

Ethics and Corporate Governance Policy

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1 Purpose

- 1.1 The purpose of the Aptronics Ethics and Corporate Governance Policy and Procedure is to provide the clear compass for the company's decision making and the management of its business.
- 1.2 The premise of this Policy is based on the principles and considerations identified in the King III Report. The aim is to give effect to the principles and establish effective approaches to integrate the considerations identified into the way Aptronics does its business.
- 1.3 This Policy shall guide and inform many key policies, procedures and practices of the Company thereby furthering commitment to upholding the Company's values and the principles of an ethical organisation operating in a dynamic / changing environment.
- 1.4 This policy is designed to ensure the Company lives and works to its core values:
- Honesty, integrity and transparency
 - Caring for our people, customers, suppliers and facilities
 - Service excellence and innovation
 - Fairness
 - Professional leadership in our field
 - Responsibility and accountability
- 1.4 The policy is designed to ensure that employees of the
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Company understand the Company's values, the core elements of the Ethics and Corporate Governance Policy such that they are empowered to act in line with its requirements.

2 Key Policy Statements

- 2.1 Apronics (Pty) Ltd is committed to act ethically in all its business dealings, meeting the requirements of the law and good corporate governance.
 - 2.2 We believe that a clear and integrated approach to ethics, good governance, risk and compliance are essential to further our values and responsible business practice.
 - 2.3 Apronics is committed to the highest standards of transparency and accountability as evidenced through its Whistleblowing policy and procedure.
 - 2.4 Corporate governance policies are designed to foster ethical conduct and ensure compliance with legislative and regulatory requirements.
 - 2.5 In considering this Policy the Board of Directors and Executive of the Company take cognisance of the values, principles and Chapters identified in the King III Report. The Principles include:
 - 2.5.1 The Board of Directors is responsible for corporate governance and has two main functions: first, it is responsible for determining the company's strategic direction (and, consequently, its ultimate performance); and second, it is responsible for the control of the company.
 - 2.5.2 The Board requires management to execute strategic decisions effectively and according to laws and the legitimate interests and expectations of stakeholders. The Board is responsible to ensure that management actively cultivates a culture of ethical conduct and sets the values to which the company will adhere. These values should be incorporated in a code of conduct.
 - 2.5.3 The Board is responsible to ensure that integrity permeates all aspects of the company and its operations and that the company's vision, mission and objectives are ethically sound. The manner in which the company conducts its internal and
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external affairs should be beyond reproach”.

2.6 This Policy further takes cognisance of the Chapters identified in the King III Report and shall seek to manage responsibly and with accountability in so far as these areas are concerned. The Chapters are as follows:

- Ethical leadership and corporate citizenship
- Boards and directors
- Audit committees
- The governance of risk
- The governance of information technology
- Compliance with laws, rules, codes and standards
- Internal audit
- Governing stakeholder relationships
- Integrated reporting and disclosure

2. Apronics further acknowledges that ethical principles and good corporate governance are key considerations in all aspects of the Company’s business. Our responsibility for good corporate behaviour includes:

- Good corporate citizenship
 - Compliance with all relevant legislative requirements
 - Maintaining confidentiality of customer and supplier information
 - Zero tolerance for illegal or corrupt practice (including an anti-bribery & corruption procedure as identified in the Company’s Employee Guide)
 - A policy which clarifies the acceptance of business gifts and hospitality
 - Zero tolerance for anti-competitive behaviour
 - Disclosure by employees of all business interests and / any other conflict of interest
 - Ensuring directors / employees do not engage in business on behalf of the Company with any organisation in which they may have an interest, unless this is approved by the Board
 - A policy related to financial management to include rules pertaining to Boards and directors, internal audit, audit committees, the governance of information technology, compliance with laws, rules , codes and standards, governing stakeholder relationships, integrated reporting and disclosure
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- A procurement policy and practice that clarifies objective and fair principles in the selection and continuation of business with suppliers
 - A policy that invites Whistleblowing to ensure the highest standards of transparency and accountability
 - An Employment policy and practice based on equality of opportunity, human rights and legislative requirement
 - A policy that promotes environmental sustainability
 - A policy promoting ethical Corporate Social Investment
 - An approach to identify and manage Company's risks proactively.
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2 Scope

This policy has a broad scope requiring the organisation to consider all areas of its business, the ethical / value based decisions and requirements of good corporate governance.

3 Responsibilities

3.1 The CEO is the custodian of this policy.

3.2 The COO is responsible for ensuring the implementation of this policy and the ancillary policies and procedures identified that form an integral part of the Company's approach to ethical business practice. The COO ensures the education, review and Declaration sign off of employees in relation to the ethics and Governance policies and Procedures.

3.3 Managers are required to be fully aware of this policy and any ancillary policies that promote good corporate governance. Managers are accordingly required to review Corporate Policy and sign a Declaration of their understanding in this regard annually. Managers are expected to implement ethical and standards of good corporate governance in their areas of responsibility in line with this Policy and the Policies and Procedures identified for their areas of operation.

3.4 Every employee is required to develop a clear understanding of the ethical and corporate governance process, specifically that relate to their jobs but also in so far as the general principles and approach of the Company. Employees will be required to sign a Declaration of this understanding annually.



5 Procedures

Education and declaration:

Apronics will facilitate an annual programme to educate and ensure review / sign off of a Declaration of understanding in respect of their general responsibilities related to this Policy. The Company, together with key employees, will ensure that employees in specific functions attend relevant training and development in their fields of expertise to ensure legislative / corporate compliance.

"Doing what's right" - Whistleblowing:

Employees may address any concerns about the Company's business practices, through appropriate channels and to the highest level in the Company.

Employees may voice their concern without fear of reprisal. The Company has guidelines in this regard that will assist the employee to state such concerns in a clear and effective manner.

Whistleblowing concerns are generally identified as serious and specific concerns at a high level in the Company including but not limited to:

- Improper or unethical conduct
- An unlawful civil or criminal offence
- Mismanagement, fraud or corruption (including bribery)
- Non-compliance with statutory obligations or requirements
- Environmental damage
- A risk or potential risk that is not appropriately managed
- Concealing or attempting to suppress information related to any of the above.

The Whistleblowing process will be managed independently of line management, where serious misconduct is alleged or suspected.

Managing risk:

The Company has a process for identifying and managing risk. The Company will designate a manager to be the responsible person for managing risk on behalf of the company. A process for managing risk will be identified.

Monitoring and evaluation:

All areas identified in this Policy and any ancillary policy that has a relationship to Ethical conduct and good Corporate Governance will be monitored and evaluated by the Board of Directors.



6 Archiving

All ancillary policies and procedures as updated from time to time shall be filed.

The Company's Risk Assessment shall be updated 6 monthly and records of such change shall be filed.

Audit minutes shall be filed.

Minutes of the Risk and Compliance meetings shall be filed.

Board meeting minutes shall be filed.

7 Appendices

8 References

www.cymcda.com King Report on Governance for South Africa
www.iod.com The King Code of Governance Principles (King III)
www.saica.com
