

AGRI FINANCE FACILITY (PTY) LTD

DISCIPLINARY CODE & PROCEDURE

Version 1.0 | 1 October 2025

1. Purpose of this Code:

Disciplined behaviour is essential both for the successful achievement of the Agri Finance Facility's (AFF) objectives and for the safety and fair treatment of all employees.

For discipline to be maintained fairly, employees should know what constitutes misconduct and the procedure that will be followed by AFF when dealing with misconduct. The purpose of this code is to outline the standard conduct and rules applicable to all employees at the workplace and to establish a fair policy and procedure for dealing with disciplinary matters.

This disciplinary code and procedure is based on the following principles:

- a. The purpose of this Code is to ensure fair and equal treatment of all staff.
- b. Disciplinary action should be corrective as opposed to punitive, the aim being to bring about a change in the behaviour of employees who have indulged in undesirable actions so that such employees adhere willingly through greater acceptance and understanding, to standards of conduct.
- c. Punitive action should only be taken when prior corrective action has proved ineffectual or when an offence is so serious that the relationship of trust between the parties is destroyed.
- d. Discipline is the prerogative of management only.
- e. As far as is practicable, similar offences committed in similar circumstances should be treated consistently through similar disciplinary action subject to aggravating or mitigation circumstances that may exist.

2. General:

The disciplinary code is to be regarded as part of the terms and conditions of employment of all employees.

Both the Company and employees are committed to ensuring that substantive and procedural fairness is observed in the maintenance and exercise of discipline.

All discipline shall be dealt with in terms of the provisions of the disciplinary procedures detailed herein, although the stage at which the procedure will be entered will depend upon the severity of the offence. It remains open to AFF to deal with disciplinary matters through informal discussion if AFF so chooses.

A disciplinary charge shall be brought against an employee as soon as is reasonably possible in the circumstances after the Company has gained knowledge of the alleged misconduct of the employee.

All disciplinary steps shall be fair, recorded in writing and the employee shall at all times be granted an opportunity to respond in full to the allegations made against such employee.

AFF agrees not to dismiss an employee without beforehand following a fair procedure such as that contained herein (save where considerations of fairness dictate that a hearing may be dispensed with) and without a valid and fair reason for such dismissal.

AFF reserves the right to hold a disciplinary inquiry after the employee has left, in his/her absence in the case of absconsion or if the employee leaves during the notice month.

3. Scope:

This Code shall apply to all employees including management, permanent employees, temporary employees and employees employed for a fixed period only.

This Code regarding disciplinary procedures for employees and will be the only valid Code until otherwise amended.

4. Responsibilities:

Responsibilities of employees will be:

- a. To refrain from acts of misconduct.
- b. To familiarise themselves with this disciplinary Code.
- c. To observe the standards of proper behaviour set out in this Code.
- d. To maintain and demonstrate disciplined behaviour at all times.
- e. To report any act of misconduct to AFF.

Responsibilities of AFF will be:

- a. To ensure that all employees are made aware of the content of this Code and any amendments thereto made from time to time.
- b. To encourage disciplined behaviour via the disciplinary Code.
- c. To encourage employees to report any acts of misconduct.
- d. To treat each disciplinary case on its own merit.
- e. To ensure that this Code is applied in a manner which has fairness and equity as objectives.

5. Misconduct & Disciplinary Offences

5.1 Offences:

Offences can be divided into two broad categories, namely:

Serious Offences

These could, subject to an inquiry, result in action against employees in the form of dismissal.

Moderate Offences

These usually consist of breaches of general discipline resulting in disciplinary action.

It is not possible to draw up an exhaustive list of all possible offences that may arise in the workplace. Consequently, the Company reserves the right to take disciplinary action for any reason which is considered sufficient in law, whether it is listed in this Code or not.

Examples of Serious Offences:

- a. Being rude to clients / actions which affect the relationship between AFF and its clients.
- b. Abuse of Company property or systems including telephones and the internet and e-mail systems.
- c. Desertion.
- d. Absence without leave.
- e. Sleeping on duty.
- f. Misuse of information unique to AFF or any of its clients and / or which is regarded as confidential by AFF.
- g. Disclosure of confidential Company information and / or trade secrets to third parties.
- h. Willful violation of any Company rule.
- i. Any deliberate action that is extreme in nature and is obviously detrimental to the Company's efforts to operate profitably.
- j. Willful violation of safety or security rules.
- k. Unauthorised possession of dangerous or illegal firearms, weapons or explosives on Company property while on duty.
- l. Negligence or any careless action of a serious nature.
- m. Being intoxicated or under the influence of any drugs or other substance like alcohol while at work / use or possession or sale of such drugs.
- n. Acts of violence such as assault or making threats of violence toward anyone on Company premises or whilst representing the Company.
- o. Fighting, horseplay or provoking a fight on Company property.
- p. Insubordination or refusing to obey instructions properly issued to employees.
- q. Threatening, intimidating or coercing fellow employees on or off the premises – at any time, for any purpose.
- r. Engaging in any act of sabotage.
- s. Willfully or with gross negligence causing the destruction or damage of Company property, or the property of fellow employees, clients, suppliers or visitors in any manner.
- t. Theft of Company property or the property of fellow employees, unauthorized possession or removal of any Company property including documents, from the premises without prior permission from management.
- u. Unauthorized use of Company equipment or property or the property of any clients for personal reasons and/or for personal gain.
- v. Conducting private business in working hours.
- w. Any form of dishonesty including but not limited to willful falsification or misrepresentation on your application for employment or other work records, lying about sick or personal leave, falsifying reason for a leave or absence or other information requested by the Company, alteration of Company records or other Company documents.
- x. Malicious gossip and/or spreading rumours. Engaging in behaviour designed to create discord and lack of harmony.
- y. Interfering with another employee on the job or willfully restricting work output or encouraging others to do the same.
- z. Immoral conduct or indecency on Company property or whilst representing the Company / acting in the capacity of an employee of the Company.
- aa. Any act of harassment, sexual, racial or other.
- bb. Bribery or fraud.
- cc. Engaging in criminal conduct.
- gg. Sending offensive e-mails.
- ii. Having knowledge of another employee's misconduct and failing to report it to management.
- jj. Bringing AFF's name into disrepute.

Examples of Moderate Offences

- a. Petty negligence which does not hold serious financial or other implications.

- b. Poor time keeping, e.g. late coming or leaving early, taking longer rest periods than allowed.
- d. Disorderly behaviour at the workplace.

5.2 Desertion:

In the event of a staff member being absent from the workplace for **three (3)** working days or longer without informing the Company, will be deemed to have absconded. Disciplinary action will be taken against such an employee which may result in the employee's dismissal.

6. Disciplinary Sanctions:

There are four basic sanctions which can be imposed against an employee. In order of severity, these are:

Verbal Warning (counselling letter)

Other than in serious cases, first instances of an employee failing to meet required standards will be followed by informal action – an informal counselling session will be held with the employee which may result in a verbal warning or reprimand.

The purpose of a verbal warning is to give notice to an employee that he/she needs to take serious note of the contravention and that failure to do so may result in further disciplinary action.

Written record is kept of this warning and a verbal warning will be valid for a period of 3 (three) months.

Written warning:

If the verbal warnings fail, AFF will give the employee a written warning. A written warning shall be valid for a period of 6 (six) months.

Final written warning:

A final written warning will be issued where a repetition of wrongful behaviour occurs, or where a more serious offence which is sufficiently serious to warrant the immediate imposition of a final written warning is committed.

A final written warning shall be valid for a period of 12 (twelve) months, or as determined by the chairperson in a disciplinary inquiry.

All written and final written warnings will be recorded on a disciplinary form which will be placed on the employee's file. A copy of the disciplinary form will be handed to the employee. 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 a further disciplinary measure is imposed. An existing warning may thus have an aggravating effect on a following disciplinary measure.

Dismissal with pay in lieu of notice, or summary dismissal:

A disciplinary inquiry will result in dismissal with pay in lieu of notice, or summary dismissal when:

- a series of verbal or written reprimands given for minor misconduct have not been effective;
- or**
- when an employee is alleged to have committed major misconduct.

7. Suspension from Duty:

Suspension prior to a disciplinary inquiry may be applied in circumstances where the presence of the alleged offender may undermine proper investigation, cause embarrassment to AFF or its clients, disturb good working relationships, cause further damage to the Company etc.

Suspension in this context is with full remuneration pending the outcome of the disciplinary inquiry.

Written information relating to the suspension will be given to the employee prior to being suspended, setting out any conditions that should be observed during the period of suspension.

8. Disciplinary Inquiry:

A disciplinary inquiry will be held in all cases of serious misconduct.

No dismissal will result without a disciplinary inquiry unless the circumstances are such that AFF cannot reasonably be expected to hold a disciplinary inquiry.

Before any disciplinary hearing is held, a thorough investigation will be carried out to ensure that there are grounds for laying formal charges and the convening of a formal hearing.

A disciplinary inquiry shall be held as soon as reasonably possible after the event giving rise thereto.

The employee shall be given reasonable notice in advance, preferably 48 hours, that he/she is required to attend the disciplinary inquiry.

The notice shall contain the following:

- a. Details of the reason for the inquiry – the offence which the employee is alleged to have committed. This will enable the employee to prepare his/her case.
- b. The date, time and place of the inquiry.
- c. The rights of the employee (including the right to be represented by a co-employee, to call witnesses and to present his / her case at the inquiry).

Should an employee fail or refuse to attend a disciplinary inquiry after due notice, the inquiry may proceed in his/her absence.

At the disciplinary inquiry:

- a. The employee shall be entitled to be represented by a co-employee only. No outside representation will be allowed.
- b. The employee shall be given every opportunity to present a case, including the right to call witnesses and to cross-examine any witnesses called to give evidence at the inquiry.
- c. The chairperson shall be entitled to call or recall witnesses if, in his/her opinion, this is necessary.
- d. The employee shall be entitled to an interpreter if he/she so requires.
- e. After hearing all the evidence, and after giving the employer and the employee and his/her representative (and any other person if, in their opinion, this is necessary) the opportunity to address

him/her on any mitigating or aggravating factors, the chairperson shall inform the employee of his/her finding.

- f. Notes or minutes of the inquiry will be taken by the employer.
- g. The parties shall comply with the principles in Schedule 8 of the Labour Relations Act.
- h. The Company reserves the right to engage the services of an objective outside party to chair a disciplinary inquiry.

Process followed in an inquiry – step by step:

- a. 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.
- b. If the employee pleads guilty, no evidence is heard. The chairperson only hears mitigating and aggravating circumstances presented by the employee and AFF, whereafter the disciplinary measure is imposed.
- c. If the employee pleads not guilty, the complainant will present its case. The complainant may call witnesses during this process.
- d. The employee will have the opportunity to cross-examine the complainant and its witnesses.
- e. Thereafter the employee will have the opportunity to present his / her case and to call his / her witnesses and to question them.
- f. The complainant will have the opportunity to cross-examine the accused employee and his / her witnesses.
- g. The chairperson may question the witnesses of the parties in order to clarify any aspects concerning the alleged offence.
- h. After all the evidence has been heard, the chairperson gives the complainant and the employee the opportunity to summarise their cases and to give their opinions regarding the finding the chairperson should arrive at, considering all the evidence.
- i. The chairperson now summarises the evidence.
- j. The chairperson may adjourn the inquiry to reach a decision regarding the employee's guilt or innocence.
- k. The chairperson now makes the decision regarding the employee's guilt or innocence known and gives reasons for the decision.
- l. The employee's service record is now presented to the chairperson.
- m. The employee is given the opportunity to provide the chairperson with mitigating circumstances whilst the complainant is given the opportunity to give aggravating circumstances, which will then be taken into account by the chairperson when deciding on an appropriate disciplinary sanction.
- n. The chairperson may again adjourn the inquiry to decide on a disciplinary measure.
- o. The chairperson makes the disciplinary measure known and gives reasons for the decision.
- p. 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.
- q. The chairperson informs the employee of the right to refer this matter for further attention in terms of the Labour Relations Act of 1995.

9. Amendments to the Code:

AFF reserves the right to amend this Code from time to time, in consultation with all affected employees, provided that the procedure is not in conflict with the provisions of any labour legislation applicable at the time.

Approved by:

Board of Directors

Agri Finance Facility (Pty) Ltd

Date of Approval: 31 October 2025

Next Review Date: 21 September 2026

EMPLOYEE SIGNATURE

DATE