Clover is committed to achieving its business goals by acting with integrity, high ethical standards, and in compliance with the law. This is essential to building lasting relationships based on trust with our customers, business partners and investors. Clover’s Ethics Policy is a guide for all Clover employees to follow when facing questions of business ethics.

Ethics Policy: Guidelines for Ethical behaviour

Risk Management Division
PREAMBLE

Clover Industries Limited ("CIL") recognises that Policies, Procedures, Standards and Guidelines are key to the achievement of CIL’s strategic objectives. To this end, The Board of Directors has adopted the good governance principles as set out in the various King reports and other governing bodies.

King IV requires that as a responsible corporate citizen, each company should develop its own policies to define and guide its activities. The governing body needs to set the strategic direction of the organisation from which the organisations strategy will be formed. To give effect to the organisations strategy, management formulates and implements policy and operational plans which are overseen and supervised by the Board.

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<td>Stakeholder relationships</td>
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King IV advocates an outcomes-based approach. Achieving the principles, and therefore ultimately good governance, optimises the organisation to realise the intended governance outcomes: Ethical culture, Good performance, Effective control and Legitimacy.

THE REQUIRED EXPLANATION (APPLY AND EXPLAIN) ALLOWS STAKEHOLDERS TO MAKE AN INFORMED DECISION AS TO WHETHER THE ORGANISATION IS ACHIEVING THE FOUR GOOD GOVERNANCE OUTCOMES REQUIRED BY KING IV.
Ethics Policy: Guidelines for Ethical behaviour

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Chief Executives Statement on Ethics

At Clover we pride ourselves in conducting our business on the principles of good corporate governance which essentially translates to responsible leadership. It is my commitment to ensure that Clover attains the highest ethical standards in our interactions with our suppliers, customers, competitors and our community. We are eager to build a brand that is respectable, safe and trusted by our consumers.

The four key ethical standards that are expected from every Clover employee and stakeholder are:

- **Respect**
  - Treating all people with dignity and respecting their rights.

- **Integrity**
  - Acting consistently with the values and doing the right thing in every situation, public or private, even when it may be inconvenient or uncomfortable.

- **Fairness**
  - The balancing of various stakeholder interests to ensure that everyone receives what is rightfully due to them.

- **Responsibility**
  - Taking ownership and being accountable for our actions and omissions.

Clover is committed to conducting its business activities lawfully and in a manner that will enhance the qualities valued by Clover, in particular ethics, integrity and compliance with the law. This commitment should extend to all Clover employees and resonate throughout our day-to-day activities.
Overview

At Clover, we are committed to achieving our business goals with integrity, with high ethical standards and in compliance with the law.

The objectives of King IV in relation to ethical principles include:

- “Promote corporate governance as integral to running an organisation and delivering governance outcomes such as an ethical culture, good performance, effective control and legitimacy.”

- “Present corporate governance as concerned with not only structure and process, but also with an ethical consciousness and conduct.”

King IV seeks to expand the role of the Social and Ethics Committee to that of “oversight and reporting on organisational ethics responsible corporate citizenship, sustainable development and stakeholder relationships.”

King IV principles on ethics are:

- **Principle 1 - The governing body should lead ethically and effectively.**
- **Principle 2 - The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.**
- **Principle 3 - The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.**

This Ethics Policy (“Policy”) sets out principles and expectations to help us conduct our business in a way that is honest, ethical, lawful and above reproach. The Policy applies to all Clover employees, managers and directors of Clover Industries Limited and its subsidiaries. This Policy also applies with regard to Clover’s conduct with all its stakeholders, thereby applying to our relationships with subcontractors, suppliers, customers, shareholders, bankers, joint venture partners, etc. Unless stated otherwise in the Policy, “Clover,” “us,” “we,” and “our,” refer to Clover Industries Limited and its subsidiaries.

**Violations of the Policy may be grounds for disciplinary action, including termination of employment or termination of stakeholder relationship with Clover.**

**Ethics Policy Statement**

By virtue of Clover’s stature in the corporate arena, being listed on the JSE and in light of Clover’s strong household brand names in the South African context, it is imperative that Clover promotes ethical business practices that can be expected from a good corporate citizen, committing all Cloverites and stakeholders we transact with to the following ethical standards:
Ethics Policy: Guidelines for Ethical behaviour

Respect
Respect requires acknowledging others’ rights and treating others with dignity

Clover and its employees commit to:

- maintaining a work culture that treats all employees fairly and with respect and provides equal opportunities based on merit and redress the imbalances of the past by developing specific principles to achieve social and economic equity in line with the Broad-Based Black Economic Empowerment and BEE compliance requirements;
- treating all customers, suppliers, colleagues and other stakeholders with the appropriate dignity and acknowledge their basic human rights as set out in chapter 2 (the Bill of Rights) of the South African Constitution;
- refraining from discrimination or harassment based on race, colour, religion, national origin, age, physical disability, medical condition, gender, sexual orientation, marital status, or any other legally protected status;
- refraining from any forms of sexual harassment;
- duly consider the impact of our business decisions on the broader community and the environment; and
- ensuring a safe and healthy work environment.

Integrity
Integrity builds trust which is necessary for a business to form strong relationships with all stakeholders, enabling us to make better, more effective internal decisions. Integrity means acting consistently with our values and doing the right thing in every situation, public or private, even when it may be inconvenient or uncomfortable. All Clover employees are expected to act with the highest integrity.

Clover and its employees commit to:

- being open, honest and direct with each other;
- doing what we commit to do and to always act in good faith;
- being transparent in the way we conduct business;
- being truthful, honest and timely in all our disclosures and external reporting;
- not tolerating activities that are illegal such as corruption, theft, fraud and uncompetitive behaviour or in direct contravention of Clover’s policies and monitoring any such activities as recommended by the OECD; and
- not taking unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair practice;

Fairness
Fairness requires the balancing of various stakeholder interests to ensure that everyone gets what is rightfully due to them.
Clover and its employees commit to:

- fair competition, avoid illegal anti-competitive activities with competitors such as price fixing, terms of sale, allocation of markets or customers, etc.;
- applying fair labour practices;
- conducting negotiations with stakeholders at arm’s length and in good faith, with appropriate disclosure of any potential conflict of interest as required in terms of the Companies Act of 2008 and as required in terms of this Policy; and
- not placing themselves in a position where their own interests conflict with those of Clover or a stakeholder.

**Responsibility**

Responsibility requires Clover to take ownership of, and being accountable for, our acts and omissions. It means that we take care of what is entrusted to us, recognising the economic, social and natural environments we operate in.

Clover and its employees commit to:

- exercising our obligations with due care, diligence and skill;
- practising good governance in our business strategies;
- remaining within allowed boundaries of legislation, regulations and Clover policies;
- maintaining adequate books and records to accurately represent our business in reasonable detail in compliance with legislation and Clover’s policies;
- protecting our confidential information such as recipes, future plans, etc., critical to our continued growth and ability to compete;
- taking care when handling price sensitive information (Security Services Act, Act 36 of 2004);
- protecting personal information of customers, suppliers and employees from unauthorised use;
- a business strategy that should be economically, socially and environmentally sustainable; and
- responsible utilisation of our natural resources.

**Reporting of suspected unethical behaviour**

In order for Clover to maintain high ethical standards, it is the duty of every Clover employee to take due care in the way they conduct themselves and to report any concerns of perceived unethical
behaviour, such that the Group can conduct the necessary investigations to confirm or refute allegations, which would enable Clover to take appropriate corrective action.

In the first instance, employees should raise any concerns they have in this regard with their immediate superior, Branch Manager or Departmental Head. Where an employee is not satisfied with the response, they should notify the Ethics Officer (currently the Company Secretary) who will treat all such notifications in utmost confidence and be responsible for addressing any issues raised.

Notwithstanding the above, it is of the utmost importance for employees to be able to distinguish between the raising of ethical issues on the one hand, and the lodging of a formal grievance on the other. Normally a grievance will relate to a problem which directly affects the employee or employees, and the company’s grievance procedure is the formal channel of addressing grievances. It will neither be in the employee’s nor company’s interest if normal complaints/grievances are channelled through the ethical line, and even more so, should the aggrieved employee elects to remain anonymous.

In instances where the employee fears victimisation or wishes to remain anonymous, the employee may direct his/her concerns to Clover’s Ethics Line ‘Tip-Offs Anonymous’, which can be reached on a 24-hour basis. Allegations of unethical behaviour are then made available to executive management and to the Group Risk Manager, who would ensure that a diligent investigation process be followed to confirm or refute allegations. Should any allegations be reported against the CE or any member of the executive committee, the company secretary will notify the Chairman of the board of Clover to determine the appropriate process to deal with the matter. Clover’s Ethics Line ‘Tip-Offs Anonymous’ can be reached on the following options:

a. Via email on clover@ethics-line.com
b. Toll-free on 0800 00 32 47
c. Telefax: 0800 00 77 88
d. Post: KZN 138, Umhlanga Rocks, 4320

(Refer to Appendix 1 for more details on how Clover’s Ethics line works.)

Other reportable items

Employees should not accept gifts, entertainment or hospitality if this means that the giver will expect preferential treatment from Clover in return. Employees should not offer gifts, entertainment or hospitality in order to gain preferential treatment or be perceived by others as potentially influencing their decisions. This does not mean that giving or receiving gifts and entertainment are inappropriate in all circumstances. Entertainment can be fundamental in building successful business relationships. Therefore gifts, entertainment and hospitality should only be given or received where it is proportionate and reasonable in terms of value and frequency to do so, provided that no obligation could be, or be perceived to be, expected in connection with the gifts, entertainment or hospitality. Refer to appendix 3 Gifts policy
To request pre-approval of outside interests and declaration of gifts, including entertainment or hospitality, Clover staff should use declare via the intranet under tabs “Business Unit”, “Human resources”, “Declarations”, “Gifts” & “Outside Interest”, whereby approval would need to be granted by their immediate supervisor.

Conclusion
This Ethics Policy supersedes all previous ethics policies. Adherence to these standards is a condition of employment with Clover, but this requirement of behaviour does not create an employment contract or an offer of employment. It should also be noted that the Ethics Policy is not all-encompassing.

Clover retains the right to modify this policy or any of its sections at any time, to make it more adaptable to the evolving needs of the Clover Group, its employees, customers or applicable laws. Any alleged violation of the Ethics Policy by any member of the executive committee should be reported to the Tipoffs Anonymous Hotline or the chairman of the Board of Clover.
Guidelines for Ethical Behaviour

We have established an Ethics Guideline document to assist stakeholders with application of the principles set out in Clover’s Policy statement. Should you have further questions on the Policy and guidelines detailed hereinafter, please ask for guidance from your supervisor or from a member of the Legal, Risk Management or Human Resources departments.

Specific Areas for Consideration

Guiding Principle: Our Ethics Policy applies equally to all.

The Ethics Policy applies to all Clover employees, managers and directors of Clover. This Policy also applies with regard to Clover’s conduct with all its stakeholders, thereby applying to our relationships with subcontractors, suppliers, customers, shareholders, bankers, joint venture partners, etc.

Applying the Principle

• Any violation of the Ethics Policy must be reported to the Clover Ethics officer or on the Clover ethics hotline;
• Clover will not tolerate threats or retaliation against anyone who makes a good-faith report of a possible Ethics Policy violation;
• Employees are expected to follow the Ethics Policy and assist their fellow employees and Clover’s partners in understanding and complying with the Ethics Policy; and
• Supervisors will help make their employees aware of the Ethics Policy’s importance and requirements, and help implement programs and procedures to promote “integrity every day”.

Guiding Principle: We obey the laws, rules and regulations of all countries where we conduct business

As a listed entity and a company with African subsidiaries, Clover must follow the laws and regulations of each country in which it operates.

Applying the Principle

• Clover’s policies and procedures are drawn up, taking cognisance of respective legislation of the countries where we do business to ensure legal compliance.
• It is the duty of each staff member to acquaint himself/herself of legislation applicable in the area he/she operates. Staff needs to request guidance from superiors or ask members of the Legal Department for help right away.
• Nevertheless, Clover is committed to abiding by all principles stated in the South African Bill of Rights and this will take precedence over any company policy.
Clover also conducts business based on the United Nations (UN) Global Impact Principles as well as the Organisation of Economic Co-Operation and Development (OECD) principles.

Report any known or possible violations of the law by Clover employees or its business partners to your supervisor, another supervisor, the Legal Department and Risk Management Department or to the Ethics Hotline.

Guiding Principle: We do not tolerate, and we actively oppose corruption in our business

We win business with the quality of our products, services and personal character. We do not seek business using unjust or corrupt measures. We do not tolerate any unlawful behaviour. We neither provide nor receive lavish or extravagant gifts.

Applying the Principle

- Do not tolerate any corrupt practice which undermines Clover’s social, economic and environmental development.
- Participate in campaigns that will sensitise employees about fraud and corruption activities, avoiding such actions and reporting any noted corrupt events.
- Comply to high ethical standards and protect Clover’s reputation
- Accurately disclose in Clover’s books all of your transactions including your expenses and any gifts or entertainment received.
- Comply with the OECD and UN Global compact principles of combating corrupt activities; and
- Apply the rules of corporate governance to focus on anti-corruption measure to protect the interests of our shareholders.
- Do not tolerate issuing of any charitable giving’s that may appear discriminatory or with the intention of influencing customers or officials or anyone in order to win business.

Guiding Principle: We avoid having Conflict of Interest situations or abusing the use of company property

A conflict of interest generally arises where an employee may receive a direct or indirect benefit from a business transaction, where the employee has the direct or indirect ability to influence the terms of transaction by virtue of his/her employment. By way of example, the following conduct may constitute a conflict of interest where an employee or direct family holds a direct material interest in a supplier or customer of Clover. Refer to appendix 4 declaration of outside interest

Applying the Principle

- Employees to report any perceived conflicts of interest, as pre-clearance will protect the employee where investigations into alleged conflicts of interest are received
- Disallowed conduct includes any conduct that impairs or may be seen to impair your judgement
Guiding Principle: We believe in vigorous competition and do not use illegal or unethical means to gain an advantage over a competitor.

*Using illegal or unethical means to obtain competitive advantage is prohibited.*

**Applying the Principle**

- Comply with the Competition Act and other competition laws in countries where Clover operates.
- Refrain from illegal anti-competitive activities with competitors such as price fixing, terms of sale, allocation of markets or customers, etc.;
- Do not make false, baseless, or misleading remarks about Clover, its competitors or their products.
- Strictly adhere to Competition Compliance policy to ensure legal compliance.
- If you have questions or concerns about ethical competition, talk with your supervisor, another supervisor or a member of the Legal Department.

Guiding Principle: We exercise care when handling price sensitive information and apply Clover’s Insider Trading Policy

Clover employees must comply with Clover’s Insider Trading Policy developed to govern insider trading, taking cognisance of the requirements of the Financial Markets Act as well as the Listings Requirements of JSE Limited (“JSE Listings Requirements”).

Insider trading is defined as trading in listed securities of the Company, either directly or indirectly, by a person who is in possession of inside information which is price sensitive and has not been available to the public. Price sensitive is defined as information which, if made available to the public, may have an effect on the price of a listed company’s securities.

Financial Markets Act defines what constitutes “Insider Trading” and an “Insider” as someone whom:

1. knows that he or she has inside information and who deals directly or indirectly or through an agent for his or her own account in the securities listed on a regulated market to which the inside information relates or which are likely to be affected by it, commits an offence;

2. knows that he or she has inside information and who deals, directly or indirectly or through an agent for any other person in the securities listed on a regulated market to which the inside information relates or which are likely to be affected by it deals for an insider directly or indirectly or through an agent in the securities listed on a regulated market to which the inside information possessed by the insider relates or which are likely to be affected by it, who knew that such person is an insider;

3. knows that he or she has inside information and who discloses the inside information to another person; and
iv. knows that he or she has inside information and who encourages or causes another person to deal or discourages or stops another person from dealing in the securities listed on a regulated market to which the inside information relates, or which are likely to be affected by it

These are criminal offences carrying severe penalties and are also deemed to include “dealing for any other person and encouraging or causing another person to deal or discouraging or stopping another person from dealing”.

Applying the Principle
- Employees are urged to exercise care when handling price sensitive information.
- Apart from the impact on personal liability, such action may severely damage Clover’s reputation partly if price sensitive information becomes available, prior to requisite disclosure in terms of JSE listing requirements. *If there is any doubt as to the applicability or operation of this Policy, employees should seek advice from the Group Company Secretary and refer to Clover’s Insider Trading Policy.*

Guiding Principle: We are committed to maintaining a safe and healthy work environment

*We are committed to maintaining a safe and healthy work environment and complying with all health and safety legislation and regulations that apply to our business.*

Applying the Principle
- Ensure that you are always working in a healthy and safe environment by immediately reporting any unsafe or unhygienic conditions at a Clover site to branch Safety Representatives.
- Always follow safety procedures and guidelines more specifically.
- Understand and follow the safety policies and procedures related to your work.
- Regularly look for ways to improve workplace safety.
- Do your best to avoid incidents and to help others avoid them.
- Report all accidents, near misses and safety issues.
- Help create a physically and emotionally safe work place.
- Do not commit or permit violence.
- Do not engage in violent behavior, threats to people or property, or physical intimidation or coercion.
- At work, you must remain free from the influence of illegal drugs, alcohol or any substances that may impair your ability to work safely and effectively, any noted cases must be reported.
- If you have questions or concerns about safety, talk with your supervisor, a safety representative, a plant manager or a member of the Legal Department.

Guiding Principle: We are inclusive, value diversity and support employees in realizing their potential

*Clover provides equal opportunity in hiring, salary, benefits, advancement, discipline, termination and retirement.*
Applying the Principle

- Respect equal opportunity.
- Focus on the value that people add. We do not discriminate on the basis of race, gender, sexual orientation, age, pregnancy, social group, disability, union membership, ethnicity, religious beliefs or any other factors protected by law.
- Oppose harassment. Harassment includes language or conduct that others may find derogatory, intimidating or offensive.
- Do not tolerate physical or mental harassment or any other harmful behaviour.
- Immediately report all incidents of harassment to your supervisor or Human Resources.
- If you have questions or concerns about harassment or discrimination, talk with your supervisor, another supervisor, Human Resources or a member of the Legal Department.

Guiding Principle: We protect the privacy of employees

We use employee data only to support Clover operations and to provide employee benefits. We have safeguards to protect personal data; we limit data access to employees who need it for business purposes; and we follow local data protection and privacy laws.

Applying the Principle

- You’re required to follow Clover policies to protect data and privacy. If you don’t understand a policy or procedure, you’re responsible for getting an explanation.
- Be careful not to breach privacy.
  - Make sure you don’t disclose personal data by accessing or sending it.
  - Gather only the information you need for your work.
- Unless you have authorization, you may not access any system or database containing private information, such as employee or personnel records, customer forms, email, or your co-workers’ personal messages.
- If you have questions or concerns about data protection or privacy, talk with your supervisor, another supervisor, the Human Resources Department or a member of the Legal Department.

Guiding Principle: We protect Clover’s confidential information and respect that of our competitors

Sharing the company’s confidential information is not allowed.

Applying the Principle

- Protect confidential information about Clover products, activities, performance and plans.
  - Disclose confidential information only on a “need-to-know” basis, even with other Clover employees.
  - Never disclose confidential information outside of Clover unless you already have a non-disclosure agreement, or a confidentiality agreement approved by the Clover Legal Department.
Ethics Policy: Guidelines for Ethical behaviour

- Safeguard all intellectual property, including copyrights, patents, licenses, trademarks and other trade secrets.
- Keep confidential information secure to prevent unauthorised access.
- Report all suspected breaches of confidentiality.

- Protect third-party, non-public information.
  - Do not seek or receive competitors’ trade secrets or confidential information unless the disclosure is covered by a non-disclosure or confidentiality agreement approved by the Legal Department.
  - Do not use illegal or unethical means in obtaining a competitor’s information. We compete fairly and honestly.
  - If you have non-public, confidential information from previous employment with a competitor, then you must continue to keep that information confidential, even from Clover.

- Upon termination of employment, it is strictly disallowed for any staff member to have copies of Clover confidential information.

Guiding Principle: We act in Clover's best interests and spend its money solely for Clover's business purposes

Conducting negotiations with stakeholders at arm’s length and in good faith, with appropriate disclosure of any potential conflict of interest as required in terms of the Companies Act of 2008 and as required in terms of this Policy

Applying the Principle
- Think only of Clover’s best long-term interests in making business decisions.
- Use company funds prudently, responsibly and only within the limits as prescribed in the delegation of authority.
  - You are personally accountable for your use of company funds in any form.
  - Make sure Clover receives full value for spending you authorize.
  - Executive officers must immediately disclose to the Audit Committee any material transaction or relationship that may reasonably result in a conflict of interest.

- Further to the guidance on the Delegation of authority, the Chief Executive should approve all executives international travel, expense claims, leave and supplier/third party contributions. Similarly, additional protocols relating to the CE include:
  - all international travel of the CE must be motivated and approved in advance or ratified by the Chairman of the Board;
  - all supplier/ third party contributions received by the Chief Executive with a value in excess of R5000 must be approved and/ or ratified by the Chairman of the Board –
following which the Company Secretary must updated the supplier/ third party contribution register accordingly;

- all expenses claimed by the Chief Executive must be ratified by the Chairman of the Board on a monthly basis; and
- any leave taken by the Chief Executive on any international travel must be disclosed to the Chairman.

**Guiding Principle: We are committed to providing safe, quality products and services.**

Clover is committed to providing safe and quality products, services and solutions.

**Applying the Principle**

- You should immediately contact quality management personnel or your supervisor if you believe there is:
  - Any deficiency in product design, safety, installation, or inadequate maintenance that threatens anyone’s health or safety.
  - Anything that may harm the quality of our products or services.
  - Anything that may harm Clover’s reputation.
  - Anything that may harm Clover’s financial interests.
- If you have questions or concerns about possible risks, talk with your supervisor, quality management professionals or a member of the Legal Department.

**Guiding Principle: We use Clover assets such as email, internet access, telephones and computers responsibly and honourably.**

Clover computing resources should be used responsibly.

**Applying the Principle**

- Use of electronic media responsibly in compliance with Clover’s IT Policies, including Software acceptable use and the Electronic Communications policy,
- Information on company computer systems, including email and other
- Internet-related systems are the property of Clover, to be used for company business.
- Do not use company resources to offend, harass or threaten others or to access or store illegal or generally offensive material.
- While you’re at work or using a company computer or mobile device, it is strictly against this policy to visit Internet sites with offensive content related to sex, race, religion or other protected categories.
- Do not use company resources to reproduce, display, distribute, or store materials that violate any party's trademark, copyright, licensing or other intellectual property rights.
- Use company assets properly and legally for company purposes.
- If you have questions about using company property or services, talk with your supervisor, another supervisor, the IT Department, Risk Management Department or the Legal Department.
Guiding Principle: We comply with international trade laws

*We follow the trade laws of all countries where Clover conducts business.*

**Applying the Principle**

We follow the laws concerning:
- Importing or exporting specific goods, services or technology.
- Prohibiting transactions with specific countries, entities or people.
- Participating in international boycotts.
- Government approval, licenses or other requirements necessary to complete a transaction or sale.
- Product labelling.
- Keeping accurate records of all international transactions.
- Following all Clover policies and processes when selling and shipping products to other countries or when importing anything.
- Making efforts to ensure customers, business partners, vendors, service providers, agents, consultants and distributors follow Clover policies and procedures.
- Engaging companies and business partners who agree to obey international trade laws.

Guiding Principle: We communicate accurately with the public.

*We ensure our communications are truthful and accurate*

**Applying the Principle**

- We do not release misleading information.
- Take care when discussing Clover outside the company—in public places, with friends and family, with the media and on the Internet, in public forums, blogs and social networking sites (done in line with Social Media Policy).
- Never disclose private company information without prior and proper authorization.
- Neither say nor imply that you represent the company unless you’re authorized to do so.
- Only those expressly authorized by the Communications Department may speak on behalf of Clover.
- Those who are authorized to speak for Clover must provide accurate information to the public and should avoid speculating.
- If you have questions or concerns about corporate communications or this policy, talk with your supervisor, the Communications Department or the Legal Department.

Guiding Principle: We expect employees and Board members to always deal in a fair manner with our customers, investors, business partners, service providers, competitors, the public and one another.
Employees and Board members may not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair practice.
Appendix 1

Frequently Asked Questions

Must I Report a Violation of the Ethics Policy?
We expect everyone to let us know about any suspected violation of our Ethics Policy. A potential violation is a serious matter. We’re all responsible for protecting our culture of Integrity.

How does Tip-offs Anonymous work?
Tip Off’s Anonymous – Don’t Support it, Report it

Please look for the Tip Off’s Anonymous posters in your pause areas. The purpose of these posters is to explain to all staff what the Ethics line is about and how staff should go about reporting unethical behaviour. The Clover Ethics Line facility is hosted by an independent party called Deloitte’s Tip-offs Anonymous (TOA), which should give users further assurance as to their anonymity in making these calls. All calls are regarded as important, with all Call reports investigated by Clover’s Risk Management Department whereupon results of these investigations are in turn reported to the relevant Executive.

Choice of Anonymity

At times when staff witness irregular conduct, this information may not be reported in fear of potential victimisation and then people choose not to be involved in reporting such irregularities. Clover’s Ethics Line gives staff members the opportunity to report incidents that appear irregular with the Caller having the option to remain completely anonymous. As the Clover Ethics Line facility is hosted by TOA, this should give the caller further assurance with respect to their anonymity.

In addition, the Caller receives a reference number (this must be retained), which could be used by the caller to receive feedback on the progress of the matter that was reported as well as provide additional information on the reported matter. We would like to encourage our Caller’s to call the Ethic’s Line for feedback, as the Risk Management Department may request further details through TOA, which information can then be obtained from the Caller by TOA.

Furthermore, the caller has the option to leave his/her details, in order for TOA staff member to call back, if more information is required to facilitate a detailed investigation. We would like our Callers to leave a contact number, as more often than not, further information is required to successfully complete an investigation.

In order to conduct an investigation, the investigator must have a few clues on where to find the evidence, by way of example:
Ethics Policy: Guidelines for Ethical behaviour

- Whereabouts of supporting documentation that would confirm allegations;
- Other parties that need to be consulted that have more information than the caller.

We therefore urge our Callers to give instructions on where information can be obtained or from whom further information can be obtained. Hardcopy information can be sent by post, fax or email to TOA.

TOA will ensure that your identity be kept confidential. Remember Tip-offs Anonymous is here to ensure that we all feel secure when reporting wrong doing. By trusting us and talking to us our partnership will serve as a foundation for building a better future for our company.

What Happens After I Make a Report?
We investigate each report and take action as necessary. Violators are subject to disciplinary action.

How do I declare my conflicts of interest or gifts received from suppliers or customers?

To request pre-approval and perform declaration of gifts, you can disclose your business interests or the gift to your immediate supervisor via intranet under tabs “Business Unit”, “Human resources”, “Declarations”, Gifts & Outside Interest Clover’s Tip Off’s Anonymous Poster

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**DON'T SUPPORT IT, REPORT IT**

**TIP-OFFS ANONYMOUS**

**What YOU CAN report...**
- Discrimination or Harassment
- Corruption
- Theft
- Fraud
- Bribery
- Assault
- Any Other Unethical Behaviour

**How YOU CAN report...**
- Welcome to Tip-offs Anonymous. How can we help you?
- It’s great that we have an Ethics Line to call, post or fax. See the Ethics Line to call no one else.
- Give your name and allow it to be given to Clover.

**YOU CAN decide to...**
- So what options do I have regarding my anonymity?
- Your options regarding your anonymity are:
  1. Don’t give your name or phone number.
  2. Give your name and contact details but request the Ethics Line to tell no one else.
  3. Give your name and allow it to be given to Clover.

**YOU CAN tell us...**
- The more detail I can give, the higher the chances of success of the enquiry supporting documentation and what can be included. Copy of documentation can be faxed to 0800 077 88 or sent to us.

**YOU CAN ask questions!**
- What happens now that I have given the details?
- The Group Risk Manager will give the details and will make sure that it is properly investigated!

**YOU CAN get feedback!**
- I feel happy now and the reference number shows me to ask for feedback or add more detail later.
- Thank you for using Tip-offs Anonymous, your feedback number is... Isaac. Keep this safe so that you can contact them if you need to by quoting this number.

You can make a difference!

DO WHAT IS: Reasonable ✔️ Truthful ✔️ Lawful ✔️ Correct ✔️

FreeCall: 0800 00 32 47
Post: KZN 138, Umhlanga Rocks, 4320
FreeFax: 0800 00 77 88
E-mail: clover@ethics-line.com
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Appendix 2

**Ethics Scenario Questions on the Four Ethical Standards**

These are hypothetical scenarios of what could happen in practise.

**RESPECT**

**Scenario 1**

Lesego is a black woman who works as a teleseller at the call centre. She is passed over for promotion to work on reception because her manager thinks that black women do not perform well in direct-facing customer service roles. Is the manager’s discretion adequate to make such a decision?

**Solution**

Clover maintains a work culture that treats all employees fairly and with respect and provides equal opportunities based on merit. No manager or any employee may unfairly discriminate on another. This is in line with the Bill of rights entrenched on the Constitution.

**Scenario 2**

Kavita is a Muslim who was employed in a factory. She wears a headscarf covering her head and neck in accordance with her religious beliefs. Her manager told her that she could not wear her headscarf at work because of health and safety concerns. Kavita refused to do so and was dismissed. Is this the right decision taken by the manager?

**Solution**

Cloverites should refrain from discrimination based on race, religion, sexual orientation, marital status or any other legally protected status. No manager or any other employee may take such a decision. Should the issue of the headscarf be a valid health/safety risk, this matter should be addressed in a responsible manner with the assistance of the relevant Employee Relations Manager.

**Scenario 3**

A friend of Jacob who works in the HR department has a consulting service and would like to increase his clientele base. In achieving this objective he requests that Jacob provides him with the contact details of the employees (without their consent) within Clover to sell them short term insurance. Is Jacob allowed to do this?

**Solution**
Jacob may not give out any private information without the consent of the relevant party. Distributing private information is against the Protection of Personal Information Bill which is soon to be promulgated into legislation. This includes private information of persons including juristic persons.

INTEGRITY

Scenario 1

You work in the Finance department and noted that there are some discrepancies with some of the invoices submitted for payment. Upon scrutiny you realise that they were all submitted by the Payroll executive. On enquiry he indicated that if you turn a blind eye, he will ensure that your bonus will not be taxed. You are going through some financial difficulty. How do you respond?

Solution

Cloverites must be truthful, honest and transparent in all their endeavours. You should report the matters to your superior or you may make use of the anonymous ethics line on 0800 00 32 47.

Scenario 2

Betty is an administrative assistant in the Human Resources Department. Her good friend, Piet Claasens, is applying for a job with the company and she is also one of Piet's character references. Piet approaches her for advice on preparing for the interview. Betty has the actual interview questions asked of all applicants. Can Betty make a copy of the questions for Piet?

Solution

Betty may not give Piet the questions as this would give him an unfair advantage and lead to the prejudice of other interviewees.

Scenario 3

Your department is hosting an informal celebration in the office. You are mandated with the task of taking care of the food and decoration. You know a supplier that can provide the items at lower than budgeted cost. During your discussion with him he suggests that he can invoice on a higher amount and the two of you can split the difference between the actual cost and the invoiced amount. What do you do?

Solution

Cloverites should refrain from activities seen to be promoting corruption within Clover or at our customers and other stakeholders. You should not accept the deal.
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Scenario 1

You are in a head-to-head tender battle with your arch competitor. One of your co-workers approaches you. He has recently joined your company after having worked for the competitor for several years. He suggests that he can give you all the data on the competitors bid price. How do you respond?

Solution

Clover forbids any anti-competitive activities. As it is a contravention of the Competition Act.

Scenario 2

Clover is experiencing some difficulty due to new entrants in the market. At an industry conference the Sales Marketer of one of Clover’s big competitors raises the same issue to the Sales Marketer and suggests that they should jointly fix the minimum or maximum prices in-order to get rid of the new players in the market. Should the Clover Sales Marketer follow through with this request, if it will help increase the sales of Clover?

Solution

Clover conducts negotiations with stakeholders at arm’s length and in good faith; Clover does not partake in price fixing activities or unfair competition as Clover forbids uncompetitive behaviour.

Scenario 3

Jane one of the telesellers of Clover has done some exceptional work during the financial year. She has even formed strong bonds with some of the customers. One customer is so impressed with her that he wants to give her R10 000 as a token of his appreciation. What should Jane do?

Solution

Gifts in the form of cash may not be accepted by any Clover employee. Any other gift with an estimated value between R2000 and R5000, may only be accepted after the relevant employee has declared it to his/her principal (D4 or higher) and it has been approved by the principal. Refer to Clover Gifts Policy for more information relating to gifts.

RESPONSIBILITY

Scenario 1

Your friends heard about the Mama Afrika initiative, they were so inspired and they want to contribute to the program. They provide you with some clothing and food items to give to Clover Corporate
Services. While you are going through the items, you find some nice, new dresses in the pack. They fit well on you. Is there anything wrong with keeping the dresses for yourself?

**Solution**

Keeping the dresses for yourself would constitute theft. Every Clover employee must act with integrity which means that everyone must do the right thing even if others cannot see you. Cloverites must act responsible with the resources of our stakeholders.

**Scenario 2**

Shelley is a creditor’s clerk processing invoices. She has been receiving a lot of pressure from her boss recently regarding incomplete work. It is month end and she has a tight deadline. Can she process the invoices without the required supporting documents if she is certain that she will receive them later in order for her to meet her deadline?

**Solution**

No payments may be processed without receiving and assessing the authenticity of all the relevant supporting documentation. Any action that is contrary to this practice is in contravention of Clover policies. All staff must be responsible and accountable for their own work.

**Scenario 3**

Max works on the BPCS system to process invoices at the Green branch, while he is on leave his colleague Zeblon phones him to request his BPCS password because he needs to process an agent invoice for one of Clover’s key suppliers. Max provides him with the password but asks him to only process that one transaction. Is this a responsible action?

**Solution**

Do not share Clover passwords with anyone, including your manager, administrative assistants, secretaries, etc. Sharing of passwords is disallowed in terms of Clover Password Policy and it amounts to a dismissible offence. Rather assist in arranging access for them from their own accounts. This can be done on a permanent or temporary basis by contacting the IT Helpdesk. Ensure before going on leave that appropriate access be given on temporary basis for specified period of time to the staff member standing in. All passwords are to be treated as sensitive and confidential Clover information.

**Scenario 4**

Zack a D1 on the Patterson scale and is entering into a contract for R600 000 with a new supplier for raw materials, the contract is drafted in a very simple manner and Zack does not see the need to bother his superiors with the details of the contract because he can handle it himself. He is aware of Clover’s
delegation of authority but the supplier noted that he can sign the contract due to the fact that it is not technical at all. Is this an appropriate action by Zack?

**Solution**

Zack may not sign the contract as doing so will be in contravention of Clover's Delegation of Authority “DOA”. All contracts should be reviewed by Legal and signed in accordance to the DOA. The expenditure has to be approved by his supervisor at appropriate Patterson levels.

**Scenario 5**

Zippy is a fanatic of the Desperate Housewives TV series. He missed one episode last night and he is desperate to know what happened during that episode. He therefore decides to come to work early in the morning before the network is cluttered to download the episode that he missed. Is this allowed?

**Solution**

Illegal downloads of copyrighted material have serious legal ramifications including fines and imprisonment. The download of any copyrighted material is strictly against Clover’s internet usage and software policy. Remember, it can only be in very rare occasions that a download will be for free.
Appendix 3

POLICY: GIFTS

Purpose

To create a policy to regulate the receiving of gifts by personnel, in their capacity as Clover employees, by firms/companies or persons from which Clover is purchasing or may purchase goods or services.

Definition

Gifts include anything (also favours) from stationery, alcohol, donations, indulgences, hunting opportunities, week-end jaunts, tickets for sporting events, etc., to overseas trips and airline tickets. Gifts in the form of cash are strictly prohibited.

Principles

When deciding whether or not to accept or reject the gift, invitation, hunting opportunity, ticket for a sporting event, airline ticket, etc., the relevant Manager must decide if it will be in the interest of the Clover Group and if acceptance thereof contains any risk or irregularity or may influence the relevant employee in his future decision making. In order to help managers, decide, guidelines are given.

• Intentions:
  Intention of the gift e.g. building relationships, acknowledgement for inputs, appreciation, etc.

• Timing
  Is the gift given at a time when a contract must be renewed, or a tender awarded?

• Level at which invitations/gifts take place
  Is the gift given between managers at roughly the same level (e.g. Executive to Executive)

• Value of gift / invitation
  Is the value of the gift/invitation in keeping with the level of seniority of the person receiving the gift/invitation?

• Exposure
  Does it broaden the individual's exposure to new ideas, controls and concepts?
Is it work-related, e.g. 'bosberaad' to resolve common problems, to identify opportunities, or to share essential information?

Does it relate to business growth opportunities and strengthening of relationships?

The relevance and importance of the business partner from whom the invitation is received?

**Company Secretary, Ethics Officer and Procurement Officer**

Any gift received by the Company Secretary, Ethics Officer or Executives responsible for third party procurement must be declared and approved by the Chief Executive and the Chairman of the Board, and if not approved must be donated to any third party. If approved and if practically possible the Company should reimburse the supplier and/or third party as far as practically possible when and if it happens.

**Policy to establish whether or not to accept and keep a gift/favour**

**Cash**

Gifts in the form of cash are strictly prohibited.

**Gifts with a value of less than R2000 and in the form of advertising material**

Gifts with a value of less than R2000 and in the form of advertising material e.g. ashtrays, calendars, diaries, etc. may be accepted without prior approval.

**Other gifts with a value less than R2000 (not advertising material)**

Any other gifts with a value less than R2000 (not in the form of advertising material) must be declared to his/her principal (D1 or higher) for approval prior to acceptance.

**Other gifts with an estimated value of R5000 or more**

Any other gifts below the value of R5000 must be declared to his/her principal (E level or higher) for approval.

Any other gifts exceeding the value of R5000 must be declared and approved by an Executive.

**Approval through the electronic system**

Approvals must be done through the electronic system by using the Clover gift declaration on the intranet under tabs “Business Unit”, “Human resources”, “Declarations”, “Gifts & Outside Interest”.
Ethics Policy: Guidelines for Ethical behaviour

**Approvals for Executives**
All declaration made by an Executive member must be approved by the Chief Executive. Declarations made by the Chief Executive must be approved by the Chairman of the Board. More specifically, executive gifts would need to be declared to and managed by the Company Secretary to ensure a diligent approval process is followed. The formal process to be followed is as follows:

i. All supplier/third party contributions will be submitted to the Company Secretary whom will in turn obtain the necessary approval from the Chief Executive or the Chairman of the Board as applicable;

ii. the process will be conducted manually with a file containing a complete paper trail of approvals etc.; and

iii. the file will be available to any Board member for review on request.

**Approval protocol on hunting programme**
Any gift relating to any hunting trip of a supplier/third party that exceeds the value of R5000 must be declared.

The following shall apply to any hunting excursion of a supplier/third party to whom an Executive member is invited:

i. all invitations to hunting excursions with a supplier or third party will be submitted to the Company Secretary whom will in turn obtain the necessary approval from the Chief Executive or the Chairman of the Board as applicable;

ii. the process will be conducted manually with a file containing a complete paper trail of approvals etc.; and

iii. the file will be available to any Board member for review on request.

iv. all transport to and from the relevant farm will be paid for by the Company;

v. to the extend permittable, the relevant executive committee member will endeavour to donate a substantial portion of the meet derived from a hunting trip.
Appendix 4

CONFLICT OF INTERESTS POLICY

What constitutes a conflict of interest?

A conflict of interest generally arises where an employee or his/her direct family, or connected person, may receive a direct or indirect benefit from a business transaction, where the employee has the direct or indirect ability to influence the terms of a transaction by virtue of his/her employment at Clover. By way of example, a conflict of interest may arise where an employee or direct family member holds a direct material interest in a supplier or customer of Clover. Care should be taken when considering outside interests which may potentially be regarded as a conflict of interest, which can over time mature into corrupt activities, which may lead to incidents whereby Clover may pay excessive prices or for goods or services that do not exist. Refer to Clover Ethics Policy.

The purpose of this policy is to specify procedures to identify, manage and monitor outside interests that may present a potential conflict of interest. This policy is in terms of Governance principles and rules of law to protect the best interests of Clover. In terms of the Director’s fiduciary duties, Clover is expected to manage conflicts of personal financial interests in terms of section 75(5) of the Companies Act, and requires all employees to declare all potential outside interests, that may result in a conflict of interest.

Outside interests of employees

Outside interests in terms of Clover is defined as any interest, which may be in conflict with the employees’ function within Clover, or benefits obtained by virtue of being an employee of Clover. All transactions that may lead to a conflict of interest need to be declared, and pre-approval is required in terms of this policy.

It is an express condition of the Clover Group that any employee who:

- during his/her term of service, intends on acquiring financial and/or business interests outside the Group which may have an adverse effect on his/her duties and loyalty in respect of the Group, or unduly benefits the employee or a connected person, must declare the nature and extent of such interests. If not approved, the employee cannot pursue such activity whilst remaining in Clover’s employment.

The above interests also include part-time work performed after hours, for which an employee is compensated, irrespective of whether it is for his/her own account or for another organisation or institution.

Interests of employees and / or immediate family members doing business with Clover or a Clover stakeholder
In terms of this policy no employee is allowed to have any direct or indirect business dealings with Clover or a Clover stakeholder, as these transactions may result in a conflict of interest. No employee is allowed to receive any benefit directly or indirectly from a Clover stakeholder, over and above what is permitted and declared in terms of Clover’s Gift Policy (Refer to appendix 3).

In terms of this policy, no immediate family members (husband, wife, mother, father, brother, sister or children) are allowed to have any direct business dealings with Clover or benefit from a stakeholder relationship with Clover unless such dealings have been approved by an Executive. For instance, in supplying goods or services to Clover, where the related employee may be perceived to be able to influence the appointment of immediate family members to a contract.

In the event where immediate family member’s interests has been approved, the related employee needs to declare such interest in meetings revolving around the respective interest and recuse him/herself from participation in any discussions and/or voting on matters related to such declared interest either directly or indirectly.