



Group Company Secretariat

Code of Ethics

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Summary of Version Control

Version Number	Effective Date	Summary of Changes
1.0	1 December 2015	Policy Template:
		Added: "Background"
		Added: "Code of Ethics Statement"
		Added: "Definitions"
		Added: "Financial Implications"
		Added: "Non-Compliance"
		Clause 6: replaced "Transnet Stakeholders" with "employees and Non-executive Directors"
		Clause 6.3 : replaced "your own" with "personal"
		Clause 11: Added "and Values" to the title "Ethical Behaviour"
		Clause 11.2: replaced : "Employees and Non-executive directors": with "they"
		Clause 11: The entire section has been formatted to explain the individual behaviours and values for clarity purposes.

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BACKGROUND

1. A Code of Ethics ("The Code") is a fundamental element of good governance. The Code provides ethical guidelines for employees and Non-executive directors and is critical for ensuring the effective governance of the Company. The Code intends to affirm transparent conduct and practices, for example, by mandating that employees and Non-executive directors declare and continuously manage declarations of interest and Related Party Disclosures in accordance with the Policy on Declaration of Interest and Related Party Disclosures.
2. This Code is aligned to the Companies Act 71 of 2008, sections 75 and 76, which provides for the Directors' disclosure of financial interests and standards of Directors' conduct, respectively.
3. Transnet's Risk and Internal Control Framework; Fraud and Corruption Risk Management Strategy and the Culture Charter are some of the instruments that seek to promote the culture of ethical behaviour within the Company.

CODE OF ETHICS STATEMENT

4. This Code sets out a code of conduct that requires employees and Non-executive directors to observe a high standard of business and personal ethics in the conduct of their duties and responsibilities. It is critical that employees and Non-executive directors demonstrate honesty and integrity in fulfilling their responsibilities and comply with all applicable policies, laws and regulations. It is the responsibility of all employees and Non-executive directors to report violations of this Code.
5. Transnet is committed to:
 - 5.1 Protecting from detriment, any employee and/or Non-executive director who, in good faith reports a violation of the Code;
 - 5.2 Creating awareness around fraud, corruption and other economic crime to enable employees and Non-executive directors to understand that dishonest acts are detected and will be addressed through corrective action;
 - 5.3 Investigating all received reports (where possible); and
 - 5.4 Acting fairly and decisively where victimisation has taken place.

PURPOSE

6. The purpose of the Code is to set out ethical standards for business practice, individual business conduct and to assist all employees and Non-executive Directors with their ethical deliberations, choices, decisions and conduct.

DEFINITIONS

7. The definitions, as set out below, are as defined within Transnet.
- 7.1 **Customer** – A person or entity that purchases goods or services from Transnet.
- 7.2 **Employee** - Any person who is employed by Transnet on an indefinite or fixed term contract.
- 7.3 **Non-executive director** - A director (Board member) who is not a salaried employee of the Company.
- 7.4 **Code of Ethics Owner** – The Owner is the specific individual to be contacted for interpretation of the applicable policy and the resolution of any problems with the application of the policy.
- 7.5 **Code of Ethics Sponsor** – The Sponsor is a member of Group Executive Committee and/or Extended Executive Committee who endorsed the policy's development, and is responsible for the overall implementation of the policy.
- 7.6 **Supplier/Service Provider** – A party that supplies goods or services to Transnet in exchange for consideration or commercial benefit.
- 7.7 **Trade Secrets** - Any confidential Company information which provides the Company with a competitive edge. Trade secrets include intellectual property, business strategies and contractual relationships with third parties.
- 7.8 **Trade Partners** - suppliers, customers and potential suppliers/customers.
- 7.9 **Unauthorised Persons** - Any client or actual or potential competitor of Transnet to whom if trade secrets are attained would place Transnet in a serious competitive disadvantage

SCOPE

8. The Code will apply to all Transnet employees, including permanent and non-permanent employees, Non-executive directors as well as service providers, suppliers and trade partners of Transnet.

9. If a specific problem is not addressed in the Code, the values adopted by Transnet should guide ethical reasoning and decision-making.
10. This Code will replace all other previous agreements, codes and/or policies regarding ethics.

ETHICAL BEHAVIOUR AND VALUES

11. Ethical behaviour is supported by a set of values defined in Transnet's Culture Charter. Employees and persons employed to act on behalf of Transnet are expected to consistently live the aforementioned values in the following ways:
 - 11.1 Treating people with respect and dignity:
 - 11.1.1 Treating all colleagues, customers and suppliers with respect and dignity, and fostering a productive environment free of harassment, intimidation and discrimination.
 - 11.2 Acting with integrity and professionalism at all times:
 - 11.2.1 Trusting each other and being professional in conduct both within and outside the work environment such that the conduct will not reflect negatively upon Transnet's image and reputation; and
 - 11.2.2 Refraining from using a position of authority and/or facilities provided by Transnet to further personal interests or that of friends and relatives.
 - 11.3 Being fair and honest
 - 11.3.1 Not allowing personal interests to influence business decisions or tasks and disclosing any actual or potential conflicts of interest; and
 - 11.3.2 Being honest and transparent in all actions and promoting a corporate image of integrity, honesty and stringent business ethics.
 - 11.4 Being committed and dedicated in performance;
 - 11.4.1 Honouring the content and spirit of all business transactions, and not abusing or harming Transnet's reputation or assets or interests.
 - 11.5 Being customer orientated;
 - 11.5.1 Exceeding internal and external customer expectations through superior service and quality in all tasks performed, which is free of all prejudice and dishonesty; and



- 11.5.2 Listening to customers, understanding their needs and proposing customized solutions and services that meet their requirements.
- 11.6 Respecting confidentiality and integrity of information:
 - 10.6.1 Respecting and maintaining the confidentiality, integrity and availability of sensitive information gained through association with Transnet;
 - 11.7 Maintaining accurate, honest and complete records:
 - 11.7.1 Maintaining and safeguarding all records in appropriate detail, and conforming to the application of regulations and to Transnet's internal control systems.
 - 11.8 Protecting Transnet's assets.
 - 11.8.1 Maintaining zero tolerance towards fraud, corruption and other economic crime;
 - 11.8.2 Utilising Transnet's assets for work purposes and not for personal benefit; and
 - 11.8.3. Not exposing Transnet's assets to loss, damage, misuse or theft.

CULTURE

- 12. Transnet is committed to enabling competitiveness, growth and development of the South African economy by delivering reliable freight transport and handling services that satisfy customer demand.
- 13. All employees and non-executive directors are expected to commit to achieving a winning culture and to consistently live by it, in the following ways:
 - 13.1 Promoting a safety mindset and culture by being safety conscious i.e. always thinking about safety, putting safety first, complying with safety policies and procedures and demonstrating care for the lives of fellow employees and non-executive directors;
 - 13.2 Ensuring clear and consistent good communication that is required to deliver performance, giving and receiving feedback, communicating and consulting positively and constructively, encouraging teamwork, co-operation and communication between Operating Divisions/Specialist Units;

- 13.3 Treating each other as well as external stakeholders with dignity and respect by exhibiting fairness, embracing diversity, being honest, transparent and intolerant of racism, sexism and discrimination on the basis of religious affiliation and cultural differences;
- 12.4 Being empowered to perform by ensuring access to adequate training and development, exhibiting effective management, ensuring a good working environment and conditions, and employing adequate people with the right skills, tools and equipment to get the job done;
- 13.5 Promoting a business focus by being responsive to the needs of our customers, being performance driven, protecting and respecting company assets, ensuring service excellence and going the extra mile for customers;
- 13.6 Recognising and rewarding good work by acknowledging good performance, and demonstrating dedication and commitment; and
- 13.7 Delivering on promises by taking responsibility and accountability for actions, honouring our word and being on time and reliable.

CONFIDENTIAL INFORMATION AND TRADE SECRETS

- 14. Employees and Non-Executive Directors:
 - 14.1 Must not disclose or use any information of Transnet (or a third party) obtained through the carrying out of the employee's duties for any purpose other than to fulfil his/her Transnet duties;
 - 14.2 Must be sincere, truthful, transparent, and keep their promises. This contributes not only to credibility and stability, but also to the smoothness and efficiency of business transactions.
 - 14.3 Will have access to information related to Transnet's business strategies and contractual relationships with third parties. This information must be regarded as trade secrets, which include the following:
 - 14.3.1 Intellectual property, know-how, processes and techniques, technical detail, methods of operating, cost and source of material, pricing and purchasing policies, systems design and development information;

- 14.3.2 Names of customers and financial arrangements between Transnet and suppliers of goods and services, information, hardware and software products;
 - 14.3.3 The contractual and financial arrangements between Transnet and its customers and business associates;
 - 14.3.4 The design and function of any software and / or hardware used or supplied by Transnet;
 - 14.3.5 Details of Transnet's financial structure and operating results;
 - 14.3.6 Details of Transnet's business operations, strategic planning and positioning, and policy considerations; and
 - 14.3.7 Other matters which relate to Transnet's business in respect of which information is not readily available in the ordinary course of business to a competitor or external party.
15. Employees and Non-Executive Directors should understand that:
- 15.1 Trade secrets are of considerable value to Transnet;
 - 15.2 Access to trade secrets is granted in order to effectively carry out their duties;
 - 15.3 They have a duty of trust and must therefore ensure confidentiality and act in the best interests of Transnet, at all times;
 - 15.4 The disclosure of any internal information or trade secrets to any client or actual or potential competitor of Transnet would place Transnet at a serious competitive disadvantage and would cause damage to Transnet's business; and
 - 15.5 Transnet has, in terms of contracts with third parties, provided undertakings and if employees or Non-executive directors breach their obligations, Transnet will suffer damages as a result.
16. During their association with Transnet, employees and non-executive directors may not:
- 16.1 Make copies of, distribute or use for their benefit, or the benefit of any other person, and shall keep confidential and not disclose, any trade secrets other than to those persons connected with Transnet who are required to know those trade secrets;

- 16.2 Persuade, encourage, procure or solicit any employee, non-executive director or consultant engaged by Transnet to reveal trade secrets; and
- 16.3 Provide any information or advice, acquired by the employee, non-executive director or consultant as a result of their association with Transnet, to any unauthorised person.

GIFTS AND GRATUITIES

- 17. All business decisions and transactions must be made with uncompromised integrity, honesty and objectivity in the best interest of Transnet. Employees must not accept or offer gifts or business courtesies that could create the impression that their judgement or the judgement of others could be affected if these gifts or courtesies are accepted or offered. The Transnet Gifts and Hospitality Policy will regulate and control the acceptance and giving of gifts in the Transnet business environment.

RELATIONSHIP WITH TRADE PARTNERS

- 18. Transnet must treat its suppliers and competitors with honesty, fairness and free of prejudice.
- 19. Employees and Non-Executive Directors must ensure that they are independent and are seen to be independent, of any external entity or business which has a contractual relationship with Transnet.
- 20. If such a relationship may influence or create the perception of influencing their decisions in the performance of their duties on behalf of Transnet, employees should not invest in, or acquire a financial interest directly or indirectly, in such an entity. All interests in businesses or entities must be declared in line with the Transnet Declaration of Interest and Related Party Disclosures Policy.

NON-EXECUTIVE DIRECTORSHIP

- 21. Employees who hold, or have been invited to hold, outside directorships/memberships should take particular care to ensure compliance with the provisions of the Policy on Non-Executive Directorship and Trusteeship of Transnet Employees.
- 22. When outside business directorships/memberships are being considered, prior written approval must be obtained from the Group Chief Executive or his/her delegate.

23. All declarations, together with all remuneration received by an employee as a result of undertaking these activities should be declared in line with the Policy on Non-Executive Directorship and Trusteeship of Transnet Employees.
24. Non-Executive Directors who have been appointed to hold outside directorship or membership should ensure that such invite is brought to the attention of the Group Company Secretariat for Declaration of Interests purposes.

POLITICAL CONTRIBUTIONS

25. Transnet is a non-political organisation and has no affiliations whatsoever with any political party. Employees may not engage in party political activities during working hours, or use any Transnet resources for this purpose.

THE ENVIRONMENT

26. In accordance with all applicable legislation, employees and non-executive directors should protect and, where possible, improve the environment, promote sustainable development and prevent the wasteful use of natural resources.

FRAUD AND CORRUPTION

27. Employees and non-executive directors must not participate in or condone fraud, corruption, theft or other economic crimes. The provisions of the Transnet Anti-Fraud and Whistle Blowing Policies must be adhered to at all times.

EXTRANEOUS EMPLOYMENT

28. Employees are prohibited from engaging in any other work or activity for remuneration and/or using company assets for this purpose without obtaining prior written consent from the Group Chief Executive or his/her delegated authority.
29. Employees must declare any interest in any other business or undertaking or institution or participation in any other remunerated or unremunerated activity that may result in a possible

conflict of interest. This declaration should be done in accordance with the Policy on Declaration of Interest and Related Party Disclosures.

30. Where employees accept any political appointment into formal political structures such as Member of Parliament or Councilor of a Municipality, they would be required to resign from their positions in Transnet as such appointments would require an unreasonable time away from the office resulting in lost productivity to Transnet.

ROLES AND RESPONSIBILITIES

31. **Accountable:** Group Executive Committee and the Board of Directors
32. **Responsible:** Group Company Secretariat
33. **Informed:** All Employees, Non-Executive Directors and Human Resources departments
34. **Supports:** Human Resources and Group Company Secretariat
35. **Monitors and maintains:** Group Compliance and Internal Audit

RELATED INFORMATION AND REFERENCE

36. This policy should be read in conjunction with the following supporting guidelines:

36.1 Internal Documents:

- 36.1.1 Declaration of Interest and Related Party Disclosure Policy for Employees;
- 36.1.2 Declaration of Interest and Related Party Disclosure Policy for Directors;
- 36.1.3 Policy on Non-Executive Directorship and Trusteeship of Transnet Employees;
- 36.1.4 Anti-Fraud Policy;
- 36.1.5 Procurement Policy;
- 36.1.6 Gifts and Hospitality Policy;
- 36.1.7 Transnet Whistle Blowing Policy;
- 36.1.8 Transnet Disciplinary Code and Procedures;
- 36.1.9 Recruitment and Selection Policy;
- 36.1.10 Transnet Compliance Policy;
- 36.1.11 Supplier Integrity Pact; and

36.1.12 Transnet's Culture Charter.

36.2 External Documents:

36.2.1 King Report on Governance .

37.3 Regulatory Requirements:

Transnet complies with all regulatory requirements in its regulatory universe, including:

37.3.1 Companies Act, No. 71 of 2008, as amended;

37.3.2 Public Finance Management Act, No.1 of 1999, as amended;

37.3.3 Protected Disclosures Act, No 26 of 2000, as amended;

37.3.4 Protection of Personal Information Act No. 4 of 2013, as amended; and

37.3.5 Prevention and Combating of Corrupt Activities Act No. 12 of 2004, as amended.

FINANCIAL IMPLICATIONS

38. There are no financial implications in respect of implementing and/or maintaining this Code.

EXCLUSIONS

39. There are no exclusions to this Code.

REQUEST TO DEVIATE FROM THE CODE

40. In cases where material and compelling circumstances merit deviation from particular provisions of this Code, written submissions must be sent to the Board of Directors, who shall have full authority to grant such request, in whole or in part, or to refuse same.

NON-COMPLIANCE

41. Employees and Non-executive directors who do not conform to this Policy may be subject to disciplinary action in terms of the applicable Transnet disciplinary processes and procedures.