

# Etion Limited Group HR Policy

## 1. INTRODUCTION

The priority of Human Resources is to attract, retain and grow talent so that the company and employees' personal goals are realised. The Etion Limited Human Capital and Remuneration Committee is responsible for human capital governance. In managing this responsibility, the Etion Limited Board, through the Human Capital and Remuneration Committee, requires that a Human Resources Policy is maintained at all times and reviewed on an annual basis.

The Etion Limited group consists of various business units that assume responsibility for the managing of their respective functions. In order to ensure the consistent application of HR management principles and governance, a group wide HR Policy is required to guide these business units.

In this document reference to business units means the collective of the subsidiaries and operating divisions of Etion Limited.

## 2. PURPOSE OF THE POLICY

The purpose of this policy is to provide guidelines in respect of HR governance and HR risk management in all Etion Limited business units. In addition, the policy aims at ensuring that the business units adhere to standardised HR policies. HR professionals have an obligation to handle employment matters consistently. This document outlines the high level policies required to achieve that consistency. This document will therefore guide the detailed HR policies and procedures that are the functional elements necessary to achieve strategic goals.

The detailed HR policies should as a minimum aim:

- to promote a work environment that is conducive to both personal and professional growth.
- to provide information about working conditions, employee conditions, benefits and the policies affecting employment.
- to encourage disciplined conduct amongst all employees, which is

to the advantage and/or safety of each individual as well as for the promotion of the company's objectives.

- to maintain the standards of the company and its Code of Conduct.
- to establish fair and equitable standards of conduct and performance consistent with the specific requirements of the industry as well as those of the company.
- to establish a basis for regularly reviewing possible changes affecting employees.
- to form a context for employee development programmes.

## 3. RESPONSIBILITIES REGARDING HUMAN RESOURCES GOVERNANCE AND RISK MANAGEMENT

- The Etion Limited Human Capital and Remuneration Committee ensures that a group wide HR policy is in place. HR risk management is considered as part of each business unit's risk management process, which may be escalated to group level in extreme circumstances.
- The Group HR Manager is the custodian of and responsible for the maintenance of all HR policies in the Group.
- Each business unit has and controls its own HR infrastructure. An HR Manager is appointed and is responsible for the management of the HR function of that business unit.
- Each business unit will adhere to the same HR policies which are reviewed on an annual basis and approved by the Group EXCO.

## 4. SCOPE

This policy applies to all employees in all business units within the Etion Group. It may be amended from time to time in accordance with legislative changes and company requirements.

In the case of associated companies and joint ventures, Etion Limited will promote the adoption of policies and practices consistent with the principles set out in this document

## 5. PRINCIPLES

### 5.1 CONDITIONS OF SERVICE

The conditions of employment between the employer and the employee are outlined in and governed by the Employment Agreement. This Employment Agreement is informed by various employment and other related legislation, for example:

- the Basic Conditions of Employment Act (BCEA);
- the Labour Relations Act (LRA);
- Employment Equity Act (EE);
- Skills Development Act (SDA);
- Occupational Health and Safety Act (OHSA);
- Protection of Personal Information Act (POPI)
- Compensation for Occupational Injuries and Diseases Act (COIDA).

An employee's conditions of service are further governed by applicable company policies and procedures. These documents endeavor to protect the rights of both parties and define the working relationship between the company and its employees.

The company does not discriminate in employment opportunities or practices based on race, colour, religion, sex, age, disability or any other characteristic protected by law. This principle governs all aspects of employment, including selection, job assignment, compensation, discipline, termination and access to benefits and training. Discrimination in any form is not tolerated.

### 5.2 BENEFITS

Etion Limited provides a wide range of benefits to its employees. Some of these benefits may vary between the different business units within the Group. Benefits include:

- Market related salaries
- Annual leave
- Retirement Fund and Risk benefits
- Medical Aid
- Educational Assistance
- Flexible Working Hours
- Various allowances, where applicable.

Etion Limited participates in regular remuneration surveys and benefit benchmarking in order to ensure that the organisation maintains a competitive position in the market.

### 5.3 PERFORMANCE AND DEVELOPMENT CULTURE

- Etion Limited is built on a performance-based culture. Therefore, every employee has to have a performance agreement or set of Key Performance Indicators against which his/her performance will be measured. The outcome of this assessment is used to determine his/her level of competence and training requirements.
- Human Resources has the overall and continuous responsibility to facilitate performance assessments in the respective business units. Each department head has the responsibility to conduct the performance appraisals of all employees reporting to him/her and provide the necessary feedback.
- Managers and supervisors are expected to engage with their team members on a regular basis. Continuous constructive feedback promotes engagement and allows employees to learn and make necessary changes.
- Skills development is vital for continued growth and progress. Each employee is responsible to take ownership of his/her own development. The HR department is responsible for ensuring that the necessary training and development interventions are considered and supported where it also benefits the business.
- Training courses, both in-house and outsourced, are made available to employees in accordance with the training programmes to enable them to fulfil the job needs identified in performance evaluations and to be updated on new procedures and/or regulations affecting their responsibilities.
- Specific training by way of seminars, workshops and formal courses are organised as and when required in order for employees to acquire increased knowledge of commercial, financial, technological and general management practices.

- Etion Limited provides Graduate and Learnership programmes which also become a source for future recruitment.

### 5.4 EMPLOYER-EMPLOYEE RELATIONSHIPS

- Etion Limited strives to maintain an atmosphere that promotes mutual respect, honesty and nurtures the attaining of quality and excellence. The Etion Limited Code of Conduct is the foundation of acceptable behaviour.
- Employee surveys are conducted annually to determine levels of employee satisfaction and engagement and to formulate actions to promote a healthy employer-employee relationship.
- It is management's responsibility to establish fair and equitable standards of conduct and performance consistent with the specific requirements of the company. Employees have the right to expect fair, just and consistent treatment.
- Etion Limited strives to ensure that the working conditions, salaries and benefits offered are competitive with those offered by other similar employers in our industry. If employees have concerns about working conditions, they are strongly encouraged to voice these concerns openly and directly to their managers or supervisors.
- Open communication fosters positive attitudes and working relationships. The company undertakes to demonstrate its commitment to employees by responding effectively to employee concerns in an effort to protect and maintain direct employer-employee communication channels.
- Etion Limited believes that discipline is based on the philosophy of discouraging and/or correcting unacceptable behaviour and/or unsatisfactory performance and encouraging the employee involved to change such conduct or performance. Formal disciplinary procedures should generally form part of the last phase in corrective action in the workplace.
- It is the responsibility of HR to ensure that the relevant business units comply and adhere to the employer's commitments to the

Bargaining Council.

- HR managers are also responsible to facilitate regular meetings with the shop stewards who represent the relevant trade union members on the shop floor, in order to build healthy relationships in the work environment.

### 5.5 ROLE OF THE HUMAN RESOURCES FUNCTION

- The HR department is the custodian of all human capital matters in the Group. It is therefore its responsibility to ensure that employees conduct themselves in an acceptable manner and address forms of behaviour that are considered unacceptable in the workplace, but also to ensure that management consistently acts in a fair, unbiased and reasonable manner, in line with the Code of Conduct.
- It is the responsibility of Group HR to ensure that each company complies and adheres to the relevant legislation pertaining to human capital.
- It is the responsibility of HR and the Safety Officer of each business unit to ensure that the employees work in a healthy and safe environment and that the business complies with the Occupational Health and Safety Act (OHSA).
- The Group HR Manager, in consultation with the business unit HR Managers, is responsible for the drafting and maintenance of all HR policies. All new policies or changes to policies, have to be approved by Group EXCO. All HR policies, as well as other policies pertaining to employees' use of company assets, IP and other related matters are to be included in the Employee Handbook. These HR policies are listed in Annexure A hereto.

## 6. REVIEW OF THE POLICY

The Group HR Manager will review this policy annually to ensure its compliance with legislation, relevance to the market and alignment to the Group strategy. Any changes will require the approval of the Etion Board of Directors on recommendation of the Human Capital and Remuneration Committee.