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|   |  | <b>POLICIES AND PROCEDURES MANUAL</b> |           |   |               |            |
| Section  | 1  | CORPORATE                             |           |   |               |            |
| Policy   | 1.9  | Code of Conduct                       |           |   |               |            |
| Revision Date  | 30 June 2022                                       |                                       |           |   |               |            |
| Ref. to Standards, Acts, etc.:   | Auto X Policy Manual                               |                                       |           |   |               |            |
|  | Standard Terms and Conditions of Employment Policy |                                       |           |   |               |            |
|  |  |                                       |           |   |               |            |
|  |  |                                       |           |   |               |            |
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|  | Designation  | Continuous improvement Executive      |           |   |               |            |
| Approved by:   | Name   | Glenn Geldenhuis                      | Signature |  | Date          | 5 Jul 2022 |
|  | Designation  | CEO                                   |           |   |               |            |
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## 1. DESCRIPTION

AutoX is committed to excellence, integrity, professionalism and the growth and development of all its operations. The people of Auto X are its most important asset, and the Company expects its people to share in Auto X's values and beliefs, in a manner which demonstrates:

- Respect for one another.
- Honesty and integrity in dealings, not only with one another, but with Auto X's stakeholders.
- Confidentiality and discretion in the use of information proprietary to the Company.
- Avoidance of any conflict of interest which may interfere with the independent exercise of their judgment in the best interests of AutoX.
- Adherence to all laws and regulations determining the Auto X Group's legal and moral obligations.
- Fostering a non-racial, non-discriminatory work and business environment, thus promoting a climate of harmony and tolerance.

This Code has the total commitment of the Auto X Group, and we believe that it commits the Group to the highest standards of behaviour expected by all its stakeholders.

## 2. PURPOSE

This Code of Conduct provides firm, uncompromising standards for each and every employee in their dealings with any agent, person or body. The Code also re-emphasises and provides specific guidance regarding all policies, which form an integral part of the Auto X business philosophy from its inception.

## 3. SCOPE

This Code applies to all legal entities and components within the Auto X Group. Adherence to this Code is a condition of continued employment, in addition to which it is the responsibility of each and every employee of the Group.

Adherence to the Code will be the subject of management attention and periodic audits.

## 4. REFERENCES

- Auto X Policy Manual
- Standard Terms and Conditions of Employment Policy

## 5. RESPONSIBILITY

- The CEO and Functional Executives, or as contained in any limits of authority, are responsible for the correct application of the rules contained in this policy.
- The adherence to the Code of Conduct by employees is the responsibility of each line manager; subject to any restraints placed by the Chief Executive on the company.

## 6. POLICY

### 6.1 Improper Use of Company Funds and/or Assets

- 6.1.1 The funds and/or assets of the Company shall not be used either directly or indirectly for payments, gifts or gratuities of any kind, whether legal or illegal, where these accrue directly or

indirectly to the benefit of any agent, person or body with which the Company does business with the following exception:

- Unless prohibited by the policy of the customer, the Company may give to customers and employees of non-government customers, normal sales promotion items bearing the name of the Company or items of insignificant value, such as flowers and chocolates.

6.1.2 The funds and/or assets of the Company shall not be used directly or indirectly for political contributions, whether legal or illegal. This Code is not intended to limit or otherwise restrict any employee conducting personal political activities or making personal contributions to any political party.

6.1.3 The Company shall not enter into any agreement with Dealers, Distributors, Agents or Consultants where:

- They are not in compliance with the applicable laws of South Africa or any other country which could have an impact on such agreement.
- They provide for a commission rate or fee that is not reasonable or commensurate with the functions or services to be rendered.

6.1.4 The funds and/or assets of the Company must be properly and accurately recorded in the books and records of the Company in accordance with generally accepted accounting principles and practices, and no false or artificial entries shall be made.

## **6.2 Customer/Supplier/Government Relationships:**

6.2.1 Information disclosed by a customer or a supplier to an employee and clearly identified verbally or in writing as sensitive, private or confidential shall be protected from disclosure to unauthorised persons inside and outside of the Company to the same extent as Company sensitive, private or confidential information is protected, except where such information was either already known to the Company, available from other sources, or generally known outside of the Company.

6.2.2 Employees will respect the laws, customs and traditions of each country within which they operate but will at the same time, not engage in any act which, even if legal, customary or accepted in any such country, could be deemed to be in violation of the accepted business ethics of the Company or the laws of South Africa or any applicable country, relating to business ethics.

6.2.3 Employees shall not accept payment or gifts (other than advertising novelties or other items of nominal value e.g. chocolates or flowers) including any favours, which may be regarded as placing the employee under some obligation to a third party dealing or desiring to deal with the Company.

6.2.4 In rare circumstances however, where the refusal to accept a gift (other than gifts of nominal value referred to above) maybe be impossible without injuring the legitimate business interest of the Company, such gifts may be accepted as long as they accrue to the benefit of the Company and not to the benefit of the employee personally. Included within the scope of this is the acceptance by employees of gifts, money, free or subsidised property or services, or free or subsidised travel from suppliers or customers at Christmas or any other time during the year.

6.2.5 An employee travelling on Company business may accept the courtesy of free or subsidised accommodation in a customer facility as long as it is properly disclosed and recorded.

6.2.6 The Company may, unless otherwise prohibited, pay transportation and lodging expenses incurred by customers, agents or suppliers, prospective or otherwise, in connection with a visit to the Company facility or product installation for any reasonable business purpose. This includes

on-site examination of equipment, the participation of training sessions or contract negotiations with Auto X. All such expenses must be accounted for in accordance with standard travel procedures but payment by the Company could be prohibited in a particular situation by applicable law or regulation, contract, policy of the customer, agent or supplier.

- 6.2.7 The Company will not provide employment to any person (known to be related by blood, marriage or adoption except relationships more remote than first cousin to a Company employee) having influence over purchasing decision of any private or public entity to which the Company sells any of its products unless such employment is first disclosed to and approved in writing by both the senior management of such private or public entity and the Chief Executive Officer of Auto X.

### 6.3 Conflict of Interest

Conflict of interest may arise under a variety of circumstances. Speaking generally, a conflict of interest exists when an employee's personal activities or financial affairs may adversely influence his judgment in the performance of his duties, as an employee of Auto X. A conflict of interest could arise whether the activities are engaged in by an employee directly or indirectly through a firm or enterprise in which he has an interest, by a family member.

Competition, directly or indirectly, with the Company by an employee or a family member, such as by the purchase from, sale to, licence, lease or other furnishing to the Company of any materials, supplies, equipment, property or services.

A conflict of interest may result if a family member is an employee, director, agent or consultant of an affiliated firm if the employee is in a position to make or influence the Company's business judgment with respect to the Company's dealings with the affiliated firm, or if the family is directly involved in the firm's dealings with Auto X or is a key employee of the affiliated firm.

### 6.4 Second Jobs

Employees shall not:

- "Moonlight" and hold a second job without approval, which must be in writing.
- Be employed by any firm or person including self-employment if such firm or person is a competitor of or supplier to AutoX.
- Be employed by any firm or person excluding self-employment if such firm or person is a customer of Auto X
- Engage in any activity where the skill and knowledge developed or applied in the employee's position within the Company is transferred to or applied to such activity in derogation of the present or prospective business interest of the Company.

### 6.5 Personal Financial Gain

- Supplier / Customer relationships:

An employee may not have any interest in any supplier or customer of the Company, which interest could in any respect compromise the employee's loyalty to the Company

- Competitor relationship:

An employee may not have any interest in any other enterprise which interest could, in any manner whatsoever, adversely affect the employee's judgment regarding their job or loyalty to the Company. Furthermore, careful consideration must be given by any employee investing or intending to invest in enterprises conducting business in any manner similar to Auto X.

## **6.6 Confidential information**

An employee shall not:

- Buy, sell or recommend to others to buy or sell any security or other interest in property based on the knowledge derived from such person's employment with the Company. Employees should avoid transactions in the area of real estate which the Company may be considering buying or selling or has decided to buy or sell
- Disclose confidential Group information to any person other than in the authorised and proper discharge of their duties
- As a general rule, spouses or long-term partners should not work for the Company's competitors, particularly where the employee is of a senior standing such as from junior management level upward.

Full disclosure should be made in this regard in order for senior management to consider the continued employment, including any necessary conditions to be attached thereto, of the employee concerned

## **6.7 Share dealing and insider trading**

The Securities Services places a statutory prohibition on insider trading, the essential elements being as follows:

- Dealing (directly or indirectly) in securities (which may not necessarily be listed on the stock exchange).
- Unpublished information relating to those securities.
- Information not generally available to the reasonably well-informed investor.
- Price-sensitive information.

## **6.8 Consequences for the violation of those provisions are as follows:**

- It is a criminal offence subject to a fine not exceeding R50 million and/or imprisonment for a period not exceeding ten years.
- Any person contravening the prohibition will also be liable for civil damages suffered as a result of such contravention.
- Any director, officer or employee contravening the prohibition will be accountable to the Company for any profits derived from such dealing.
- It will be a breach of the terms of employment of an employee to contravene the prohibition.

Accordingly, no dealings in the shares of the Company (particularly those listed on a stock exchange) shall take place from the first day of a new accounting period until the close of business on the day immediately preceding the publication of the results of the Company.

As a precaution, before embarking on any contemplated share dealings, clearance should be obtained from the Company Secretary to ensure that no circumstances exist which preclude a director or employee from dealing in the shares of the Company outside of the aforementioned periods.

The Secretary must be notified of all dealings in Company shares, particularly as concerns directors and officers. It is the duty of directors and officers to ensure that any employee reporting to them who may be privy to confidential information are aware, at all times, of the policy on share dealings and insider trading.

### **6.9 Duties of Directors**

An employee who is appointed as a director of the Company is expected to ascertain and understand the duties and obligations under the Companies Act devolving on him by virtue of his appointment and, in particular, his fiduciary relationship with the Company.

### **6.10 Operating Procedures**

- The Chief Executive Officer will ensure the periodical circulation of this Code to all employees as and when it is updated and/or revised and will ensure that employees are aware as to its content during the recruitment of each employee.
- If at any time an employee engages in or is considering engaging in or becomes aware of a Company employee engaging in or considering engaging in an activity in violation of this Code, such employee should promptly report all facts to the Chief Executive Officer who will:
  - ✓ Give advice to the employee concerning the Code of Conduct.
  - ✓ Make factual investigations where necessary.
  - ✓ Determine whether the facts investigated will give rise to a violation of this Code.
  - ✓ Recommend the remedial action to be taken which could include dismissal.

### **6.11 Supplemental guidelines for Government contracting**

The Company recognises that conducting business with public corporations imposes a special trust and a corresponding need for a special knowledge concerning Government requirements.

The purpose of these supplemental guidelines, which form part of the Code of Conduct, is to emphasise the ethical and legal standards employees, agents or representatives must maintain in all aspects of conducting business, either directly or indirectly with the Government, which include:

- National, regional and local governments, public agencies and institutions (e.g. Telkom and Eskom)
- Universities, foreign governments and any other institutions that receive government grants, financing or contracts

These supplemental guidelines contain a statement of the Company's commitment to government contracting.

### **6.12 Guidelines**

When applicable, specific attention should be given to the following:

#### **6.12.1 Classified information**

- All employees must strictly adhere to relevant law, Company Policy and contract requirements pertaining to the use, dissemination, handling and controlling of classified information furnished to the Company for its use in the performance of Government contracts

#### **6.12.2 Contract testing, inspection and performance**

- Contracts are to be entered into and performed in good faith.
- Employees should be aware of and adhere to all contract testing, inspection and performance requirements.
- Only Company products and services, which strictly meet those requirements, should be provided to the Government, except where specific prior and written approval from an authorised government official allowing Auto X to furnish products deviating from the contractual requirements has been given.

#### **6.12.3 Invoicing practices**

- When invoicing the government, employees shall adhere to all contract and regulatory requirements governing the preparation of such invoices.
- Employees are prohibited from charging to contracts all costs that are not permitted under the applicable contract terms, regulations, cost principles and standards.
- Both direct and indirect costs which are to be charged to government must be accurately and consistently recorded in accordance with the regulatory guidance as supplemented by the Company policy.
- Regardless of contract type, invoices and claims for payment or statements related to such claims must be accurately and honestly made.
- Employees have the responsibility to know and understand how their time and other charges are to be charged or otherwise accounted for. Reckless or careless mischarging could be the subject to disciplinary action.

#### **6.12.4 Contract certifications**

- Each employee responsible for the preparation or submission of a proposal, bid, claim or other representation related to a government contract should know and strictly comply with all certification requirements.
- No certification in connection with a government contract shall be made without making a good faith inquiry as to underlying facts.
- Each employee is individually responsible for the accuracy of data supporting such certificates, but also those who provide information relating to certifications.
- Particular attention should be paid to certifications relating to the accuracy, timing and completeness of cost or pricing data, which are required by the contract. In such cases it is the Company policy to disclose to the government or prime contractor all data which a reasonable buyer or seller would believe might significantly affect price.

#### **6.12.5 Statements, communication and representation**

- Each employee shall take care that all statements, communications and representations to government representatives are accurate and to date.



- The above includes compilations of existing documents and files that are made available for government review. Misleading omissions, as well as inaccuracies, must be avoided.

### **6.13 Commitment and Compliance**

- All employees who, in the performance of their duties become or are authorised to become engaged in any aspect of a transaction with government, shall adhere to all applicable laws, regulations and contract requirements governing the transaction.
- Each employee involved in such activities shall become sufficiently knowledgeable of all relevant laws, regulations or contract requirements concerning such activities.