Disciplinary Code and Procedure

PURPOSE
This code serves as guideline to the employee with reference to what will be deemed as inappropriate conduct. It spells out how The Company will deal with any occurrences of misconduct and gives guidelines as to the disciplinary measures which may be imposed.

MISCONDUCT
Misconduct will be divided in three categories: i.e. minor transgressions, serious misconduct and very serious misconduct. The seriousness of the misconduct will determine how the offence will be dealt with. The different types of misconduct and their degree of seriousness are set out in the table below:

<table>
<thead>
<tr>
<th>MINOR TRANSGRESSIONS</th>
<th>SERIOUS MISCONDUCT</th>
<th>VERY SERIOUS MISCONDUCT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Late for duty</td>
<td>Absence without authorised leave</td>
<td></td>
</tr>
<tr>
<td>Petty negligence - negligence which does not hold serious financial implications</td>
<td>Loss of, or damage to property of The Company or any of its clients through negligence</td>
<td>Malicious damage to property</td>
</tr>
<tr>
<td>Sleeping on duty</td>
<td>Feigning sickness</td>
<td>Abuse of sick leave</td>
</tr>
<tr>
<td>The taking of longer rest breaks than allowed or leaving the workplace early without permission</td>
<td>Not disclosing a romantic relationship with a co-worker</td>
<td>Commits any act of sexual harassment, racism or any other form of discriminatory conduct in conflict with the employment equity or constitutional rights to dignity and fair treatment of all people</td>
</tr>
<tr>
<td>Insubordination</td>
<td>Unruly behaviour</td>
<td>Refusal to carry out legitimate instructions</td>
</tr>
<tr>
<td>Smelling of liquor whilst on duty</td>
<td>Misuse of alcohol or an intoxicating substance and/or drunkenness whilst on duty</td>
<td>Assault or violence or wilful endangerment of the safety of others</td>
</tr>
<tr>
<td></td>
<td>Misuse of information unique to The Company or any of its clients and/or which is regarded as confidential by The Company for personal gain</td>
<td>Gross dishonesty, theft, fraud, corruption or making a misrepresentation to the Company</td>
</tr>
<tr>
<td></td>
<td>Unauthorised use of property belonging to The Company or any of its clients for private use/personal gain</td>
<td>Serious undermining of The Company's business, position or authority</td>
</tr>
</tbody>
</table>
POOR WORK PERFORMANCE

Poor work performance includes, but is not limited to, untidy work and non-compliance with deadlines. Poor work performance will be dealt with similarly to minor transgressions.

In case of repeated, patterned transgressions of any kind over a prolonged period, The Company will be entitled to subject the employee to a disciplinary inquiry. In such a case the employee will be charged with poor work performance as a serious transgression.

DISABILITY AND INCAPACITY

Disability is not a misconduct but is included here because it may lead to the termination of the employment contract. Two types of disability can be distinguished, i.e. disability due to disease, which may be temporary or permanent, and incapacity on judicial grounds.

When an employee becomes disabled due to disease, the probability of recuperation will be considered and leave without remuneration may be granted for a period agreed upon.

The Company may thereafter consider dismissal with notice, taking into account the type of work which is to be done and the impact of the employee’s continued illness will have on it.

An employee becomes disabled or incapacitated due to judicial grounds if he/she is detained. The Company may dismiss such an employee after considering the reason for detention as well as the (expected) duration thereof.

DESERTION

An employee will be deemed to have deserted the employment of The Company if he / she is absent from duty for a period exceeding seven (7) days without providing a valid reason for such absence or without permission.

If absence starts on a Monday following a weekend or any day following a public holiday, the first day of absence will be deemed to be the Monday or the first working day following the public holiday. If a weekend or public holiday follows any consecutive number of days of absence, the weekend or public holiday will be included in the calculation of the seven (7) day period.

If an employee reports for duty within seven (7) days of his last day on duty, he / she will be subjected to a disciplinary hearing. If the employee is still absent after seven (7) days, The Company will terminate the employment contract and no benefits will be payable.

DISCIPLINARY MEASURES

a) The following serves as a guideline of which disciplinary measures will be imposed for different types of transgressions. The Company may in its discretion impose a lighter
disciplinary measure than given in this guideline at any time, provided that such a decision is reasonable and consistent with the treatment of other employees under similar circumstances.

<table>
<thead>
<tr>
<th></th>
<th>Minor Transgressions</th>
<th>Serious Misconduct</th>
<th>Very serious Misconduct</th>
</tr>
</thead>
<tbody>
<tr>
<td>1&lt;sup&gt;st&lt;/sup&gt; Transgression</td>
<td>Verbal warning</td>
<td>First or Final written warning</td>
<td>Final written warning or a disciplinary hearing seeking dismissal with or without notice</td>
</tr>
<tr>
<td>2&lt;sup&gt;nd&lt;/sup&gt; Transgression</td>
<td>First written warning</td>
<td>Final written warning or a disciplinary hearing seeking dismissal with notice</td>
<td>A disciplinary hearing seeking dismissal with or without notice</td>
</tr>
<tr>
<td>3&lt;sup&gt;rd&lt;/sup&gt; Transgression</td>
<td>Final written warning</td>
<td>A disciplinary hearing seeking dismissal with notice</td>
<td></td>
</tr>
<tr>
<td>4&lt;sup&gt;th&lt;/sup&gt; Transgression</td>
<td>A disciplinary hearing seeking dismissal with notice</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

b) Validity of warnings

<table>
<thead>
<tr>
<th>TYPE OF WARNING</th>
<th>PERIOD VALID</th>
</tr>
</thead>
<tbody>
<tr>
<td>Verbal warning</td>
<td>Three (3) months</td>
</tr>
<tr>
<td>First written warning</td>
<td>Six (6) months</td>
</tr>
<tr>
<td>Final written warning</td>
<td>Twelve (12) months</td>
</tr>
</tbody>
</table>

If a valid warning exists against an employee when he/she is found guilty of an offence, the existing warning will be taken into account when the disciplinary measure is imposed. An existing warning may thus have an aggravating effect on a following disciplinary measure.

**SUSPENSION**

An employee may be suspended temporarily pending the conclusion of a disciplinary inquiry into a very serious transgression. Suspension will take place with retention of salary and is not a disciplinary measure. The purpose of suspension is exclusively to protect The Company against any further damage that may be caused by the continued presence of such an employee in the workplace.

When suspension is considered, The Company must provide the employee with the reasons for the contemplated action. The Company must also give the employee an opportunity to provide reasons why he / she is of the opinion that suspension is not warranted.
After having decided to suspend an employee in terms of this procedure, The Company must inform the employee of the reasons for this decision.

The disciplinary inquiry must take place as soon as reasonably possible after suspension.

**DISCIPLINARY PROCEDURE**

**Minor transgression**

In the case of a minor transgression for which no previous disciplinary measure is valid, an HR representative or any manager who is in a supervisory position in respect of the offending employee may summarily issue a verbal warning.

A verbal warning is recorded informally by confirming it via an email to the employee.

**Serious and very serious misconduct**

The Company will inform the employee in writing of a disciplinary inquiry into alleged misconduct within a reasonable time after the alleged misconduct took place. The following information will be provided:

- The transgression which the employee is alleged to have committed.
- Reasonable information with regard to the alleged misconduct that will enable the employee to prepare his / her defence. This includes mention of the place and date of the incident.
- The date, time and place of the disciplinary inquiry.
- The employee will be informed of his / her right to representation and the right to present his / her case at the inquiry.

The Company will give an employee at least 48 hours’ notice of a disciplinary inquiry and such notice will not take place over a weekend.

The employee will be entitled to representation by a recognised trade union representative or a fellow employee.

The disciplinary inquiry will take on a formal format. At least the following persons will be present at the inquiry:

- The chairperson
- A member of our Office Support staff - for the taking of minutes.
- A member of the HR Department or a Senior Manager
- The accused employee
- Witnesses
Course of the inquiry

During the inquiry the employee will be confronted with the alleged transgression and he / she will be given the opportunity to state his / her case. The chairperson will listen to and evaluate all the evidence and will come to a conclusion as to the employee’s guilt based on the balance of probabilities.

The following steps will take place during the inquiry:

- The charge(s) will be read to the employee.
- The employee will be given the opportunity to plea on the charges, i.e. he / she will indicate whether he / she is guilty or innocent of the alleged misconduct.
- If the employee pleads guilty, no evidence is heard and the chairperson only hears the employees opinion regarding an appropriate disciplinary measure, and studies the employees employment record with the company, where after the disciplinary measure is imposed.
- If the employee pleads not guilty, the chairperson will call witnesses to state the employer’s case.
- The employee will have the opportunity to cross examine every witness.
- The employee will then have the opportunity to call his / her witnesses and to question them.
- The chairperson may question the employee’s witnesses.
- After all the evidence has been heard, the chairperson gives the employee the opportunity to summarise his / her case and to give his / her opinion regarding the finding the chairperson should arrive at, considering all the evidence.
- The chairperson summarises the evidence.
- The chairperson may adjourn the inquiry to reach a decision regarding the employee’s guilt or innocence.
- The chairperson then has to make the decision regarding the employee’s guilt or innocence known and give reasons for the decision.
- Following this, the employee’s service record is presented to the chairperson.
- The employee is given the opportunity to give evidence in mitigation and to request the chairperson to impose a specific disciplinary measure.
- If applicable, the chairperson may hear the employee’s supervisor on the question of an appropriate disciplinary measure.
- The chairperson may again adjourn the inquiry to decide on a disciplinary measure.
• The chairperson makes the disciplinary measure known and gives reasons for the decision.

The disciplinary measure is recorded on the appropriate form and the employee is requested to sign the form as acknowledgement of receipt. Should the employee refuse to sign, any witness present may sign as proof that the employee has heard the disciplinary measure.

The chairperson informs the employee of the right to refer this matter for further attention in terms of the Labour Relations Act, 1995.

Record keeping
The Company will keep written record of all disciplinary inquiries and such records will be kept on the employee’s personnel file. Any such records will be made available to the employee or his / her authorised representative on written request.

AMENDMENTS TO THIS PROCEDURE
This procedure may be amended by The Company in consultation with all the affected employees, provided that the procedure is not in conflict with the provisions of the Labour Relations Act.