

# CODE OF CONDUCT AND BUSINESS ETHICS

## 1 INTRODUCTION

- 1.1 The USM board is committed to lead the organisation ethically, in a way that it supports the establishment of an ethical culture characterized by fair dealing, legal compliance and integrity in the conduct of all USM business activities. Compliance with this Code by all USM employees and stakeholders is mandatory.

## 2 PURPOSE, OBJECTIVE AND SCOPE

- 2.1 The purpose of the Code is to nurture a culture of integrity, responsibility, accountability, transparency and fairness, and to sustain the confidence and trust of all USM stakeholders.
- 2.2 The objective of the Code is to inform and guide all stakeholders on ethical behavior relating to all business activities and decisions that affect communities, competitors, the environment, government, regulators, shareholders and investors, as well as the organisation's reputation.
- 2.3 The scope of the Code applies equally to the directors, employees, (including seasonal employees and contract workers), service providers, suppliers, and other representatives of USM (stakeholders) across all operations. The Board and executive management, specifically, acknowledge that they are not excluded from compliance with the Code and further acknowledge their responsibility for the implementation, communication and oversight of the Code.

## 3 COMPLIANCE WITH LAWS AND REGULATIONS

- 3.1 USM complies with all applicable laws and regulations which relate to its operations. Any violation of the law or unethical business dealing by any employee activities will not be condoned. Employees must ensure that their conduct cannot be interpreted as being in any way in contravention of applicable laws and regulations.
- 3.2 USM is committed to detecting, preventing and combating fraud, theft and other forms of economic crime such as corruption, bribery or money laundering that may affect its business. USM takes a zero-tolerance approach towards such activities and will institute legal proceedings against perpetrators on a consistent basis.

## 4 HUMAN RIGHTS

- 4.1 USM commits to respect internationally recognised human rights expressed in the International Bill of Human Rights and by the International Labour Organisation. This includes a commitment to avoid causing or contributing towards adverse human rights impacts through business activities and seeking to prevent or mitigate adverse human rights impacts that are directly linked to USM operations, products or services by business relationships.

## 5 CONFLICT OF INTEREST

- 5.1 It is expected that employees will perform their duties conscientiously, honestly and in accordance with the best interest of USM. All situations that may result in actual or perceived conflict of interest must be declared in writing to the CEO, and their impact assessed and/or mitigated in accordance with this Code.

### BUSINESS INTERESTS

- 5.2 Knowledge gained through employment at USM must not be used for private or personal advantage or in such a manner that a conflict or an appearance of conflict arises between USM's interest and personal interests.
- 5.3 Employees should avoid acquiring any business interest or participating in any activity which would create, or appear to create:
- 5.3.1 An excessive demand upon their time, attention and energy which would reduce their best efforts on the job; or
  - 5.3.2 a conflict of interest - that is, an obligation, interest or distraction which would interfere or appear to interfere with their independent exercise of judgement in USM's best interest; or
  - 5.3.3 harm to the name, image or reputation of USM or bring USM into disrepute. Employees at all levels, and in particular senior management and executives, must avoid being affiliated with any companies, groupings or factions that could compromise the integrity or reputation of USM.
- 5.4 Outside employment, including outside directorships, may not be taken up without the prior written approval of the CEO.
- 5.5 It is recognised that relationships with clients, customers and suppliers give rise to many potential situations where conflict of interest, real or perceived, may arise. Employees should ensure that they are independent, and are seen to be independent, from any business organisation having a contractual relationship or providing goods or services to USM, if such relationship might influence or create the impression of influencing their decisions in the performance of their duties. In such circumstances, employees should not invest in, nor acquire a financial interest, directly or indirectly, in such an organisation.

### GIFTS AND HOSPITALITY

- 5.6 Conflicts of interests can arise where employees offer or accept gifts, hospitality or other favours which might, or could be perceived to, influence their judgement or objectivity or create an expectation or obligation to reciprocate in any way, in relation to business transactions such as the placing of orders and contracts. This behavior or perception thereof must be avoided. However, acceptance of the following would not be considered contrary to such policy:
- 5.6.1 Business entertaining such as lunches, cocktail parties, dinners, hospitality events, etc, provided that such entertainment is occasional and not excessive and the recipient pays for their own accommodation and air tickets;

- 5.6.2 Gifts received by employees must be declared timeously in the gifts register maintained by the relevant Company Secretary.;
- 5.6.3 Personal favours or preferential treatment should not be accepted if such might tend to place the recipient under obligation;
- 5.6.4 The receiving of cash or cash equivalent is strictly prohibited, as well as giving or receiving gifts that break the law.
- 5.7 No employee may receive commissions or other remuneration related to the sale of any product of USM, except as specifically provided under an individual's terms of employment.
- 5.8 If there is any doubt whether a gift, entertainment or hospitality is acceptable, the matter should be discussed with the CEO. A conservative approach to giving and receiving gifts and hospitality must be adopted.

#### **NEPOTISM**

- 5.9 Any form of nepotism or preferential treatment involving family or friend/associate represents an unacceptable conflict of interest and will not be tolerated. To this end, USM employees are prohibited from transacting with USM for personal gain.

## **6 SAFETY, HEALTH AND ENVIRONMENTAL RESPONSIBILITY**

- 6.1 USM is committed to ensuring a safe work environment for all its employees. Employees who become aware of circumstances relating to USM's operations or activities which pose a real or potential health, safety or environment risk should report the matter as set out in Section 13 of this document.
- 6.2 USM is committed to conserving resources used in its business operations. All employees should use their best efforts to make efficient use of resources and to re-use, recycle and repurpose supplies and materials wherever practical.
- 6.3 USM is committed to sound environment practices and having due regard for surrounding communities. Employees should give timely attention to environmental issues.

## **7 ANTI-COMPETITIVE BEHAVIOUR**

- 7.1 USM does not engage in any anti-competitive practices, agreements or understandings of any kind with its competitors. All business engagements shall be conducted honestly, transparently and in fair competition with competitors, agents and suppliers. All employees at all levels must refrain from any anti-competitive behaviour or even to be seen to be party to such behaviour. Examples of anti-competitive behavior include sharing information related to price, volumes, customers, or price fixing or production capacity activities, or "gentlemen's agreements" that are designed to restrict competition, amongst others.
- 7.2 Employees are urged to report known practices and instances of anti-competitive behaviour. Equally, employees are urged to seek clarity if there are any questions on anti-competitive behavior from the CEO. Serious known violations of this requirement must be reported directly to the CEO.

## **8 POLITICAL SUPPORT AND GOVERNMENT RELATIONS**

- 8.1 Employees are free to personally participate in political processes and the right to absolute privacy with regard to personal political activity is respected. However, no political activity of any kind shall take place on USM premises.

- 8.2 Employees at all levels, and in particular senior management and executives, must avoid being publicly affiliated or seen to be publicly affiliated with any political groupings or factions that could compromise the integrity or reputation of USM.
- 8.3 Company funds, goods or services, must not be used as contributions to political parties or their candidates, and facilities must not be made available to candidates or campaigns, unless specifically authorised by the CEO or the USM Board as appropriate.
- 8.4 There is regular interface with government departments at local, provincial, national as well as at tribal authority levels in the normal course of doing business. Such engagements must remain ethical in line with the principles and spirit of this Code.

## **9 FUNDS AND ASSETS**

- 9.1 All employees who have access to funds in any form must at all times follow prescribed procedures for recording, handling and protecting such funds.
- 9.2 Employees must, at all times, ensure that USM funds and assets are used only for legitimate business purposes. Where an employee's position requires funds to be spent, it is the individual's responsibility to use good judgement to ensure that appropriate value is received by USM for such expenditure.
- 9.3 If employees become aware of any evidence that funds or assets may have been used in a fraudulent or improper manner, they should immediately and confidentially advise USM as set out in Section 13.

## **10 RECORDS**

- 10.1 Books and records should reflect all business transactions in an accurate and timely manner. Undisclosed or unrecorded revenues, expenses, assets or liabilities are not permissible, and the employees responsible for accounting and record-keeping functions are expected to be diligent in enforcing proper practices.
- 10.2 If employees become aware of any evidence that books and records may have been recorded or adjusted in a fraudulent or improper manner, they should immediately and confidentially advise USM as set out in Section 13.

## **11 DEALING WITH OUTSIDE PERSONS AND ORGANISATIONS**

- 11.1 USM may, on occasion, be asked to express its views to the media on certain issues. Employees approached by the media should immediately contact the USM CEO who is responsible for all communication to the media. Under no circumstances shall any employee talk to the media without prior written authorization from the CEO to do so.
- 11.2 An employee, when dealing with anyone outside USM, including public officials, must take care not to compromise the integrity or damage the reputation of any outside individual, business, or government body, or that of USM.
- 11.3 Employees should separate their personal roles from USM's position when communicating on matters not involving company business. They should be especially careful to ensure that they are not identified with USM when pursuing personal or political activities, unless this identification has been specifically authorised in advance by the USM CEO.

## 12 PRIVACY AND CONFIDENTIALITY

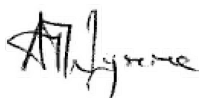
- 12.1 Only information that is necessary to USM's business should be collected, used and retained. When personal information is needed, wherever possible it should be obtained directly from the person concerned. Only reputable and reliable sources should be used to supplement this information. Information should only be retained as long as it is needed or as required by law, and such information should be physically secured and protected.
- 12.2 Information with respect to any confidential product, plan or business transaction, or personal information regarding employees, including their salaries, must not be disclosed by any employee unless and until proper authorisation for such disclosure has been obtained from the USM CEO.

## 13 CONTRAVENTION OF THE CODE

- 13.1 Any contravention of this Code is a serious matter, it may result in disciplinary action and possible termination of employment. Certain breaches of the Code could also result in civil or criminal proceedings. USM takes a zero-tolerance approach towards unethical behavior and the USM executive and Board are committed to vigorously eradicating unethical behavior.
- 13.2 If employees suspect that a contravention of the Code has been committed, they should promptly and confidentially report this, preferably in writing, to the person to whom they report or USM Top Management. They must not confront the individual concerned. By following this process, confidentiality will be maintained, and the matter will be investigated impartially.
- 13.3 Employees may also utilise the independent, external and impartial anonymous Whistle Blowers hotline on a confidential and anonymous basis; the contact details are as follows:
- Toll free line                      0800 222 230
  - SMS                                      33490
  - Email 1                                [usm@whistleblowing.co.za](mailto:usm@whistleblowing.co.za)
  - Email 2                                [information@whistleblowing.co.za](mailto:information@whistleblowing.co.za)
  - Fax                                      086 522 2816
  - Website                                [www.whistleblowing.co.za](http://www.whistleblowing.co.za)
- 13.4 USM strictly prohibits any intimidation, victimisation, retaliation or harassment of any stakeholders (including employees, business partners and suppliers) who in good faith raise or report a concern that they reasonably believe is a violation of the Code. No employee, will be dismissed, suspended, threatened or retaliated against as a result of reporting a violation of the Code.

## 14 IMPLEMENTATION DATE

- 14.1 This Code will come into effect on the date of signature by the Chief Executive Officer.



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SIGNATURE OF CHIEF EXECUTIVE OFFICER

9 June 2021

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DATE