
HomeChoice International PLC: Group Code of Ethics Policy

To all stakeholders:

HomeChoice International PLC (HIL) is an investment holding company incorporated in Malta and listed on the JSE Limited. Through its two main operating businesses, HomeChoice (Retail) and FinChoice (Financial Services), the group operates a retail direct marketing business and financial service business to the LSM 4-8 middle-income market in southern Africa.

HomeChoice is the largest home-shopping retailer in southern Africa and offers products through digital channels, call centres, sales agent networks and mail order catalogues. The Financial Services business offers personal loans and insurance products to Retail customers of good credit standing.

This Code of Ethics is intended to provide clear guidelines for all stakeholders and defines the core values to which we subscribe. It is an expression of our commitment to responsible business conduct and achieving our goal of sustainable growth.

The Group is driven by our core values:



Whilst we embrace the diversity of all our employees, we acknowledge that it is imperative that each of us identifies with these shared values to help guide our behaviour.

I encourage you to contribute to our continued success by adhering to these Code of Ethics. I personally commit myself to lead by example, and ask all our stakeholders to do the same.

*Stanley Portelli
Chairman*

1. Ethics Charter

The HomeChoice Group is committed to sustainable growth based upon shared values and ethical standards and accountability to its stakeholders, in particular to:

- Its **customers**, with a commitment to customer delight by supplying quality products and financial services in compliance with all laws and regulations and safety and environmental standards.
- Its **employees**, with a commitment to managing their talent and career development and the promotion of health and safety in the work-place within a climate of mutual respect.
- Its **suppliers and business partners**, with a commitment to fair business practices and compliance with clear contractual terms and conditions.
- Its **shareholders**, with a commitment to providing regular and transparent information and a fair return on their investment.
- To our **community**, with a commitment to investing in the social and economic development of the areas in which we operate.

2. Philosophy

The HomeChoice Group's business philosophy is premised upon our vision and values. Arising from our commitment to these values, an employee code of conduct has been established based upon the following principles:

- Employees must act honestly and fairly in all business transactions and dealings with others. Employees must take accountability for their actions and decisions, apply due skill, care and diligence in respect of our stakeholders and the integrity of the business. **(Keep it real)**
- Employees must treat other employees, contractors, customers, suppliers and all other persons with whom they deal with at work with the utmost courtesy and respect and in a non-discriminatory manner. **(Play as a team, Wow our customers)**
- Employees must comply with all laws and regulations and internal policies and procedures applicable to the business of the Group. The Company will not tolerate any form of unlawful or criminal conduct. All employees are responsible for familiarising themselves with the policies and procedures of the Group, and complying with them in the course of their duties. Employees who become aware of any suspected violation of laws and regulations or policies of the Group must report it either to their Manager, a Human Resources representative, a member of the audit and risk committee, or anonymously via the tip-off line. **(Keep it real)**
- Employees must act in a professional manner and always act within the best interests of the Group. Employees have an obligation to avoid any conflict with the business interests of the Group, to maintain confidentiality and protect all data and information that belongs to the Group. **(Keep it real)**

3. Principles

3.1 Commitment to the elimination of all forms Discrimination and intimidation

Homechoice is committed to transformation and the promotion of equal opportunities. In addition, we are committed to ensuring that all stakeholders' interactions are done with dignity and respect.

We provide an environment free of any form of harassment and intimidation, employees must remain courteous and respectful in all their dealings, and refrain from any form of conduct that may be perceived to intimidate or harass based on race, religion, gender, political conviction, sexual orientation or disabilities. *(Refer to the Homechoice Employment Equity Policy and Sexual Harassment Policy.)*

3.2 Valuing the different cultures and beliefs of stakeholders

To demonstrate that diversity is valued, all employees must respect the traditions and cultures of all people, promote equal opportunities and respect the right to freedom of social, religious and political association.

3.3 Providing opportunities for career development

HomeChoice is committed to investing in and growing our talent. To create and sustain an environment providing personal growth and professional development, employees must assume personal accountability for their training and development and seek opportunities to enhance their knowledge and skills. Employees must actively engage in the performance review processes.

3.4 Health and safety

To ensure a healthy and secure working environment, employees must observe all health and safety regulations and legislation and take all reasonable measures to avoid putting others health at risk by preventing workplace accidents and injuries.

We do not tolerate the abuse of controlled substances or liquor or being under the influence of liquor or illegal substances at work. In addition we do not tolerate the sale, distribution, possession or use of illegal substances in the workplace

Employees must comply with all Company safety regulations e.g. no firearms or dangerous weapons are allowed on company premises.

3.5 Conflicts of Interest

All employees have an obligation to avoid financial, business or other relationships, which might conflict with the legitimate business interests of the Group or the proper performance of an employee's duties. Such a conflict will exist where an employee compromises his or her ability to act with total objectivity with regard to the Group's business interests.

Examples of conflicts of interest include, but are not limited to, the following:

- If the employee is employed by a customer, supplier or competitor of the Group whilst employed by the Group.
- If the employee provides work or business on behalf of the Group to a business in which the employee, the employee's family or employee's close friend has a financial interest.
- If the employee, the employee's family or employee's close friend has a financial interest in a business which is a competitor, contractor or supplier to the Group.
- Using Group-owned assets for non-Group related business.

Any potential or actual conflict of interests must be disclosed in writing to a Director prior to engaging in such activities, including full disclosure of any existing relationship which might conflict with the legitimate interest of the Group or the proper performance of an employee's duties.

Where it is not possible to avoid a conflict of interest, the Company and its employees are committed to managing this conflict with a view to minimising any risks associated with the source of conflict.

The Group reserves its right to either approve the conflict conditions, or to exclude the employee from the conflict situation.

All employees are expected not to participate in any action that may be regarded as an attempt to exert influence unduly favouring any party.

3.6 Involvement in other employment or business

Employees of the Group are expected to devote the whole of their time and attention during working hours to the business of the Group and at other times as reasonably necessary to properly perform their duties. Employees are required to obtain written approval to be engaged or interested in any other trade, business or occupation.

3.7 Donations and contributions to political parties

- 3.7.1. The Group does not make political contributions to political parties, causes of a political nature or individual candidates. Employees are not prohibited from making any political contributions in their personal capacity, provided that these contributions are not intended to retain or secure a business advantage for the HomeChoice Group.
- 3.7.2. Charitable donations are made via the HomeChoice Development Trust. The Trustees are responsible to ensure the ethical disbursements of charitable funds in line with the defined strategy of the Trust.

3.8 Maintaining the property and information of the business, its employees and its customers

All assets and property of the business, including information gained and collected during the course of business will be used for its intended purpose and the protection of property

includes ensuring the privacy of customers and employees information and the safe guarding of intellectual property.

3.9 Confidentiality

Employees cannot either during employment with the Group or any time thereafter (directly or indirectly) divulge or make known any trade secrets or confidential information concerning the Group or its publications, business, connections, employees, finances, transactions, clients, customers, products, computer materials, strategies, methods or processes or the affairs of the group, that may come to their knowledge at any time during employment, to any person, firm.

Employees may not make any unauthorised use of such confidential information at any time and may not use or attempt to use any such information in any manner which may injure or cause loss, either directly or indirectly, to the Group, or which may be likely to do so.

All confidential drawings, notes, memoranda, computer programs, computer printouts, computer disks and other documents and materials relating to the business, customers, products, methods or processes of the Group coming into employees' possession during employment will be the exclusive property of the Group and employees will take all reasonable steps to prevent the publication or disclosure of such information or materials.

If employees have any doubt whether they are authorised to disclose information to a particular person, or whether any information is confidential, or whether any use of information is authorised, they are obliged to obtain and abide by a written decision of the Group in regard thereto.

On the termination of employment, employees are obliged to ensure that all confidential documents and materials (including copies in their possession or under their control) are promptly returned to the Group and are obliged to provide an affidavit at the time attesting to this if required by the Group.

Employees are also obliged to notify the Group in writing of any abuse of the confidential information of the Group immediately that they become aware of it and to assist in remedying such abuse when required by the Group.

Failure to comply with these confidentiality requirements or a breach of any of the obligations set out under this heading shall be considered a dismissible offence.

3.10 Media

Employees may not make statements or comments to the media (or social media such as Facebook) and other or other external bodies regarding the Group, its business dealings, financial status, customers, suppliers, competitors or shareholders unless directed or authorised by the CEO.

3.11 Corporate Citizenship

Homechoice is committed to ensuring a culture of corporate citizenship including but not limited to promoting the importance of a sustainable environment.

4. Anti-bribery standards and procedures

4.1 Bribery is a criminal offence and can expose the Group and its employees to the risk of prosecution, substantial fines and imprisonment, as well as endangering the reputation of the business.

4.2 Bribery may be defined where a person offers, promises, gives or receives, demands or accepts a financial or other advantage to or from another person with the intention to influence the behavior of that person to improperly obtain some advantage. It also includes situations where the offer or acceptance of the advantage is in itself improper. Corruption is defined as the abuse of power for personal gain - bribery and fraud are considered to be aspects of corrupt practices.

4.3 The HomeChoice Group is committed to maintaining the highest standards of honesty, integrity and ethical conduct. The Group will not tolerate any form of bribery, improper influencing or unethical conduct. Employees who commit an act of bribery or corruption will be subject to disciplinary action, up to and including termination with cause.

- The receiving or giving of entertainment and gifts are discouraged and require disclosure in a gift register. (*Refer to the HomeChoice Gift and Entertainment Policy*)
- In dealing with public officials, other corporations and private citizens, we will not seek to influence others, either directly or indirectly, by paying or receiving bribes or kickbacks, including but not limited to payments to local officials by HomeChoice employees or agents for the completion of routine governmental administrative actions (so-called facilitation payments), or by any other measure that is unethical or that will tarnish our reputation for honesty and integrity.
- Any employee who becomes aware of any suspected act of bribery or corruption must report it either to their manager, a human resources representative, a member of the audit and risk committee, or anonymously via a tip-off line. All cases of alleged bribery and corruption will be investigated and followed up by the application of all available remedies.

5. Anti-money laundering

5.1 The Group is committed to the highest standards of anti-money laundering compliance standards to prevent the use of our products or services for money laundering purposes. Money laundering is defined as the introduction of assets (usually cash) derived from illegal activities into the business cycle with the aim that their illegal origin is disguised and re-enters the economy as apparently legitimate funds. The following controls reduce the opportunity for money laundering practices:

(a) *Know your client (KYC)*

The group's customer base is wide-spread and customer disbursements and payments are relatively small in value. Every customer of the group is identified by reference to an identity number or passport. Many customers of the financial services business have their identity number electronically verified by their respective banks against the bank account details provided as part of the group's internal vetting procedures. (the opening of such bank account would have been subject to the respective banks KYC regulations)

(b) Accounting and record keeping

The group has a comprehensive reporting system, monitored and reviewed monthly by management. All cash receipts and disbursements are recorded, with appropriate controls such as segregation of duties and dual authorisation of all payments.

(c) Reporting of suspicious behaviour

It is the responsibility of all staff to stay alert for occurrences of corruption or money laundering and to be aware that unusual events, transactions or behaviors could be indications of corruption or money laundering. It is a requirement of both the group's code of conduct as well as each individual's terms and conditions of employment that any employee who becomes aware of any suspected violation of laws and regulations or policies of the Group must report it either to their manager, a human resources representative, a member of the audit and risk committee, or anonymously via a tip-off line. Corrupt practices may also be highlighted as a result of management checks or in the course of audit reviews by both internal and external audit.

6. Reporting of Unethical Conduct

It is HomeChoice's responsibility to ensure that there are safe and effective procedures for employees and stakeholders to report unethical or illegal conduct. To this end, HomeChoice subscribes to an anonymous tip-off facility which allows completely confidential means of reporting unethical conduct.

In turn, it is the responsibility of all HomeChoice stakeholders to report observed unethical or illegal conduct. Employees who fail to honour these obligations may be subjected to disciplinary action. Suppliers and business partners may face various penalties, including termination of service.

HomeChoice is committed to providing protection for any person who reports any violations of this Code and we will not tolerate any form of victimization or retribution against those who attempt to uphold this code. Any contravention of this code will be regarded as a serious matter and subject to appropriate disciplinary action.

7. Tip Offs Anonymous

Deloitte's Tip-offs Anonymous is a unique and innovative solution to dishonesty, fraud and other inappropriate behaviour in the workplace through an independent, confidential whistleblowing hotline service operating 24-hours a day, 365 days a year.

All stakeholders (employees, customers, suppliers, Managers or shareholders) are able to report fraud and inappropriate activities in a safe, confidential and secure way. All complaints are thoroughly investigated and appropriate actions taken. Outcomes of investigations are reported to the Social and Ethics Committee on a quarterly basis.

Tip-off information can be provided by e-mail, fax, and freepost or by phoning the toll-free 0800 number assigned to the Group. Alternatively you can complete the Tip-off form on the website.

Contact details:

Toll-free phone: 0800 20 25 96

Toll-free fax: 0800 00 77 88

Email: homechoice@tip-offs.com

Post (no stamp required): Freepost, KZN 138, Umhlanga Rocks, 4320

Tip-offs Anonymous

Trust us. Talk to us...



Version control

This is a non-contractual policy, and as such the Company reserves the right to modify this policy at any time. Reasonable notice of any changes will be provided. Reasons for any modification may include: employment legislation or other guideline changes.