

1. PREAMBLE

As AFRIMAT, we should maintain the highest ethical standards in carrying out our business activities. Our reputation is one of our most important assets. Maintaining the trust and confidence of all those with whom we deal is therefore one of our vital responsibilities. At each of our Business Units our values: Trust, Integrity, Respect, Accountability, Teamwork and Customer Satisfaction must be used to guide and direct the way we do business.

We recognise our obligations to all stakeholders with whom we have dealings. Accordingly, this Code of Conduct ("Code") sets overall principles and guidelines for practice to be adopted throughout AFRIMAT. Business units of AFRIMAT are required to adopt appropriate principles and processes to deal with specific ethical issues that arise in their specific circumstances.

AFRIMAT will monitor ethical performance regularly in order to ensure that corrupt or unethical business practices are eliminated.

2. CODE OF CONDUCT

2.1 RELATIONS WITH CUSTOMERS, SUPPLIERS, THIRD PARTIES

- 2.1.1 We believe that integrity in dealings with our customers, suppliers and third parties is a prerequisite for successful long term business relationships. This principle governs all aspects of AFRIMAT's approach to its customers and suppliers.
- 2.1.2 In all advertising and other public communications, untruths, concealment and overstatement will be avoided. We will never deliberately give inadequate or misleading descriptions of our products or services.
- 2.1.3 In accepting business, entering contracts, applying for rights/licences or any other matter/arrangement employees and/or intermediaries are expected to observe the highest standards of integrity, to act in the best interests of AFRIMAT and may not have any improper motive. Employees and/or intermediaries shall not use questionable/unethical methods or techniques, bribery or fraud to gain personal benefits, benefits for family/friends, benefits for the company or benefits for any other third party either directly/indirectly.
- 2.1.4 In dealing with customers, suppliers, intermediaries or third parties, employees and/or intermediaries may not give or receive money or gifts. Entertainment and small gifts may be given or received by employees and/or intermediaries subject thereto that it is declared to the employee's superior.

2.1.5 We will maintain the confidentiality of information received from customers and suppliers.

2.2 RELATIONS WITH SHAREHOLDERS AND OTHER INVESTORS

2.2.1 We will protect the interests of shareholders and other investors and will not do anything which will benefit one class of investor at the expense of another.

2.2.2 Our accounting statements will be true and timely.

2.2.3 We aim to generate an attractive return to investors on a long term basis.

2.2.4 We will communicate business policies, achievements and prospects honestly.

2.3 RELATIONS WITH EMPLOYEES

2.3.1 Relations with employees are based on respect for the dignity of the individual.

2.3.2 Our principle is to recruit and promote employees on the basis of their suitability for the job without unfair discrimination in terms of race, religion, national origin, colour, gender, age, marital status, sexual orientation or disability unrelated to the task at hand. This principle needs to be balanced against the requirement to address the issues of employment equity.

2.3.3 We will seek to provide a healthy and safe work environment. Employees have a duty to take every reasonable precaution to avoid injury to themselves, their colleagues and members of the public.

2.3.4 We will recognise the efforts of the individual in helping to create the success of AFRIMAT. Pay systems will seek to recognise both the contribution of individuals and the performance of the sector of the business in which they work.

2.3.5 We will encourage and assist employees at all levels to develop relevant skills and competencies, through work-related training and through self-development, in order to progress their careers within AFRIMAT. We intend to develop/coach employees to reach their full potential and achieve high performance levels.

2.3.6 Information received by employees in the course of business dealings will not be used for personal gain or any purpose except that for which it is given.

- 2.3.7 Employees may not engage in any outside business interest or additional employment which could in any way conflict with the proper performance of their duties, unless given specific written permission to do so by the CEO, Group Executive or subsidiary MD.
- 2.3.8 Any conflicting personal interest which an employee or a member of his or her immediate family has in relation to AFRIMAT's business must be disclosed. This conflict of interest could include directorships, significant shareholdings and employment of life partners and family members.
- 2.3.9 We recognise the need to develop effective processes for communication and consultation with employees in the natural groupings in which they work and, where appropriate, for individuals to be suitably represented in negotiations. AFRIMAT will ensure appropriate structures are in place to facilitate constructive dialogue.
- 2.3.10 AFRIMAT will have appropriate dispute resolution procedures in place and will make all reasonable efforts to resolve issues without the need to resort to industrial action.

2.4 RELATIONS WITH THE GOVERNMENT AND THE LOCAL COMMUNITY

- 2.4.1 We will conform to legislation, regulations and charters relevant to listed companies, including (but not limited to) the Companies Act, Competition laws, JSE rules, safety/health/environment laws, BBBEE and King III Code of Corporate Governance as well as relevant State Departments requirements (e.g. Department of Mineral Resources).
- 2.4.2 Paragraphs 2.1.3 and 2.1.4 above also applies to all dealings with government and the local community.
- 2.4.3 We will take into account the concerns of the wider community including both national and local interests. We seek to serve the community by providing our services efficiently and profitably, and by providing good employment opportunities and conditions.
- 2.4.4 We will support communities in which we operate. Donations and educational and cultural contributions will be made in terms of AFRIMAT's community and social investment approved budget.

2.5 THE ENVIRONMENT

- 2.5.1 We are concerned with the conservation of the environment in its broadest sense, and recognise that certain resources are finite and must be used responsibly. We aim to limit the use of finite resources in all business ventures and in particular recognise our role in managing responsibility for mining, land we occupy, waste management and usage of energy.

2.6 COMPANY POLICIES AND PROCEDURES

- 2.6.1 Employees will adhere to all company policies and procedures and any changes thereto.
- 2.6.2 Employees will use the company's assets in a responsible manner and not use any company assets for personal use without the required approvals.
- 2.6.3 Employees will not commit fraud or theft directly/indirectly.

2.7 TAXATION

- 2.7.1 We will not evade tax obligations.
- 2.7.2 We will record and report all transactions, including those where payment is made in cash.
- 2.7.3 All taxable perquisites to which employees are entitled will be declared for tax purposes.

2.8 RELATIONS WITH COMPETITORS

- 2.8.1 We will not unfairly damage the reputation of competitors either directly or by implication or innuendo.
- 2.8.2 In any contacts with competitors, employees will avoid discussing proprietary or confidential information.
- 2.8.3 We will not attempt to acquire information regarding a competitor's business by disreputable means. This includes industrial espionage, hiring competitors' employees to obtain confidential information, urging competitive personnel or customers to disclose confidential information, or any other approach which is not above board.
- 2.8.4 We will not engage in restrictive trade practices or abuse any position of market dominance.

2.9 ISSUES RELATING TO INTERNATIONAL BUSINESS

- 2.9.1 We will respect traditions and cultures of each country in Southern Africa in which we operate.
- 2.9.2 We aim to contribute to the economic wellbeing and social development of communities where we conduct business.
- 2.9.3 Where business practices differ between countries in which AFRIMAT operates, we will favour consistent procedures among business units.

2.9.4 We will comply with competition laws throughout Southern Africa. We will not take part in any unlawful actions and unethical practices.

3. COMPLIANCE AND VERIFICATION

- 3.1 Strict adherence to the provisions of this Code is a condition of employment with AFRIMAT.
- 3.2 We aim to create the climate and opportunity for our employees to voice genuine concerns about behaviours or decisions that they perceive to be unethical.
- 3.3 The General Manager Human Resources is responsible for initiating and supervising the investigation of all reports of breaches of this Code and ensuring that appropriate disciplinary action is taken when required.
- 3.4 Afrimat's auditors may be asked to report on any practice uncovered, in the course of their work, which appears to be in breach of this Code.
- 3.5 The Whistle Blowing hotline could be used by any party as a means to report any breach of this Code.
- 3.6 Any breach of this Code or any failure by any employee to report any breach of this Code can lead to disciplinary action.
- 3.7 This Code shall be reviewed on an annual basis by the board.

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