all other source information).

FreePost address	EthicsLine KZN 138 Umhlanga Rocks 4320
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(to which you can mail letters and relevant documentation, without paying postage).

No employee must confront any other employee who they suspect is in breach of the Code. By following the processes set out above, confidentiality will be maintained and issues and complaints will be investigated impartially.

As contravention of the Code is a serious matter, it may result in disciplinary action, including the termination of employment. Certain breaches of the Code could also result in civil or criminal proceedings.

**AECI
EthicsLine**

If dialing from within South Africa:	0800 205 280
If dialing from outside of South Africa:	+27 31 571 5709