Open Rubric

FluidRock Governance (Pty) Ltd

Social and Ethics Committee Meeting

Held on 16 February 2015

The material used in this document does not refer to any existing or previous company and is for internal training purposes only.

Open Rubric

PART 1: OPENING

1. Welcome, Attendance, Apologies and Quorum
2. Directors Declaration of Personal Interest
3. Confirmation of the Agenda
4. Approval of the minutes of the previous meeting held on 17 October 2014 Matters Arising
5. Matters Arising of previous meeting

FluidRock Governance (Pty) Ltd

AGENDA OF THE SOCIAL AND ETHICS COMMITTEE MEETING
TO BE HELD ON 16 FEBRUARY 2015 FROM 11:00
AT 921 VALE ROAD, WELTEVREDENPARK, ROODEPOORT

Members:

1. **Kp P K_aBml_jb** **&PK' Ahairperson Social and Ethics Committee**
2. Mr R Kleyn **&P I) Qocial and Ethics Committee member**
3. **Kp @ Psrrc** **&@P' Qmcial and Ethics Committee member**

By invitation

1. N Cilli® **(LA'** **Chief Executive Officer**
2. L Bouwer **(J@)** **Business Development Manager**

In attendance

1. **Kq W t_l Xuccj** **(WtX)** **Representative of Emtcpl_lac Am**

No	Agenda Item	Person	Format
	PART 1: OPENING		
1.	Welcome, Attendance, Apologies and Quorum	Chair	Verbal
2.	Directors Declaration of Personal Interest	All	Register
3.	Confirmation of the Agenda	Chair	Written
4.	Approval of the minutes of the previous meeting held on 17 October 2014	Chair	Written

5.	Matters Arising	Chair	Written
	PART 2: MATTERS TO DISCUSS		
6.	Social and Ethics Work Plan	LB	Verbal / Written
7.	Reporting on BEE Structure	LB	Written
8.	Approval of Code of Conduct	NC	Written
9.	Listed Stakeholders	LB	Written

	PART 3: GENERAL		
11.	Dates of next meetings - 27 August 2015	Chair	Verbal
12.	Closure of Meeting		

PART 2: MATTERS TO DISCUSS

6. **Social and Ethics Work Plan**
7. **Reporting on BEE Structure**
8. **Approval of Code of Conduct**
9. **Approval of Listed Stakeholder Policy**
10. **Environmental Assessment Policy / Property Risk Report**

SOCIAL AND ETHICS COMMITTEE

WORK PLAN

	ITEM	FEBRUARY	MAY	AUGUST	NOVEMBER
1	Ethical Leadership				
2	Oversee implementation of ethics management process				
3	Broad-Based Black Economic Empowerment				
4	Workplace Equity				
5	Human Rights, Working Conditions, Employee Safety, Health, Wellbeing and Development				
6	Enterprise Development				
7	Socio-Economic Development				

8	Governance of Stakeholder Relationships				
9	Responsible Corporate Citizenship				
10	Assurance				
11	Reporting Responsibilities				

Commentary of items listed above:

The Committee is established to address the following:

1.1 Ethical Leadership:

1.1.1 Ensure ethical leadership and active support for the Company's ethical standards and policies.

1.1.2 Oversee implementation of ethics management process:

1.1.3 Consisting of a Code of Ethics (the "Code") which clearly articulates the Company's ethical standards. The Code should not only incorporate rules and guidelines intended to prevent unethical behaviour, but also promote core ethical values. The Code should be supplemented by policies on specific issues e.g. gifts, procurement and use of IT. Changes to the Code should be approved by the Committee;

1.1.4 Ensuring that the Company's ethical standards (as articulated in the Code) are integrated into the Company's strategies and operations. As an example, adherence to the Code should be a material term in both employment and supplier contracts; and

1.1.5 Ensuring that the Company's ethics performance is measured assessed, monitored, reported and disclosed in order to ensure support for the combined assurance model. Ideally independent assurance should be obtained.

1.2 Broad-Based Black Economic Empowerment:

1.2.1 Ensure that the group develops a Transformation policy which recognises the social, moral and business imperative of transformation;

1.2.2 Oversee the B-BBEE goals and KPIs and monitor the achievement thereof; and

1.2.3 Ensure that independent assurance is obtained and appropriate disclosures are included in the Integrated Report.

1.3 Workplace Equity:

1.3.1 Ensure formal and transparent arrangements are established to achieve equity in the workplace by promoting equal opportunity and fair treatment through the elimination of unfair discrimination. Implement affirmative action measures to redress the disadvantages in employment experience by designated groups to ensure their equitable representation at all levels in the workforce.

1.4 Human Rights, Working Conditions, Employee Safety, Health, Wellbeing and Development:

1.4.1 Ensure that the Human Resources department develops policies that support its goal to be a good employer and uphold the Company's values;

1.4.2 Monitor the efficiency of the Company's employee development programmes and health and wellness initiatives, including HIV/Aids; and

1.4.3 Consider the public health and safety impact of all of its activities, products and services.

1.5 Enterprise Development:

1.5.1 Monitor the investment in supporting the development of Small, Medium and Micro Enterprises (SMMEs) in the ICT sector; and

1.5.2 Ensure adequate assurance and disclosure of enterprise development activities in the Integrated Report.

1.6 Socio-Economic Development:

1.6.1 Monitor the Company's investments in socio-economic development; and

1.6.2 Ensure adequate assurance and disclosure of socio-economic development activities in the Integrated Report.

1.8 Governance of Stakeholder relationships:

1.8.1 Ensure that a Policy on Stakeholder engagement is formulated;

1.8.2 Determine the Company's material stakeholders and their needs, including consumer protection;

1.8.3 Strive to achieve an appropriate balance between the various stakeholder groups and their legitimate interests and expectations in the best interests of the Company;

1.8.4 Appreciate that stakeholders' perceptions affect the reputation of the Company;

1.8.5 Ensure that strategies and policies for the management of stakeholder relationships are developed and mechanisms for formal and informal constructive stakeholder engagement are established;

1.8.6 Ensure that communication with stakeholders is transparent and effective in order to build and maintain trust and confidence. Information should be complete, timely, relevant, accurate, honest, clear and understandable, whilst having regard to legal and strategic considerations;

1.8.7 Consider the disclosure of the type of engagement with each stakeholder group as well as the actual requests received and responses of the Company thereto, in particular in terms of the Promotion of Access to Information Act, 2000; and

1.8.8 Ensure stakeholder relationships are considered in the Enterprise Risk Management Process.

1.9 Responsible Corporate Citizenship:

1.9.1 Promote equality, prevent unfair discrimination and reduce corruption;

1.9.2 Contribute to the development of the communities in which the Company operates;

1.9.3 Contribute sponsorship, donations and charitable giving to the community; and

1.9.4 Collectively, the areas covered in this section, constitute the key activities which make the Company a good corporate citizen, but they are not an exhaustive list. The Committee should however consider the need to include any other matter from time to time which has a bearing on being a good corporate citizen.

1.10 Assurance

1.10.1 The Committee shall oversee any activities which are within its terms of reference and should, on a regular basis, review its own performance, constitution and terms of reference to ensure it is operating in accordance with best practice.

1.11 Reporting Responsibilities

1.11.1 The Committee shall make such recommendations to the Board as it deems appropriate.

1.11.2 In addition to its duties above, the Committee shall compile a report to shareholders to be included in the Company's Integrated Annual Report. The report shall include the following:

1.11.2.1 the Committee's role and main responsibilities;

1.11.2.1.1 the Committee's composition, including relevant qualifications and experience of its members;

1.11.2.2 the number of Committee meetings held as well as attendance levels;

1.11.2.3 a description of the Committee's main activities; and

1.11.2.4 in consultation with the Board and management, assess and report on an annual basis through the integrated sustainability report on economic, social and environmental issues affecting the Company, including the Company's environmental impact.

Approval

Function	*Name & Designation*	*Signature*
Approved by	**Chairman of the Board**	
Approved by	**Chairman of the Social & Ethics Committee**	
Approved by	**Chief Executive Officer**	



Report on BEE Deal

BOARD REPORT – BEE UPDATE

(the purpose of this report is to update the board on the BEE deal)

INTRODUCTION

As the board is aware the BEE deal has been approved by the board for recommendation to shareholders with the only remaining issue being the pricing.

THE PREVIOUS MATTERS ARISING

1. The Board requested we canvass the shareholders and the BEE partners around the fairest possible pricing of the deal.

OUTCOME

1. The current recommendation is that the deal is concluded at R1 as previously agreed and that as compensation for the higher than market price strike price, the interest on the loan (to pay for the shares) is waved until such time as the share price (30 day VWAP) is above R1.

NEXT STEPS

1. Effective pricing is to be agreed.

A circular will be sent to shareholders in the next 4 weeks to seek approval.

CODE OF CONDUCT



1. INTRODUCTION

In order to ensure the effective and efficient running of the Company (as defined), these internal rules, regulations and policies have been formulated (hereinafter Code of Conduct). This Code of Conduct is aimed at protecting, assisting and guiding both the Company and the Employee.

In view of the above, the Code of Conduct forms an integral part of the Employee's conditions of service with the Company. As such, it is the Employee's duty to familiarise him-/herself with the contents hereof. Please take note of the fact that ignorance of any of these terms and conditions will not be accepted as a valid reason for any transgression whatsoever. In addition to this Code of Conduct, Employees need to familiarise themselves with the provisions of the Company Handbook insofar as it relates to events managed by or conducted under the auspices of the Company, as well as the Company's Standard Operating Procedures Manual and its Accounts Policy. Ignorance of the Company Handbook, the Standard Operating Procedures Manual and the Company's Accounts Policy would also not be accepted as an excuse for the transgression of any provisions whatsoever contained therein.

An individual who contravenes any rule, regulation or instruction or knowingly permits a contravention to take place may, at the sole discretion of the Company, be subject to such disciplinary measures, in accordance with the provisions of the Company's disciplinary procedure, as the circumstances may warrant.

Each Employee must acknowledge his/her acceptance and understanding of this Code of Conduct by initialling each page and signing an acknowledgement form. If any provision contained in these rules and regulations is unclear to an Employee, the Employee must ask the Company's Administration Manager or his/her nominee to explain said provision to the Employee. Once the Employee acknowledges that s/he accepts and understands these provisions, the signed form will constitute acceptance that employment is or has been accepted in terms of these rules and regulations or the rules and regulations as they may be amended, from time to time.

No relaxation or indulgence given or implied by the Company or any of its Directors or EXCO to any Employee will constitute an amendment or waiver of any rule or regulation contained in this document unless such amendment or waiver has been amended as set out below. This applies whether such purported relaxation or indulgence was given or implied in practice, in writing or verbally.

2. AMENDMENTS

In the event that the need arises to amend this Code of Conduct, EXCO will make such amendments: Provided that all Employees will be notified of any such proposed amendments: Provided further that such amendments will not take effect until such time that the Employees have been consulted and agreed on the amendments.

3. DEFINITIONS

For the purpose of these rules and regulation, any words used which imply the masculine gender includes the feminine gender and reference to the singular includes the plural and *vice versa.*

3.1 **"Anniversary Date"** means the annual anniversary of the date upon which the Employee joined the Company's service and on which date service benefits will accrue to him/her;

3.2 **"BCEA"** means the Basic Conditions of Employment Act of 1997 (as amended);

3.3 **"Code of Conduct"** means this set of rules and regulations as may be amended from time to time in accordance with the provisions hereof;

3.4 **"Company"** means Fluidrock Governance (Pty) Ltd; a private Company;
and any subsidiary company of Fluidrock Governance (Pty) Ltd that the employee may be employed by or working at.

3.5 **"Company Authorisation"** means any authorisation required from EXCO;

3.6 **"Company Resources"** means any resource that the Company supplies to Employees which includes, but is not limited to, computer hardware & software, access to the Internet, books, equipment, stationery, etc;

3.7 **"Day(s)"** means working days (i.e. Monday – Friday), excluding Saturdays, Sundays and official public holidays;

3.8 **"Director"** means the person or group of persons who is a member of the governing board of the Company;

3.9 **"Employees"** means all full-time Employees of the Company and, where applicable, contract, temporary and/or part-time workers, to the extent that it was reduced to writing;

3.10 **"Gifts"** means any present or future gift, favour, hospitality and/or promise thereof, which is of significant value (as set out hereunder). This definition also includes any discount received or promised in respect of an article that the Employee may purchase from any third party with whom the Company has dealings. This definition also includes any donations made or promised by any third party to an Employee, her/his family member, organisation in which the Employee holds an interest of whatever nature, whether such interest constitutes a direct or an indirect interest, and/or a charity of the Employee's choice;

3.11 **"LRA"** means the Labour Relations Act of 1995 (as amended);

3.12 **"Manager"** means an Employee who may also be a member of EXCO;

3.13 **"Chief Executive Officer"** means the person ultimately responsible for the day to day running of the Company and appointed as such by the Board of Directors;

3.14 **"EXCO"** means the Management Committee of the Company and comprises of the CEO, CFO, Financial Manager, Property Development Manager and Business Development Manager respectively;

3.15 **"Medical Certificate"** means a certificate issued by a medical practitioner (who is not a Family Member) who is registered with the Council of Health Professionals in South Africa (or an equivalent organisation in any other part of the world) and who is contactable by telephone or any other means, which sets out the nature and duration of an illness;

3.16 **"RICA"** means the Regulation of Interception of Communications and Provision of Communication-related Information Act, 2002 (as amended);

3.17 **"Service"** means the period of continuous employment in the Company from the date of engagement (i.e. without interruption);

3.18 **"Sexual Harassment"** means any form of *unwanted* or *unwelcome* conduct (e.g. physical, verbal and/or non-verbal) of a sexual nature that has a *negative* impact on the recipient where such behaviour persists notwithstanding the recipient's communication that such behaviour is unwelcome, although a single incident of harassment can also constitute Sexual Harassment;

3.19 **"Sexual Harassment Officer"** means the Manager who is tasked with the investigation of and dealing with complaints of Sexual Harassment.

4. OVERTIME

(a) Employees may be required from time to time to work overtime as set out in their letters of appointment. Overtime will only be paid to employees who qualify as set out in their letters of appointment.

(b) Any overtime that is undertaken by an Employee other than as is required by the Company as set out in para 4(a) will be treated as voluntary, unless prior written permission has been obtained from the relevant direct line-manager. This means that no overtime will be paid unless such overtime has been authorised by the direct-line manager prior to the working of overtime.

(c) No overtime will be paid to an Employee who has to catch up with work.

(d) Overtime will be paid one month in arrears. This means that if, for example, an Employee works overtime in January; s/he will be compensated for such overtime as part of her/his February salary.

(e) The overtime rate will be as set out in the BCEA unless specifically negotiated and agreed between the Employee of the line manager in advance.

(f) The Company may, in its sole discretion, give time off *in lieu* of overtime worked, subject to the provisions of the BCEA.

PUBLIC HOLIDAYS

Employees, who are required to work on a public holiday, will be paid at the rate in accordance with the provisions of the BCEA and the Public Holidays Act, 1994 (as amended). Time off in lieu of working overtime may be granted at the discretion of the CEO on recommendation of the Direct Line Manager.

5. **PAYMENT FOR STUDIES**

Employees may apply to the Chief Executive Officer for reimbursement for study fees if they have been employed with the Company for at least twenty-four (24) months. The payment towards further studies will only be considered if the studies are to the benefit of the Company. Reimbursements will be considered on merit and at all times at the sole discretion of the Chief Executive Officer.

6. **RECRUITMENT POLICY, RESIGNATION & NOTICE**

6.1 *GENERAL*

(a) The Chief Executive Officer, in consultation with the Board, must approve posts that were not budgeted for.

(b) All vacancies must be advertised internally, either before or simultaneously to external advertisements.

(c) Suitably qualified Employees who wish to apply for a position must do so within the prescribed time frame and must submit the required information and documentation to the named contact person on the attached application for internal vacancy.

(d) External applicants will be invited to submit their *curriculum vitae* for consideration to the named contact person on the attached application for employment.

(e) The Company is an equal opportunity employer. This means that the person who is the most suitably qualified for a position will be appointed, subject to the provisions of the Company's Employment Equity Policy.

(f) During an Employee's probationary period, two weeks' written notice must be given by either Party, unless the letter of appointment states differently. However, the Company may only give notice subject to the provisions of Schedule 8 of the LRA.

(g) After three months of employment, Employees may resign from the Company by giving one month's written notice. Such notice may only be given on the first day of each month or on the 15th day of each month.

(h) Employees who have resigned will receive their last payment on the last day of their employment. This means that their last payment will not go through the Company payroll.

(i) All applications for leave, which have been granted prior to the giving of notice, will be reviewed. This means that an application for leave, which was granted, may or could be withdrawn. All damages that an Employee may suffer as a result of such withdrawal of leave will be for the account of the Employee.

(j) In terms of the BCEA Act. no leave will be granted during an Employee's notice period.

(k) In appropriate circumstances the Company may pay the Employee *in lieu* of the notice period. In such an instance, the Employee may be required to physically leave the place of employment and not work out the notice period.

(l) Any leave taken in excess of the annual leave entitlement will be deducted from the last month's salary as unpaid leave.

(m) Any unauthorised absence from the workplace during an Employee's notice period will be treated as unpaid leave: Provided that disciplinary procedures may be instituted if such absence warrants this.

(n) Any money that is owed to the Company by the Employee will be deducted from the Employee's last month's salary, unless the Company in its sole discretion, agrees otherwise.

(o) All Company Resources (and including, but not limited to, documentation, books, keys, phones, computers, printers, credit cards, etc) must be returned on or before the Employee's last day of service.

6.2 *RETIREMENT*

Employees must retire from the Company's service on attaining the age of 65. All Employees, regardless of approval of extended service, will not be employed in permanent pensionable service after the age of 65.

7. LEAVE

7.1 *GENERAL*

The taking of leave, as set out hereunder, is subject to the recommendation by the Employee's direct line-manager and approval by the CEO. As such, the Company cannot be held responsible for any losses that an Employee may incur in respect of leave arrangements that were made prior to the granting of permission for such leave.

The Company reserves the right to cancel an Employee's leave under exceptional circumstances. If leave is so cancelled, the Company will refund the Employee in full for any expenses that the Employee has incurred (e.g. payment of deposits, tickets, etc), provided that proof of such disbursements are provided. (Such compensation will, however, not be granted in cases where leave is cancelled during an Employee's notice period). If an Employee's leave is cancelled s/he may accumulate the number of Days that s/he was to take.

7.2 *ANNUAL LEAVE*

(a) All Employees are entitled to fifteen working days' leave per annum. Employees are compelled to take part of their annual leave during the period of December / January when the Company shuts down, Employees are to ensure that they have sufficient leave days at all times.

(b) All Managers are entitled to an additional five working days' leave per annum.

(c) After a period of five consecutive years' service, Employees become eligible for a further three Days' leave per year.

(d) On completion of ten consecutive years' service, a further two Days annual leave will be granted.

(e) Employees are entitled to take the balance of leave up to the maximum number of Days' leave which she/he has accumulated at any time that is mutually agreed upon between the Employee and her/his direct line manager, provided that such leave is not taken within the first six months of employment.

(f) Employees may not accumulate leave. All leave due must be taken within a period of four months after it has become due. Any leave not so taken will be forfeited. As such, the Company will not pay out such leave upon termination of employment for whatever reason.

(g) Employees may, at the sole discretion of the Company, take leave in excess of the normal annual leave. The terms and conditions under which such leave may be granted will be determined by the Company.

(h) All applications for annual leave must be submitted at least 14 Days' prior to the requested commencement date. All applications must be done in writing on the Company's leave form.

(i) Employees who have proceeded on leave may not return on duty until the period of such leave has expired, unless they have received instruction, or written permission from the Chief Executive Officer.

(j) Employees who fail to report for duty after their leave has expired will be deemed to have absented themselves from duty without permission and will be deemed to have terminated their services with the Company if such absence continues for more than 2 days without notification to the Company. The Annual Leave Policy is an addendum to the Company Rules.

7.3 *SICK LEAVE*

(a) During the first six months of employ, an Employee is entitled to one Day sick leave per completed twenty-six days worked.

(b) After six months' of service, an Employee's first sick leave cycle commences. Such an Employee is entitled to sick leave, as set out below, less the number of sick leave taken during the first six months of employment.

(c) All Employees are entitled to 30 Days sick leave in a 36-month cycle, when s/he needs to take time off work due to illness.

(d) All Employees need to notify their direct line manager when s/he cannot come into the office due to his/her illness. Such notice must be given prior to the commencement of the scheduled working hours. Failure to do so may result in disciplinary action.

(e) Sick leave in excess of the above entitlement must be taken as unpaid leave, unless the Company, in its sole discretion, otherwise agrees.

(f) Sick leave cannot be accumulated. (This means that at the end of the 36-month cycle the number of sick leave days is nil and a new cycle starts).

(g) An Employee who is absent from the office due to illness must complete the sick leave form on the first day that s/he returns to work. The sick leave form must be accompanied by a Medical Certificate in the following instances:

  (i) If the Employee is booked off ill for two or more consecutive Days.

  (ii) If an Employee is absent from work on two or more occasions within a period of eight weeks, s/he must produce a Medical Certificate for any further absence in the following eight weeks, regardless of the length of absence.

(h) The Company may require a medical report from the medical practitioner that the Employee has consulted, subject to legislation.

(i) In the case of a lengthy absence from work due to illness, the Company may require that the Medical Certificate be sent to it prior to the Employee's return to work.

(j) If an Employee does not submit a Medical Certificate, as required above, the Employee will not be paid for the time that she/he was not at the work place. If necessary, the appropriate disciplinary action may also be taken.

7.4 *MATERNITY LEAVE*

(a) Maternity leave will be treated as unpaid leave or annual leave.

(b) An Employee may take maternity leave at any stage, provided that she complies with the provisions of the BCEA. This means that she must take maternity leave at least six weeks prior to the birth of the child(ren) and at least six weeks after the birth of the child(ren).

(c) Mothers will be entitled to a maximum of four months' maternity leave. Save for the minimum period of maternity leave provided for in the BCEA, the Employee may decide whether or not she wants to take the full four (4) months' leave.

(d) If an Employee has a miscarriage during the third trimester or if the child is stillborn, she is entitled to maternity leave for six weeks after the miscarriage or stillbirth, as the case may be, regardless of whether the Employee has commenced with maternity leave or not.

7.5 *FAMILY RESPONSIBILITY LEAVE*

(a) Employees may take leave up to a maximum of five working Days over and above annual leave in respect of one or more of the following during each year:

a) when an Employee's child is born;

b) when an Employee's child is sick;

c) in the event of the death of

(i) the employee's spouse or life partner or

(ii) the employee's parent, adoptive parent, grandparent, child, adopted child, grandchild or sibling.

(b) Employees who are applying for leave under this sub-clause will be required to submit proof in the following format:

- birth certificate;
- death certificate; and/or
- doctor's certificate.

(c) Only Employees who have been in the employ of the Company for at least four months and who work for at least four days per week are entitled to Family Responsibility Leave.

(d) Any leave over and above the abovementioned days will be treated as annual leave or unpaid leave, as the case may be.

(e) Family responsibility leave cannot be accumulated and cannot be paid out when an Employee resigns or her/his services are terminated with the Company for whatsoever reason.

7.6 *LEAVE WITHOUT PAY*

(a) EXCO may, in its sole discretion, grant leave without pay to an Employee, but will do so only in exceptional circumstances and then provided that all other leave standing to the credit of the Employee has first been exhausted.

(b) Unpaid leave counts as pensionable service and therefore Employees on unpaid leave would be required to pay his/her own as well as the Company's contributions to the applicable pension fund to cover the period of unpaid leave and in addition will be required to pay the Company *pro-rata* subsidies to the applicable medical benefit fund.

7.7 *SPECIAL LEAVE*

EXCO may, in its sole discretion, grant the following special paid leave to Employees. Each application will be considered on its merits and no dispute will be entered into between EXCO and an Employee in the event that such leave had not been granted:

(a) *LEAVE TO ATTEND COURT*

Employees required by law to attend to Court, as a witness or otherwise will be granted special leave, but only on the prior production of satisfactory evidence requiring attendance at the court.

(b) *TRANSFER LEAVE*

Transfer leave will be granted to Employees in the event of his/her permanent transfer by the Company to another work location. If this were the case, the following will apply:

(i) Employees will be granted two Days special leave for packing and resettling plus one-day travelling if the distance to the new work location exceeds 100 kilometres from the place of present employment.

(ii) In the event of Employees being transferred within the Company, any balance of accrued leave will be carried over for purposes of employment benefits, at his/her new work location.

(iii) Transfer leave is not applicable in the event of a transfer being approved on request of an Employee.

8. **ADVANCES ON SALARIES**

(a) The objective of this facility is to assist Employees in cases of extreme financial need and at the sole discretion of the Company. The application must be lodged with the Chief Executive Officer.

(b) No advance will be granted to any Employee in excess of one third of her/his monthly salary.

(c) All salary advances will be deducted in full from that month's salary.

(d) No advance will be granted to any Employee if they have an existing loan with the company.

(e) The company will only approve one advance per annum.

9. **COMPANY LOANS**

(a) The objective of this facility is to assist Employees in cases of extreme financial need and may be granted at the Company's sole discretion.

(b) Employees who request assistance by way of a Company loan must obtain approval from the Chief Executive Officer in writing (by completing the Loan Application form) and submitting it to their direct Line Manager who will submit the form to the CEO for approval/disapproval.

(c) An Employee may only apply for one loan per annum. Which must be payable in monthly instalments. The rate of interest will be determined by the Company on each application.

(d) An Employee will only be granted a loan equal to the amount determined by the company, if their application is approved by the Chief Executive Officer.

(e) In the event that an Employee leaves the employ of the Company for whatever reason prior to the full repayment of the loan, together with interest, the Company will deduct the full outstanding balance from the Employee's last month's salary.

10. **SMOKING**

(a) Employees **may only** smoke in designated smoking areas.

(b) Employees may not smoke in any common area of the Company.

(c) Employees may not smoke in shared / open plan offices

(d) Employees **may not** smoke in any meeting rooms.

11. **SEXUAL HARASSMENT**[1]

11.1 POLICY STATEMENT

(a) The Constitution of the Republic of South Africa guarantees equality and right to equal protection under the law. This right is guaranteed for all people regardless of race, gender, sex, pregnancy, marital status, ethnic or social origins, sexual orientation, age, disability, religion, conscience belief, culture, language or birth. The Employment Equity Act prescribes that the working environment should be free of discriminatory practices including sexual and other forms of harassment. To this end, the Company strives to provide a place of work free of sexual harassment, intimidation or exploitation.

(b) Reports of Sexual Harassment will be taken seriously and will be dealt with promptly, but in a fair and objective manner. The nature and gravity of each instance will dictate the specific action to be taken in each instance which may include intervention, mediation, investigation and the initiation of grievance or disciplinary processes.

(c) The Company commits itself to protecting Employees from victimisation or retaliation for the lodging of a complaint about sexual harassment. However, all false claims of Sexual Harassment will be viewed in a serious light.

11.2 APPLICATION OF THE POLICY

This policy applies to all Employees, job applicants, suppliers (including their employees or contractors), directors, competitors and all persons who have dealings with the Company.

11.3 FORMS OF SEXUAL HARASSMENT

For purposes of clarity the following non-exhaustive list may serve as examples of sexual harassment:

(a) Physical conduct of a sexual nature includes all unwanted physical contact, ranging from touching to sexual assault and rape, and includes frisking or strip searches by another person.

(b) Verbal forms of sexual harassment include innuendoes, suggestions and hints, sexual advances, comments with sexual overtones, sexual-related jokes or insults or unwelcome graphic comments about a person's body made in their presence or directed toward them, unwelcome and inappropriate enquiries about a person's sex life, unwelcome and inappropriate comments about a person's sexual orientation, and unwelcome whistling directed at a person or group of persons.

(c) Non-verbal forms of sexual harassment including unwelcome gestures, indecent exposure, and unwelcome displays of sexually explicit pictures and objects.

(d) Any form of communication of a sexual nature, including but not limited to pressure for dates and sexual favours.

(e) *Quid pro quo* harassment occurs where the employer, line manager, member of management or co-employee, undertakes or attempts to influence the process of employment, promotion, training, discipline, dismissal, salary increments or other benefits of an employee or applicant, in exchange for sexual favours.

(f) Sending or viewing jokes, pictures or other information by e-mail or the internet where the information is sexually explicit or where it ridicules a person's sexual orientation.

(g) Sexual favouritism exists where a person who is in a position of authority rewards only those who respond to her/his sexual advances, whilst other deserving employees who do

[1] This policy must be read with the Code of Good Practise on the Handling of Sexual Harassment cases, as set out in the LRA.

not submit themselves to any sexual advances are denied promotion, merit ratings or salary increases.

It must be noted that occasional compliments of a socially acceptable nature do not constitute sexual harassment. Neither does the mutual attraction between people constitute sexual harassment. This should be treated as a private concern.

11.4 PROCESS / PROCEDURE

(a) In order to enable to Company to act, any person who is subjected to or has witnessed Sexual Harassment, that person must inform the HR Manager or any other Manager within 30 Days of the incident. The Company may, on good cause shown, extend this period.

(b) The HR Manager must inform the complainant (i.e. the person who is a victim of sexual harassment) that the matter can be dealt with in a formal or an informal basis. The choice as to which method of dealing with the matter to follow is entirely up to the complainant. However, the Company reserves the right to institute action against the alleged perpetrator of Sexual Harassment.

(c) The HR Manager will disregard any anonymous reports of Sexual Harassment.

(d) A preliminary investigation will be undertaken by the HR Manager with the aim of establishing the facts. This investigation and the finalisation thereof must take place in the shortest possible timeframe. All statements given / taken will form part of the proceedings. In the event that the HR Manager establishes through the preliminary investigation that the complaint cannot be substantiated or lead to a finding of Sexual Harassment in a disciplinary enquiry, the complainant must be advised thereof and informed that the informal process can still be used.

(e) The **informal process** may involve the Employee explaining to the perpetrator that her/his actions are unwelcome and that same interfere with the Employee's work. It may also involve a mediated session between the complainant and the perpetrator.

(f) The **formal process** involves the invoking by the Employee of either the Company's grievance procedure or disciplinary procedure. The alleged perpetrator's silence or absence from the disciplinary or grievance proceedings without good reason will not prevent the process from proceeding. Failure or refusal to respond may result in the hearing proceeding solely on the basis of the complainant's testimony. A complainant's failure to cooperate with the process in a timely manner may negate the Company's obligation to continue with the procedures. Only appropriate members of management as well as the complainant, her/his representative, alleged perpetrator, witness and interpreter, if required, must be present and the disciplinary enquiry.

11.5 GENERAL

(a) It is a violation of the Company's Code of Conduct to engage in retaliatory acts against any employee or person who reports an incident of alleged Sexual Harassment, or any employee or person who testifies, assists or participates in a proceeding, investigation or hearing relating to such allegation of Sexual Harassment.

(b) The HR Manager and Managers who are responsible for the implementation of this policy must respect the confidentiality and privacy of the complainant and the alleged perpetrator to the extent that is reasonably possible. However, the Company cannot guarantee confidentiality in instances where it is obliged to disclose such information, e.g. by means of an order of Court.

(c) Failure to treat all reported incidents of Sexual Harassment as confidential constitutes a violation of the Company's Code of Conduct.

(d) This policy cannot be interpreted in any manner whatsoever to prevent the complainant from instituting criminal and/or civil proceedings against the alleged perpetrator at her/his costs.

(e) Additional sick leave may be granted to the complainant at the Company's sole discretion.

(f) Should a complaint of alleged sexual harassment not be satisfactorily resolved by the internal procedures as set out above, either party may within ten (10) working days of the dispute having arisen, refer the matter to the CCMA for conciliation in accordance with section 135 of the LRA. Should the dispute still remain unresolved, either party may refer the dispute to the Labour Court within thirty (30) days of receipt of the certificate of the commissioner in terms of section 135(5).

11.6 COMPLAINTS BY PERSONS WHO ARE NOT IN THE EMPLOY OF THE COMPANY

(a) Notwithstanding anything above, a non-employee (including, but not limited to service providers, suppliers, contractors, competitors and any other person who has business dealing with the Company) who is a victim of Sexual Harassment may lodge a grievance with the Company where the harasser is an Employee and where such harassment has taken place at the workplace or in the course of the harasser's employment.

(b) The procedure to be followed will be determined by the Company's Sexual Harassment policy.

12. **GIFTS**

(a) No monetary Gifts may be received by Employees from clients, shareholders and/or any other third parties.

(b) If an Employee receives any Gift, she/he must report such receipt to his/her direct line-manger within 24 hours of receipt of such Gift.

(c) Any Gift, which is estimated to exceed R 500 in value and that are received by an Employee, must be entered into a Gift register. Either a member of EXCO or the Chief Executive Officer must approve acceptance of said Gift failing which the gift must be returned.

(d) Any promotional Gifts of insignificant value (i.e. less than R 200) need not be declared.

(e) Failure to comply with this disclosure of Gifts clause may result in disciplinary action being taken.

13. **DISCLOSURE OF INTERESTS**

(a) Employees must disclose all business interests to his/her direct line manager, who in turn must disclose such interest to EXCO.

(b) Employees must also disclose any business interests of whatever nature and whether such interest is direct or indirect, of any family member that are in conflict with or may be perceived to be in conflict with any of the Company's interests.

(c) Where there is a perceived conflict of interest the Employee may be requested to either terminate his/her involvement with the external business interest or resign from the Company.

(d) Failure to disclose any interests as contemplated in this clause may result in disciplinary action being taken.

14. **MONETARY GAINS**

It is strictly prohibited to gain financially in any way whatsoever, other than the Employee's monthly remuneration, in respect of any activity directly or indirectly related to Property, unless the CEO's prior written consent had been obtained. Failure to obtain such prior written consent may result in disciplinary action being taken.

15. **COMPANY RESOURCES**

(a) The Company's resources must primarily be used for internal and external Company communications and/or other functions.

(b) The Company cannot be held responsible for any loss of personal documentation or correspondence from the Company computers or software or from shared resources.

(c) The Company will recover monies from an Employee that relate to the excessive use of any Company resource, which includes, but is not limited to, the telephone and fax lines, Internet lines, etc. However, it must be noted that this provision does not exclude the initiation of possible disciplinary action against the Employee in the case of excessive use and/or abuse of the Company's resources.

(d) The malicious or unauthorised opening of personal data files, folders, documents e-mail and/or property of an Employee by another Employee is prohibited.

(e) The Company may, however, access personal data, files, folders, documents, e-mail and/or other property of an Employee if such an Employee makes use of Company resources, subject to the provisions of legislation and as set out herein below.

(f) Neither the Company nor Employees, acting on an authorised instruction, can be held liable for any loss, damage and/or the breach of privacy if information is obtained in a *bona fide* manner, subject to the provisions of legislation and as set out herein below.

(g) It is expressly forbidden to introduce any unauthorised software onto a Company computer, i.e. without the permission of the Chief Executive Officer or Manager responsible for Information Technology.

(h) All direct line-managers are responsible for the removal of any unauthorised software with the assistance of the IT resources.

15.1 *INTERCEPTION OF COMMUNICATIONS BY THE COMPANY*

(a) It is expressly recorded that **all** Company resources, including but not limited to its telephony, electronic media and e-mail system, are owned and operated as the private property of the Company.

(b) The use of **any** Company resources may only be used for official Company purposes. As such, Employees should not have any expectation of privacy in their use of any Company resource.

(c) The word "communications" is meant to be defined in the broadest possible sense insofar as it relates to the entire paragraph 16.

(d) The Employee hereby gives her/his irrevocable consent to the Company to, at its sole discretion, inspect and audit the use and/or contents of or on any Company resource with or without notice.

(e) The Chief Executive Officer, being the "systems controller" as defined in the RICA may at any time consent to the interception of any form of communications, either expressly or implicitly.

(f) The Chief Executive Officer may authorise any Manager to intercept communications, subject to the provisions of the RICA and this Code of Conduct.

(g) In line with the provisions of the RICA the Company will not intercept any communication, unless it is for the following purposes:

(i) the monitoring is done with a view of keeping records of communications;

(ii) the interception relates to a transaction that relates to the business or which otherwise takes place in the ordinary course of business;[2]

(iii) in order to establish the existence of facts;

[2] This means that the Company may look at ("intercept") any communication of an Employee that relates to the performance of her/his duties at COMPANY.

(iv) to investigate or detect unauthorised use of the Company's resources;
(v) to secure the effective operation of the Company's resources or an inherent part thereof; or
(vi) in accordance with any other provision authorised in the RICA.

(h) Please take note of the fact that the Chief Executive Officer had already consented that telephone logs, e-mail logs and Internet logs be kept and pulled at various intervals. Please take further notice that this recordal does not mean that the Chief Executive Officer may not extend the monitoring and/or interception of any other form of documentation.

15.2 *TELEPHONE*

(a) Only business calls are allowed. However. Employees may make **a maximum** of **one** private, non-national telephone call (**not exceeding five minutes**) per day.

(b) The detail pertaining to the utilisation of the telephone is set out in the Company's Standard Operating Procedures Manual and is deemed to have been incorporated herein.

(c) All of the above also apply to faxes.

15.3 *E-MAIL*

(a) It is specifically recorded that the Company's electronic media and e-mail system is owned and operated as the private property of the Company. The e-mail system may only be used for official Company purposes. As such, Employees should not have any expectation of privacy in their use of the electronic media and e-mail system. The Company may, at its sole discretion, inspect and audit the use thereof with or without notice.

(b) It is specifically recorded that the Company operates its e-mail system from its own domain name, i.e. freedompropertyfund.com. As such, no e-mail communications may be sent out using the Company's domain name contrary to the provisions of this clause.

(c) Racist, sexist, threatening, lewd or otherwise objectionable language is strictly prohibited when communicating by e-mail or otherwise.

(d) Employees may not transmit offensive, fraudulent or defamatory images or text as obscene material, jokes (*risqué* or otherwise) or anything that may be construed as illegally harassing or offensive to others. Without limiting the generality of the aforementioned, it is expressly prohibited from sending or receiving pornographic material, images and/or text. In the event that pornographic material is received, it is the **Employee's responsibility** to inform the person from whom such material had been received to refrain from sending such material to the Employee. It is recommended that such notification be done by means of return e-mail. However, Employees may not forward ***any*** pornographic images to any other person. (Please note that pornographic is defined for purposes of this para 16 as wide as possible).

(e) Electronic media may not be used for personal monetary interests or gain or for political purposes.

(f) Employees may not subscribe to mailing lists or mail services unless such lists are for Company purposes.

(g) E-mail may not be used to distribute chain letters or any other unsolicited information ("spam"). Nor may e-mail be used to distribute religious or other "motivational" messages to unsolicited recipients.

(h) The Company reserves the right to block external senders of unsuitable e-mail (as set out above) without informing the sender or receiver.

(i) Employees may not distribute "virus warnings" to others. This may only be done by the Company's IT resources and/or a member of EXCO after the validity of the notice had been verified.

(j) Use of "alluser" e-mails must be restricted to Company related information.

(k) Picture or slide show e-mails received by Employees from a known recipient must be deleted after having been read. No such e-mails may be distributed internally. This prohibition is instituted to ensure that if the message contains a virus, the virus is not transmitted to other machines.

(l) If any picture or slide show e-mails are received from an unknown source, especially when they do not display a property subject as heading, **they must be deleted immediately and may not be opened.**[3]

(m) It is compulsory for all Employees with e-mail facilities, to regularly update their virus protection programme to minimise the possibility of spreading the virus – both internally and externally.

(n) It is compulsory for all Employees with e-mail facilities to update their back up facilities on a Friday, the "store-jet" must be kept in the safe until the following week.

15.4 *INTERNET*

(a) The Company's Internet system is owned and operated as private property and should only be used for Company related business. As such, Employees should not have any expectation of privacy in their use of the Internet. The Company may, at its sole discretion, inspect and audit the use of the Internet with or without notice.

(b) The Internet may only be used to visit property and related sites.

(c) Notwithstanding para (b) hereinabove, accessing, posting or sharing of racist, sexist, threatening, obscene, lewd or otherwise objectionable material on the Internet is strictly prohibited.

(d) Employees may not access or download offensive, fraudulent or defamatory images or text, such as obscene material or *risqué* jokes or anything that may be construed as illegally harassing or offensive to others. Without limiting the generality of the aforementioned, Employees are hereby expressly prohibited from accessing pornographic or other objectionable sites.

(e) The Internet may not be used for any personal monetary interests or gain. Nor may it be used for political purposes.

(f) Employees may not intentionally use the Internet facilities to disable, impair or overload the performance of the Company's computer system or network. Nor may the Internet be used to circumvent any system intended to protect the privacy or security of the Company or another user or any other third party.

15.5 *PRINTING*;

(a) All work must be printed in black and white. This means that the colour printer may not be used unless the printing thereof in colour has been specifically authorised by a Manager.

(b) The detail pertaining to printing is set out in the Company's Standard Operating Procedures Manual, the provisions of which are deemed to have been incorporated herein.

16. INFORMATION PERTAINING TO THE COMPANY, ITS OPERATIONS & EMPLOYEES

(a) All contact with anybody seeking information on the Company or any activity, which is associated with the Company, must be referred to the appropriate line-manager. In the case of HR queries, same must be directed to the HR Manager.

(b) If the information that is sought is to be made publicly available, in particular to the media, such information may only be made available in consultation with the Chief Executive Officer

[3] A survey conducted by Microsoft revealed that 75% of all viruses are transmitted via "picture" or "slide show" e-mails, and these must accordingly be restricted to an absolute minimum. No picture or slide show e-mails may be sent to friends and relatives, or fellow staff members, to minimise the possibility of spreading a virus.

and the PR and Communications Consultants. No Employee may enter into any interaction with the media, unless that Employee is specifically authorised to do so in his/her job description.

(c) The disclosure of any information and/or documentation that relates to the operations, know-how, show-how, intellectual property, trade secrets, etc of the Company to unauthorised third parties without the relevant prior written permission of the Chief Executive Officer and/or the Board is hereby expressly forbidden.

(d) No personal information pertaining to any Employee may be given to third parties without the Employee concern's permission. If the Employee does not consent or is unable to consent to such disclosure, the Employee's direct line-manager may, in exceptional circumstances, disclose such information.

(e) The above is, however, subject to the provisions of the Company's Access to Information Manual.

17. MATTERS PERTAINING TO CONDITIONS OF SERVICE

17.1 *CHANGE OF ADDRESS AND PERSONAL DETAILS*:

The Company is required by legislation to record the address and personal particulars of all Employees. It is therefore essential that the Company be notified of any change of address and change in personal particulars such as numbers of dependants or marital status. It is the responsibility of all Employees to notify the Company within three days of any change in personal particulars. Employees are, in particular, reminded to this duty to inform the Company of any change in telephonic contact particulars.

17.2 *SALARY INCREASES*:

Salary reviews are generally conducted once a year in by the Company Remuneration Committee. All salary increases will be based on merit, and will be subject to a written performance appraisal being completed by EXCO.

17.3 *ANNUAL BONUS*

The Company may pay staff an incentive bonus at the end of a calendar year. However, the payment of a bonus is **not guaranteed**. The Directors have sole discretion in deciding whether or not a bonus will be paid to Employees. In the event of them deciding to do so, the monetary amount awarded will be based on merit, taking into account the Employees' overall performance, initiative, willingness and attitude toward the job and Company in the execution of his/her duties during the year. Moreover, the payment (or non-payment) of bonuses is dependent on the financial performance of the Company.

17.4 *BANK ACCOUNT*:

All Employees are required to open a bank account. These details must be provided to the Company (HR Manager). The Company may then, at its sole discretion, pay directly into such account any salary and/or other amounts due to that Employee.

17.5 *PROVIDENT/PENSION SCHEME*:

Membership of the provident scheme is compulsory for all Employees after three months of employment with the Company. The Employees' contribution is 6.5% percent of his/her gross monthly salary, which will be deducted from his/her salary by the Company. The Company will pay over such contributions to the provident scheme. A copy of the Scheme's rules is available on request from the Financial Manager.

17.6 *UNEMPLOYMENT INSURANCE FUND*:

(a) The Government has established an Unemployment Insurance Fund, which provides for the payment of benefits to contributors who become unemployed, are on unpaid maternity leave and also to the beneficiaries of contributors who die.

(b) Contributions are compulsory for all Employees in accordance with the provisions of the Unemployment Insurance Fund Act, 2001.

(c) The Company will use its best endeavours to assist Employees who may have a claim from the fund and will also use its best endeavours to assist any dependent of Employees who is entitled to claim death benefits. However, it is expressly recorded that it is ultimately the responsibility of the claimant to claim from the Fund and to follow up in respect of all claims lodged with the Fund.

18. OTHER GENERAL POLICIES

18.1 *DEVELOPMENT OF OTHER EMPLOYEES*:

Employees are required to impart their knowledge, experience and skills to other Employees when required to do so.

18.2 *PRODUCTIVITY IMPROVEMENT SUGGESTIONS*:

All Employees are encouraged to submit ideas and suggestions which occur to them and which might bring about improved quality.

19. RETRENCHMENT

19.1 DEFINITIONS

Retrenchment means the termination of the employment contract due to requirements based on the economic, technological, structural or similar needs of the Company and includes cases where an employee's position has become redundant and of general downsizing.

19.2 PURPOSE

The purpose of this procedure is to lay down a policy which will determine the principles and criteria to be considered in deciding whether employees should be retrenched and which employees are to be retrenched. The decision to retrench employees is that of the Company but the Company recognises the right of the employees to be informed about contemplated retrenchments to make representations regarding a proposed retrenchment.

19.3 PRINCIPLES FOR RETRENCHMENT

(a) An initial attempt will be made by the Company to avoid retrenchments. If it appears this may not be possible and retrenchments are contemplated then the Company will engage the employees and where applicable the representative association in consultation in an attempt to reach consensus on:-

(i) appropriate measures to avoid retrenchments, to minimize the number of retrenchments, to change the timing of retrenchments and to mitigate the adverse effects of retrenchments;

(ii) the method of selecting employees to be retrenched; and

(iii) the severance pay for retrenched employees.

(b) The Company will furnish the employees with a written notice setting out all relevant information relating to any contemplated retrenchments required by Section 189 of the LRA and including :-

(i) the reasons for the proposed retrenchments;

(ii) the alternatives that the Company considered before proposing retrenchments and the reasons for rejecting those alternatives;

(iii) the number of employees likely to be affected and the job categories in which they are employed;

(iv) the proposed method for selecting which employees are to be retrenched;

(v) the time when or period during which the retrenchments are likely to take effect;

(vi) the severance pay proposed;

(vii) any assistance that the Company proposes to offer to the employees likely to be retrenched;

(viii) the possibility of the future re-employment of the employees who are retrenched;

(ix) the number of employees currently employed by the Company; and

(x) the number of employees retrenched in the preceding 12 months.

(c) Once the above aspects have been considered and if it appears as if retrenchment is unavoidable, certain principles for selection of those Employees who must be retrenched will be considered. The "Last-in, first-out" (LIFO) principle within the affected area governs the selection criteria. However, the LIFO principle will be tempered by the following:

(i) documented and proven cases of poor performance;
(ii) documented and proven cases of misconduct; and
(iii) retaining Employees who have scarce and critical skills.

(d) The following assistance will be given to those Employees being retrenched.

(i) PAID TIME OFF TO FIND ALTERNATIVE EMPLOYMENT:
Where Employees are required to work the full notice period, EXCO will give reasonable time off on request to enable the affected Employees to seek other employment.

(ii) UNEMPLOYMENT INSURANCE FUND:
The Company will assist Employees in completing the necessary forms to prevent a delay in claiming unemployment insurance where applicable.

(iii) The Company agrees to give retrenched Employees, other than those who retire, preference for re-employment above all other applicants. It is, however, the responsibility of the Employees to ensure that the Company is able to contact her/him at short notice.

(iv) The Company will attempt to contact such Employees for a period of six (6) months after the date of retrenchment in cases of potential re-employment.

(v) The Company agrees to honour the following payments on retrenchment:

(aa) Where the Employee is not required to work notice, s/he will receive full payment *in lieu* of such notice.

(bb) All outstanding vocational leave will be reimbursed.

(cc) A severance package[4] taking into account and consideration the years of service and the economic and financial circumstances of the Company at the time will be considered and determined in full consultation with the representative association and/or the Employees concerned.

20. DISCIPLINARY CODE AND PROCEDURE

20.1 General Principles

(a) The maintenance of discipline in the workplace is the responsibility of management. This responsibility will be enforced through the disciplinary procedure.

(b) Disciplinary action aims to be corrective and educational, except where a dismissal decision is necessary.

(c) This procedure will be implemented only in the event of misconduct or non-compliance with conditions of service. In addition to this procedure, there is a specific procedure for dealing with poor work performance and retrenchments, both of which must be followed where applicable.

(d) The disciplinary procedure forms part of the Employees' conditions of service.

(e) Copies of all written warnings that are issued in terms of the disciplinary procedure will be filed in the relevant employee's personal file. Employees are entitled to a copy of such warnings.

(f) Written Warnings will be valid for a period of six (6) months from the date of issue and Final Written Warnings will, in the sole discretion of the person issuing the warning, be valid for a period of between six (6) and twelve (12) months from the date of issue, after which they will expire.

(g) Disciplinary action will be taken within a reasonable time after the Company has become aware of the need for such action.

(h) The procedures set out herein may be deviated from by the Company in appropriate circumstances provided this results in no unfairness to the employee. No minor deviations from this procedure will invalidate a decision made in terms of this procedure.

(i) If the need arise, a person other than the designated person hereunder may conduct the disciplinary enquiry or appeal.

(j) Any Employee who is subject to the disciplinary action is entitled to be represented by a fellow Employee at the internal hearings.

(k) At the Employee's request, an interpreter will also be made available to translate the proceedings. The interpreter may be a fellow employee and will be appointed by the Company as such on a case by case basis.

(l) The Company undertakes not to victimise or discriminate against any Employee for anything done or said in connection with the implementation of this procedure, save insofar as steps need to be taken in terms of this disciplinary procedure.

(m) The acquittal or conviction of an Employee on a criminal charge by a court of law will not prevent the Company from instituting disciplinary action against such an Employee notwithstanding the fact that the facts set out in the charge of misconduct, should they be proven, would constitute the misconduct set out in the criminal charge on which the was

[4] Calculated as provided for in the BCEA.

acquitted or convicted or any other offence of which he might have been found guilty at his trial for the said criminal charge. Internal disciplinary proceedings may thus take place concurrently or before or after and totally independently of any external criminal proceedings.

(n) It is expressly recorded that the list of offences is not exhaustive. As such, an employee may be disciplined in respect of an offence which is not listed in this code.

20.2 **Suspension**

(a) The Chief Executive Officer may suspend an employee with full remuneration if an Employee is charged with misconduct and it is believed that the presence of the Employee may hamper investigations or if there is a perceived and reasonable possibility that the employee charged with misconduct may intimidate witnesses or attempt to destroy evidence.

(b) An Employee, who is so suspended, must surrender all Company property in her/his possession. (Such possessions include, but are not limited to, cell phones, computers, printers, Company credit cards, etc).

(c) An Employee who is so suspended may not re-enter the premises or make contact with any Employee unless the express prior approval has been obtained from the relevant Manager.

(d) The Chief Executive Officer may at any time rescind the suspension of an Employee. Notwithstanding such rescission the proceedings in respect of the charge of misconduct may continue.

20.3 **Nature of disciplinary measures**

(a) Disciplinary measures can be implemented either on a formal or an informal basis, depending on the offence, the nature of the Employee's job, surrounding circumstances, etc.

(b) Informal discipline is implemented by means of a verbal reprimand that is not placed on record. A verbal reprimand makes provision for daily operational matters rather than specifically unacceptable conduct, for which provision is made in the Company's disciplinary code and other conditions of service.

(c) Formal disciplinary action may be taken against an Employee when the Employee is in breach of the Company's disciplinary code or in breach of any other condition of employment. Depending on the nature of the offence, as well as other surrounding circumstances, the offence may warrant the issuing of a written warning, a final written warning or a disciplinary enquiry, which could lead to the dismissal of the Employee. This does not, however, mean that there is a fixed sequence to be followed in all instances. The level to be implemented will be determined by the nature and the seriousness of the case.

20.4 **Level 1 – Written warning**

(a) If the Employee's direct line manager (or a Manager if the Employee's direct line manager is involved in the case against the Employee or if it is believed that another Manager deals with the matter) believes that a written warning is in order for the offence, the following procedure will be followed:

(b) The person dealing with the matter (i.e. the Employee's direct line manager or another Manager, as the case may be) will discuss the nature of the offence with the employee in the presence of the Employee's representative and the Admin Manager, who will act as observer. The Employee will also be given an opportunity to state her/his case.

(c) If the person dealing with the matter still decides to issue the warning after having heard the Employee's side, the appropriate warning form must be completed and signed by the Manager. It is the person who issues the warning's responsibility to ensure that the Employee understand the nature of the warning as well as the possible consequences that may follow in the event of a recurrence of the same or similar offence during the period of the duration of the warning.

(d) The Employee and his/her representative must sign the warning form to acknowledge receipt of the warning even if the Employee does not agree with the disciplinary action being taken. The Employee's refusal to sign the form does not render the warning invalid. In such an instance it will be endorsed by the HR Manager and it will have the same effect as if the warning was signed by the Employee.

(e) A copy of the warning must be issued to the Employee and the original must be placed in the Employee's personal file.

20.5 **Level 2 – Final written warning**

(a) If the Employee's direct line manager (or a Manager if the Employee's direct line manager is involved in the case against the Employee or if it is believed that another Manager deals with the mater) believes that a final written warning is in order for the offence, the procedure as set out in 21.4 will be followed. In appropriate circumstances the procedures as set out in 21.6 may be followed.

(b) The person issuing the warning must ensure that the Employee understands that a recurrence of the same or similar offence during the period of validity of the final written warning may lead to a further disciplinary enquiry, which could in turn lead to the dismissal of the Employee.

20.6 **Level 3 – Disciplinary Enquiry**

(a) A disciplinary enquiry will be conducted in the event of any first serious offence that would warrant dismissal, with or without notice, as a possible measure or in the event of the recurrence of the same or similar offence for which a final written warning has already been placed on record.

(b) Disciplinary enquiries are normally preceded by investigations into the need to take formal disciplinary action. In all instances the nature and scope of such investigations, if deemed to be necessary, will be decided on a case-by-case basis by the Company.

(c) If a disciplinary enquiry is held, notice thereof must be given to the Employee on the relevant form. Such notice must:

(i) set out the charge(s);
(ii) inform the Employee of the right to request additional information;
(iii) be given to the Employee at least 48 hours prior to the disciplinary interview;
(iv) inform the Employee that s/he is entitled to be represented by another Employee;
(v) set out the maximum penalty that may be imposed if the Employee is found guilty; and
(vi) any other relevant information.

(d) Either party may on good cause shown request that the disciplinary enquiry be postponed for a maximum of three (3) Days unless otherwise agreed.

(e) All disciplinary enquiries must be recorded in writing.

(f) The disciplinary enquiry must be held in private and in the presence of the Employee concerned. At the Employee's request her/his representative and/or an interpreter may also be present at the proceedings. In addition to these persons, the Company's representative, i.e. the initiator, will also be present at the enquiry.

(g) All disciplinary enquiries must be chaired by a Manager from another Department. In the event that it is deemed that no Manager is unaware of the circumstances surrounding the case, an independent third party may be asked to chair the enquiry.

(h) The Chairperson must inform the Employee of the charges against her/him. The Employee must also be informed of the reasons why her/his conduct and/or performance are unacceptable.

(i) The initiator may call witnesses for and on behalf of the Company to state the latter's case.

(j) The Employee and/or her/his representative may put questions to the Company's witnesses.

(k) The Employee may also call witnesses. The initiator may also put questions to witnesses called by the Employee.

(l) The Chairperson will announce the verdict of guilty/non-guilty after the initiator (Company representative) and the Employee or his/her representative have concluded the questioning of their respective cases and after the chairperson has taken a recess to consider the cases. Such verdict need be taken simply on a balance of probability. The term balance of probabilities means that the Chairperson should decide whether the evidence regarding the particular incident submitted by the Employer, or that submitted by the Employee, is more reliable and probable.

(m) If the Chairperson finds the Employee guilty, the Employee or his/her representative will be given the opportunity to bring mitigating circumstances or other relevant information to the Chairperson's attention. Similarly, and the complainant of the allegations will also be given the opportunity to bring aggravating circumstances and/or other relevant factors to the Chairperson's attention.

(n) After hearing the mitigating and/or aggravating circumstances, the Chairperson must call for the Employee's personal file, from which the Chairperson must determine the Employee's period of service, whether there is a record of any valid and related warnings as well as any other relevant information, such as the Employee's personal circumstances.

(o) In deciding upon a sanction, the chairperson must take account of:

  (i) The measure/s being proportionate to the misconduct of which the Employee has been found guilty.

  (ii) The impact of the transgression on the workplace relationships.

  (iii) Aggravating factors which may include the Employee's position, seniority and previous disciplinary offences and warnings.

  (iv) Mitigating factors which may include the Employee's length of service, a clean disciplinary record or extenuating personal circumstances.

(p) The Chairperson will announce the sanction after calling a recess during which the Chairperson takes into account all relevant considerations. This sanction may be a written warning, a final written warning, dismissal or any other appropriate measure taken at the sole discretion of the Chairperson, including suspension without pay or demotion. The last two possibilities may, however, be put to the Employee only as alternatives to dismissal, and must be accepted by the Employee in writing in order to be valid.

(q) Should an employee be found not guilty, s/he must be informed accordingly and if the Employee was suspended the suspension will be lifted forthwith.

(r) After the Chairperson has announced the sanction, the Employee will be provided with written reasons for the Chairperson's motivated sanction.

(s) If it is decided that an Employee's services be terminated, with or without notice, the dismissal form must be completed by the Chairperson of the enquiry. The Employee and his/her representative must sign the relevant form to acknowledge receipt thereof even if the Employee does not agree with the contents. The Employee's refusal to sign the form does not render the decision invalid. In such an instance it will be endorsed by the Admin Manager and it will have the same effect as if the form was signed by the Employee.

(t) A copy of the form must be handed to the Employee and the original must be placed in the Employee's personal file.

(u) The chairperson must inform the Employee formally of the right to an appeal and thereafter to refer the matter to the Commission for Conciliation, Mediation and Arbitration if he/she still feels that the disciplinary action was unfair.

20.7 **Appeal**

(a) If an Employee is dissatisfied with any decision given at the disciplinary enquiry, s/he has three (3) Days after receipt of the warning or dismissal form to apply to the Chief Executive Officer, in writing, to review the case. If no appeal is lodged within the prescribed period, the decision of the Chairperson of the disciplinary enquiry will be binding.

(b) The notice of appeal must contain the grounds on which the Employee is appealing.

(c) The Chief Executive Officer must convene an appeal hearing and appoint an appeal officer. (The appeal officer need not be an employee of the Company).

(d) Prior to the appeal hearing, a full set of records pertaining to the disciplinary enquiry must be provided to the appeal officer. In addition thereto, a copy of the Employee's personnel file would also be supplied to the appeal officer.

(e) The appeal officer must conduct such investigations, as s/he deems necessary on the basis of the record of the proceedings at the disciplinary enquiry.

(f) In addition to reviewing the record, the appeal officer may, but is not obliged to, call further witnesses or recall witnesses. (If further evidence is led, the Employee concerned and her/his representative must be present and they may put questions to any such witnesses).

(g) The decision of the appeal officer is final and binding. This means that the Employee has no further internal right of appeal or review.

(h) The appeal officer must complete the appeal form after the appeal hearing.

(i) If the appeal officer supports the decision of the Chairperson of the disciplinary enquiry the relevant form must be completed. The Employee and his/her representative must sign the relevant form to acknowledge receipt thereof even if the Employee does not agree with the contents thereof. The Employee's refusal to sign the form does not render the finding invalid. In such an instance it will be endorsed by the HR Manager and it will have the same effect as if the form was signed by the Employee.

(j) A copy of the form must be handed to the Employee and the original must be placed in the Employee's personal file.

(k) The Employee must sign the form acknowledging receipt of the warning. If, however, the Employee refuses to do so, the Chief Executive Officer or the appeal officer, as the case may be, can endorse the form accordingly.

(l) A decision taken at an enquiry is effective with retrospective effect to the date of the original warning/decision under appeal.

(m) If the appeal officer decides not to dismiss an Employee, the Employee will be reinstated with immediate effect and with retrospective application from the date of dismissal.

20.8 **Schedule of Offences**

THE SCHEDULE OF OFFENCES BELOW SETS OUT STANDARD CATEGORIES OF MISCONDUCT AND PROVIDE GUIDANCE IN RESPECT OF THE SANCTION THAT MAY BE IMPOSED. DEPENDING ON THE CIRCUMSTANCES, THE COMPANY MAY IMPOSE EITHER A LESSER SANCTION OR A MORE STRINGENT SANCTION THAN INDICATED BELOW. THE OFFENCES SET OUT ARE HOWEVER NOT EXHAUSTIVE AND DO NOT PREVENT THE COMPANY FROM INSTITUTING DISCIPLINARY PROCEEDINGS AGAINST AN EMPLOYEE IN RESPECT OF MISCONDUCT NOT LISTED IN THESE SCHEDULES.

Legend for abbreviations used in the schedule:

Counselling
VW Verbal Warning
WW Written warning
FW Final warning
DC Dismissal with notice
SD Summary Dismissal (Dismissal without notice)

ABSENTEEISM					
Absenteeism without leave – 1 day	Counselling	WW	FW	DC	
Absenteeism without leave – 2 days	Counselling	WW	FW	DC	
Absenteeism without leave – 3 days		WW	FW	DC	
Absenteeism without leave – 4 days or more			FW	DC	
Abuse of sick leave		WW	FW	DC	
Non-notification of absence		WW	FW	DC	
TIME RELATED					
Arriving late at work	Counselling	VW	WW	FW	DC
Unauthorised absence from the work place	Counselling	VW	WW	FW	DC
Leaving the work place before closing time	Counselling	VW	WW	FW	DC
Leaving the work place without permission	Counselling	VW	WW	FW	DC
Unauthorised breaks	Counselling	VW	WW	FW	DC
Receiving unauthorised visit/s during working hours	Counselling	VW	WW	FW	DC
Passing time idly / loafing	Counselling	VW	WW	FW	DC
Unauthorised occupation of another employee's working time	Counselling	VW	WW	FW	DC
INSUBORDINATION					
Unwillingness or refusal to accept or failure or refusal to execute a lawful instruction			FW	DC	
Failure to heed instructions on minor work related issues		WW	FW	DC	
Failure to follow standing orders (minor)		WW	FW	DC	
Failure to follow standing orders (serious)			FW	DC	
Insolence or insubordination			FW	DC	
Failure to comply with conditions of employment, Company rules, operating		WW	FW	DC	

regulations, security codes and statutory requirements[5]					
Refusal to work agreed over time		WW	FW	DC	
Using abusive or obscene language		WW	FW	DC	
Horseplay		WW	FW	DC	
Causing injury as a result of horseplay			FW	DC	
Threats of violence				DC	
Assault or attempt to assault					SD
Grossly offensive behaviour					SD
Victimisation / intimidation			FW		SD
Inciting others to commit an offence					SD
Indecency			FW	DC	
Fighting					SD
Riotous behaviour			FW		SD
Sexual Harassment			FW		SD
Unauthorised possession of a dangerous weapon[6]			FW		SD
Improper or disgraceful conduct			FW		SD
Behaviour which could blemish the Company			FW		SD
UNACCEPTABLE BEHAVIOUR					
Smoking in a non-smoking area	Counselling	VW	WW	FW	DC
Sleeping on duty	Counselling	VW	WW	FW	DC
Gambling on Company premises			WW	FW	DC
Failure to report an accident at work				FW	DC
Conducting private business during working hours				FW	DC
Conducting private business that amounts to a conflict of interest					SD
Poor maintenance of machines, equipment or vehicles	Counselling	WW	FW	DC	
Minor negligence			FW	DC	
Gross negligence					SD
Intentional interference with or obstruction of other employees to perform their duties			FW	DC	
Dereliction of duty					SD
Incompetence		WW	FW	DC	
Unauthorised introduction of software			FW	DC	
Selling dangerous weapons or alcohol / drugs on Company premises					SD
Grossly offensive behaviour					SD
Losing or causing the Company to lose sponsorship					SD

[5] Depending on the circumstances, a first offence may warrant a dismissal with notice.
[6] Weapons do not only refer to fire-arms, but includes, without limitation, knobkerries, sjamboks, etc.

Unauthorised or malicious accessing of files, folders, documents, e-mail messages or personal property					SD
Using Company resources to engage in any form of pornography, including but not limited to, sending pornographic material to other persons or the visiting of pornographic sites			FW		SD
Unfair discrimination against any person					SD
DISHONESTY					
Theft					SD
Bribery / corruption[7]					SD
Fraud / forgery					SD
Misuse of Company funds					SD
Unauthorised possession of Company property					SD
Disclosure of confidential information					SD
Using confidential information for own benefit					SD
Giving false statements			FW	DC	
Misrepresentation of particulars on staff application form			FW		SD
MISUSE OF COMPANY PROPERTY					
Wilful damage to property			FW	DC	
Negligent damage to property		WW	FW	DC	
Wasting Company resources		WW	FW	DC	
Wilful loss of property			FW	DC	
Driving vehicle without permission			FW		SD
Reckless or negligent driving			FW	DC	
Speeding		WW	FW	DC	
Abuse or misuse of property (minor)			FW	DC	
Wilful abuse or misuse of property					SD
VIOLATION OF SAFETY & HYGIENE RULES					
Minor infringement	Counselling	WW	FW	DC	
More serious infringement			FW	DC	
Gross violation					SD
ALCOHOL & DRUGS[8]					
Unauthorised possession of drugs / alcohol at the work place					SD

[7] This includes the receiving or offering bribes, including but not limited to the receipt of Gifts or making monetary gains contrary to the provisions of this Code of Conduct.

[8] Drugs do not only mean illegal drugs, but also includes prescription drugs or other hallucinogenic with were obtained illegally.

Driving company vehicles whilst under the influence of alcohol / drugs			FW		SD
Arrival at work under the influence of alcohol / drugs	Counselling	WW	FW	DC	
Being under the influence of alcohol / drugs whilst on duty			FW	DC	
Consuming alcohol at the work place, other than sanctioned by the Company			FW	DC	
Inability to work as a result of alcohol or drugs			FW	DC	
INDUSTRIAL ACTION					
Participation in an unprotected strike / industrial action					SD
Participation in an unprotected secondary (sympathy) strike / industrial action					SD
Participation in unprotected picketing				DC	
Inciting unprotected activity				DC	
Damage to Company property during protected strike action				DC	
Causing injury to another during protected strike action					SD
MISCELLANEOUS					
Habitual offender (i.e. having more than 3 current warnings on file)					SD
Any other grounds recognised in law					SD
Conviction of a criminal offence[9]					SD

21 GRIEVANCE PROCEDURE

21.1 CODE

The purpose of the Grievance Procedure is:

1.1 to recognise that it is the interest of both the Company's and its employees to consider and resolve issues arising between them in a mutually acceptable manner.

1.2 to enable any employee to have a grievance resolved as speedily as is practicable and as near to the point of origin as possible, and to provide her/him with access to EXCO for the resolution of any form of grievance.

21.2 DEFINITION OF A GRIEVANCE

A grievance is any feeling of injury, victimisation or dissatisfaction in connection with conditions of employment or work that has been brought to the attention of EXCO, but excludes the dissatisfaction of an individual over disciplinary action taken by the Company.

21.3 GRIEVANCE PROCEDURE

3.1 In order for both EXCO and employees to have adequate channels of communication for discussion of any problems that may stand in the way of achieving the spirit of sound industrial relations, there are three basic steps involved in the procedure. These steps are intended to resolve the problem as quickly as possible and at as low a level as

[9] Depending on the circumstances and the employee's job description.

possible. *In the circumstances the time periods set out herein may be deviated from but only in appropriate circumstances.*

3.2 Grievances must be dealt with during working hours unless circumstances dictate otherwise and an employee must be paid his normal basic wage whilst participating in the resolution of a grievance during working hours.

3.3 An employee may lodge a grievance without any prejudice whatsoever to his/her employment.

21.4 **STEP 1**

4.1 An employee with a grievance should first raise the matter with his/her immediate Manager. A reply must be given by the Manager within 2 (two) working days of the grievance being raised.

4.2 In the event of an employee having a complaint about his immediate Manager, s/he may approach the next reporting level to her/his immediate Manager directly (i.e. the Chief Executive Officer of the Company), for the purpose of resolving her/his particular grievance. However, a copy of the grievance must also be handed to the Employee's direct line-manager simultaneously to it being handed to the Chief Executive Officer.

21.5 **STEP 2**

5.1 If the Manager does not resolve the grievance to the employee's satisfaction, the Employee may obtain the assistance of a fellow employee representative and take the matter up further with her/his Manager.

5.2 The Manager, representative and employee must do their best to resolve the issue, consulting, if necessary, with other members of EXCO. If the grievance is not resolved to the employee's satisfaction within a further 2 (two) working days, part I of the grievance form must be completed by the aggrieved Employee, signed and distributed as shown thereon.

21.6 **STEP 3**

On receipt of the grievance from an Employee, the Manager must within three Days, convene a meeting with the Employee and the latter's representative, if any, and attempt to resolve the grievance, after which the Manager must complete part 2 of the grievance form.

21.7 **STEP 4**

21.7.1 Should the matter not have been resolved at the previous stage to the satisfaction of the employee, the grievance must be referred to the Chief Executive Officer. The Chief Executive Officer must then convene a meeting within a further three Days.

21.7.2 The Chief Executive Officer will then attempt to resolve the grievance, calling other persons as witnesses to assist him/her where necessary.

21.8 **NOTE**

22.8.1 The decision of the Chief Executive Officer will be final. It must be conveyed to the parties concerned in writing.

22.8.2 Whenever necessary, the services of an interpreter will be called upon.

22 POOR WORK PERFORMANCE

22.1 General

(a) In instances where the Employee's performance does not meet the expected standards of performance, the Employee's direct line manager must counsel the Employee and discuss methods for improving the Employee's performance.

(b) In the event that the abovementioned less formal counselling and/or discussions with the Employee has not achieved the outcome of the employee meeting the expected standards of work performance, the next step to address this state of affairs shall be the conducting of a Performance Enquiry.

(c) The Chairperson of a Performance Enquiry will not be the employee's immediate head, but will be appointed on the same lines as the Chairperson of a disciplinary enquiry. This Chairperson will have the same powers as the chairperson at a Disciplinary Enquiry.

(d) It must be noted that incapacity due to medical reasons will be dealt with in accordance with Schedule 8 of the LRA as well as the requirements of the underwriters of related insured benefits and the rules of provident fund.

22.2 Procedure

(a) The Employee's direct line manager must prepare the necessary documentation that will be used during the performance enquiry. The reasons why the performance does not meet the required standards of performance must be set out, as well as evidence of previous counselling sessions / discussions.

(b) The Employee must be advised of the intention to hold a performance enquiry by being given not less than 48 hours' notice to attend the enquiry.

(c) At the enquiry the Employee must be informed of her/his rights, i.e. the right to representation (as provided for in the disciplinary procedure) and to respond to the allegations.

(d) The proceedings to be followed would be the same as in the case of a disciplinary enquiry, i.e.:

   a. It must be confirmed that the Employee was informed of the enquiry; that the Employee understands the allegations as well as her/his rights and that the Employee was afforded sufficient time to prepare a response to the allegations of poor work performance.
   b. The line manager must explain what the expected standards are, as well as why they are reasonable. The line manager must further provide a detailed explanation as to when, how and where the Employee was made aware of the expected standards (i.e. to ensure to that the Employee could reasonably have been expected to be aware of the standards). The line manager must then provide an explanation as to how the Employee's performance differs from the expected standards. Details regarding counselling sessions / training and the like must also be provided.
   c. The line manager must further give a detailed explanation regarding how assessments of the Employee's work performance were made, as well as how feedback was provided to the Employee. In addition hereto, any other information pertaining to action taken to assist the Employee to meet the required standards of performance.
   d. The Employee (or representative) will then provided with an opportunity to respond to the facts and opinions raised by the line manager. Additional action plans or other aspects must also be raised by the Employee or representative.

(e) Based on the information received, the Chairperson must decide whether the Employee's performance is poor or unacceptable. This decision must be made on a balance of probabilities. In making the decision, the Chairperson must take the following into account:

   a. Were there clear performance standards in place?
   b. Was the Employee made aware of the required performance standards?

c. Were these standards reasonable?
d. Was it probable that the Employee's performance did not meet these required standards?
e. Was the Employee made aware of the poor performance?
f. Was the Employee given an opportunity to improve?
g. Was the Employee given assistance such as coaching and/or training?
h. Were regular assessments of performance made and was feedback provided to the Employee?
i. Have all reasonable opportunities been afforded to the Employee to improve her/his performance?
j. Do any alternative positions exist in which the Employee could perform competently?
k. Is a further action plan to assist the Employee to meet the required standard appropriate?
l. Is termination of employment appropriate in the circumstances?

(f) The Chairperson's decision, together with reasons, must be communicated to the Employee in writing.

(g) The same decisions as in the case of a disciplinary enquiry may be reached, i.e. a first or final performance warning or a dismissal. A demotion may also be considered in appropriate circumstances.

(h) In the event that the Employee's services are terminated, the Employee must be advised of the right to appeal by using the Company's appeal procedure as set out in the disciplinary procedure. The Employee must also be made aware of the right to refer the matter to the CCMA.

(i) In the event that the Employee's services are not terminated, action plans for the improvement of performance, as well as a review date must be set. Performance warnings are valid for six (6) months from date of issue.

(j) In the event that the Employee is demoted, the amendments to her/his conditions of service must be discussed and agreed with the Employee.

ACCEPTANCE OF CONDITIONS OF DISCIPLINARY CODE/PROCEDURE AND GRIEVANCE CODE/PROCEDURE

I FURTHERMORE ACKNOWLEDGE THAT I HAVE READ AND UNDERSTAND THE CONTENTS OF THESE COMPANY RULES, THIS CODE OF CONDUCT, INCLUDING BUT NOT LIMITED TO THE DISCIPLINARY CODE/PROCEDURE AND THE GRIEVANCE CODE PROCEDURE, AND THAT I CONSIDER MYSELF BOUND TO THE COMPANY RULES AND FULL CODE OF CONDUCT.

SIGNED: ……..

DATE: ……..……..

EMPLOYEES
NAME: ……..
(Staff Member)
WITNESS:

SIGNED: ……

(NAME): …… DATE: ……..



STAKEHOLDER RELATIONSHIP STRATEGY

The aim of this document is to set policy on the definition of key stakeholders, as well as the principals and guiding principles.

FluidRock's Policy Outlook

Introduction

Stakeholder Relations Management has increasingly become an important aspect of the broad business management discipline, as it affords a coherent method of attending to a number of pressures on the organisation in the public eye.
These pressures could include:

- Employment conditions and practices
- Sustainable development – ensuring that what is done does not compromise the future
- The nature of the project developments and responsibility to tenants and counterparties; and
- Financial and operational disclosure to shareholders and other interest groups

In as much as bottom line performance is dependent upon ensuring access to opportunities and resources, gaining and maintaining a rights to operate and grow, this in turn is dependent on relationships and dialogue with key stakeholders and government. The FluidRock Governance Stakeholder Relations policy is therefore geared towards supporting the maximisation of bottom line performance by recognising the value protection and value add to be achieved through performance in non-financial dimensions, stakeholder relationships and sustainability.

Purpose

The company Stakeholder Management policy is designed to provide guiding principles to manage the way in which it interact with defined key stakeholders.

Key Stakeholders

FluidRock views its definition of key stakeholders in terms what effect the company has on each in political, economic and social terms while conscious of how each of such stakeholders might perceive it in return.
In this instance FluidRock recognises as its most significant stakeholders:

- Employees form the core of our Internal Stakeholder group.
- Government (including regulators) – by virtue of its critical role in forming legislation and therefore its ability to influence the business and our rights within which we operate.
- Investor Community
- Customers
- Business Partners
- Other Governance industry participants including competitors
- News media, representing the interests of the general public
- Communities around whom FluidRock conducts its business, including but not limited to:
    - Local authorities
    - Neighbours
    - Special interest groups affected by the company's activities
- Consumers
- Suppliers, contractors and professional advisers

Principles

The **governance principles** require the board and company to:

- Appreciate that stakeholders' perceptions affect a company's reputation;
- Proactively deal with stakeholder relationships;
- Ensure the equitable treatment of shareholders;
- Strive to achieve the appropriate balance between its various stakeholder groupings, in the best interests of the company;
- Ensure that disputes are resolved as effectively, efficiently and expeditiously as possible; and
- Build and maintain stakeholder trust and confidence using transparent and effective communication.

Guiding Principles

FluidRock is to uphold the values of honesty, partnership and fairness in its relationships with stakeholders. FluidRock will foster a constructive relationship with its stakeholders and make every attempt to understand and meet their expectations by:

- Recognise that the company social, economic and environmental responsibilities to these stakeholders are integral to its business;
- Direct liaison and consultation;
- Open and honest communication of FluidRock policies, strategies, targets, performance and governance to its stakeholders and providing timely access to applicable information;
- Minimising or mitigating risk to ensure a high level of business performance;
- Establishing partnerships with communities;
- Complying with all laws and regulations;
- Influencing public policy;
- Resolving customer complaints in accordance with FluidRock's standards of service;
- Contracts with suppliers will clearly set out the agreed terms, conditions and the basis of the relationship.

The stakeholder relations principals are applicable to the Company, all the divisions and business units, with regards to all current, planned and future activities.

Reporting Procedures and Reviews

The Board of Directors is committed to these principles and executives are responsible for management of their operations in alignment with this policy statement. Managers and Supervisors are accountable for the implementation of the attendant practices and all employees are responsible for compliance with them. These principals apply throughout FluidRock's sites and will be reviewed annually and may be amended as required.

Approval

Function	*Name & Designation*	*Signature*
Approved by	**Chairman of the Board**	
Approved by	**Chairman of the Social & Ethics Committee**	
Approved by	**Chief Executive Officer**	

PART 3: GENERAL

11. Dates of next meeting

12. Closure of Meeting

FIUIDROCK GOVERNANCE CORPORATE CALENDAR for 2014 and 2015

	Time	J	F	M	A	M	J	J	A	S	O	N	D
FLUIDROCK GOVERNANCE													
AGM	To be confirmed							08/07/2015					
Board Meetings			16/02/2015			14/05/2015			28/08/2015			27/11/2015	
Group Strategy Session	To be confirmed												
BOARD COMMITTEE MEETINGS													
Social and Ethics Committee			16/02/2015			N/A			27/08/2015			N/A	
Audit and Risk Committee			16/02/2015			13/05/2015			27/08/2015			26/11/2015	
Remuneration Committee			N/A			13/05/2015			N/A			26/11/2015	

Board Members:		**Chairman**		**Invitees:**	
Remuneration Members		**Chairman**		**Invitees:**	
Audit and Risk Members:		**Chairman**		**Invitees:**	
Social and Ethics Members:		**Chairman**		**Invitees:**	T