



ARC
INVESTMENTS

Code of Ethics

1. Message from the Board

ARC Investments (ARCI) is built on the values of respect, integrity, accountability, and excellence. These shared values underpin the Code of Ethics and Ethical Conduct (Code) and inform our vision. They provide a common foundation for the actions of the Board of directors, its subsidiaries, management, staff and major service providers. Understanding and adhering to these values is critical to the operation and reputation of ARCI and its subsidiaries. We hold one another to these values and commit ourselves to adhering to the Code.

2. Introduction

Ubuntu-Botho Investments (UBI), through its subsidiary African Rainbow Capital (ARC), a fully black owned and controlled company, focuses on the South African and African financial services industry and businesses that deliver exceptional returns on equity. ARCI's business philosophy aims to benefit its stakeholders and to positively contribute to the lives of South Africans.

ARCI, as a subsidiary of ARC offers long-term capital appreciation by enabling investment in a broad-based Black controlled investment entity.

ARCI is committed to the highest ethical standards and seeks to conduct its business in a way that is congruent with these standards. ARCI regards high ethical standards as a non-negotiable

The Code has therefore been adopted to give effect to our core values and to ensure the governance of good and ethical conduct.

3. Our Values

Values are norms or standards for right, good and fair behaviour and conduct. Values inform the basis of ethical action and guide business behaviour.

ARCI is committed to the following shared core values:

Respect – towards each other and in our dealings with clients;

Integrity – honesty and ethical behaviour are integral to how we do business;

Accountability – keeping our word and honouring commitments; and

Excellence – high standards of excellence in everything that we do

4. Ethical Conduct and Behaviour

The Code structures the values of the organisation and underpins every aspect of all our business dealings, irrespective of the business or jurisdiction involved.

The ARCI Code of Ethics is binding on all its subsidiaries, directors, managers, employees, independent contractors, service providers and business partners, irrespective of their status as natural person, legal person or other entity.

Living the ARCI values means that ARCI and every person bound by this Code must commit and adhere to the following principles:

- 4.1 Must Respect and acknowledge the rights and dignity of others and treat those we engage with fairly, including;
 - Respecting the inherent dignity of all people;
 - Dealing justly, fairly and impartially with individuals, irrespective of social, political, racial, gender, sexual preference, ethnic or religious considerations, economic status, or physical characteristics; and
 - Creating a climate and opportunities to safely and constructively voice genuine concerns about behaviours and decisions perceived to be unethical.
- 4.2 Act with Integrity in how we do business, including;
 - Observing and adhering to the laws and regulations of the Republic of South Africa;
 - Acting honestly, avoid creating false impressions, and avoid misleading and deceiving others;
 - Being accountable and responsible
 - Avoiding conflict of interests;
 - Not attempting to influence others for improper personal or organisational gain;
 - Only accepting and offering gifts or benefits that are:
 - not cash;
 - with a value of less than R200; and

- not offered or received more than once per annum to or from the donor or recipient, individual or organisation.
 - Reporting unethical behaviour on suspicion or detection, investigating unethical behaviour, reporting transgressions and taking appropriate action; and
 - Being ethical in all business interactions.
- 4.3 With Excellence strive to perform at the highest level, including;
- Meeting and exceeding expectations;
 - Preparing, planning and organising work;
 - Complying with all health, safety, environmental and security standards;
 - Contributing positively to ARCI and its subsidiaries reputation; and
 - Striving to develop the mastery of one's area of expertise.
- 4.4 Act with Accountability and keep our word and honour our commitments, including;
- Meeting and exceeding our responsibilities and commitments;
 - Taking responsibility for doing the right thing

[Annexure A lays out specific behaviours required of members of the Board.]

5. Conduct Compliant with all applicable legislation, laws, regulations, codes and standards

This means that:

- We are committed to conducting our business ethically, responsibly and in compliance with all applicable legislation, regulation, adopted industry codes and standards as well as adhering to all internal policies and sound corporate governance principles to which we have committed to.
- We have no appetite for deliberate or purposeful violations of legislative or regulatory requirements, adopted industry codes and standards, internal policies or governance principles.
- We will seek to conduct our business with due skill, care and diligence in order to minimise violations arising from negligence.
- We will not tolerate any form of financial crime, including bribery and corruption in all its forms

6. We are committed to fostering and maintaining an equitable and sustainable employer-employee relationship, including the provision of a safe, healthy and productive working environment

This means that:

- ARCI subscribes to the principles of the International Labour Organisation and complies with all relevant labour laws.
- We respect the right of employees to work in an environment that is free from any form of unlawful discrimination or harassment.
- We subscribe to the principle of equal opportunities and strive to create a working environment which is inclusive and embracing of diversity.
- We shall maintain a healthy and productive work environment and comply with all applicable health and safety policies.
- We shall not tolerate the abuse of controlled substances or liquor or being under the influence of liquor or illegal drugs whilst at work.
- We shall not tolerate the sale, distribution, possession, or use of illegal drugs or substances in the workplace.

7. We shall protect and maintain the property and information of ARCI, its employees, its subsidiaries and its business partners.

This means that:

- The assets and property of ARCI and its subsidiaries, including information gained and collected in the course of business, shall be used only for the business purposes for which they are intended.
- The protection of property includes ensuring the privacy of client and employee information and the safeguarding of intellectual property.

8. We shall manage and mitigate all conflicts or perceived conflicts of interest.

This means that:

- We will avoid any conflict of interest and share and declare any information that may cause a conflict or perceived conflict of interest.
- Where it is not possible to avoid a conflict of interest, we shall manage the potential conflict of interest.
- We will not do anything that may be regarded as an attempt to exert influence in unduly favouring any party, including the offering, giving or receipt of any gift or gratification which may have such effect.

9. We encourage persons to report any unlawful conduct or violations or suspected violations of this Code and shall provide protection for any person who make such reports.

This means that:

- We will create an environment that is conducive to the reporting of unlawful conduct, violations or potential violations of this Code and encourage all stakeholders to freely report any knowledge or suspicions of such unlawful conduct, violations or potential violations.
- We will ensure the anonymity of any person who prefers to remain anonymous when making a bona fide report, either directly to the Co-CEO's, Human Resources or the Chairman of the Audit and Risk Committee.
- We will not tolerate any form of victimisation or retribution against anyone who attempt to uphold this Code or attempt to report unlawful conduct or a violation or potential violation of this Code.
- Any contravention of this Code will be regarded as a serious matter and appropriate disciplinary action will follow with due consideration of the circumstances.

10. Monitoring and Enforcement:

ARCI will:

- not tolerate any contravention or violation of the Code of Ethics and Ethical Conduct;
- designate a committee to manage, monitor and report on the Group's ethical conduct;
- designate senior officials to monitor compliance;
- provide safe mechanisms for reporting breaches of this Code;
- investigate any alleged breach of this Code; and
- take appropriate action to remedy the breach.

10.1. Undertaking to be completed by directors, management and staff

I am responsible for reading, understanding and applying the principles of the Code to my actions and decisions in relation to my work for ARCI and its subsidiaries. I understand that failure to abide by these principles can result in disciplinary action.

I further understand that I am obligated to report suspected or observed misconduct by any director, executive, manager, employee or service provider and that failure to do so is in itself a Code violation.

10.2. Undertaking to be completed by major service providers

I am responsible for reading, understanding and applying the principles of the Code to my actions and decisions in relation to services provided to ARCI and its subsidiaries. I understand that failure to abide by these principles can result in the termination of services to ARCI and its subsidiaries. I further understand that I am obligated to report suspected or observed misconduct by any director, executive, manager, employee and that failure to do so is in itself a Code violation.

Annexure A

Specific requirements for the Board of ARCI and its subsidiary Boards

Good corporate governance requires directors (in addition to the other requirements of the Code of Ethics and Ethical Conduct) to carry out their functions, in accordance with the values, as laid out in the King Code of Corporate Governance.

Responsibility

The Board should assume responsibility for the assets and actions of the organisation and be willing to take corrective actions to keep the organisation on a strategic path that is ethical and sustainable.

Accountability

The Board should be able to justify its decisions and actions to funders and other stakeholders.

Fairness

The Board should ensure that it provides fair consideration to the legitimate interests and expectations of all stakeholders of the organisation.

Transparency

The Board should disclose information in a manner that enables stakeholders to make an informed analysis of the organisation's performance and sustainability; and directors should disclose any interest they may have in matters affecting the organisation.

Conscience

A director should act with intellectual honesty and independence of mind in the best interests of the organisation and all its stakeholders, in accordance with the inclusive stakeholder approach to corporate governance. Conflicts of interest should be avoided.

Inclusivity

The legitimate expectations of stakeholders must be considered in decision making and strategy.

Competence

A director should have the knowledge and skills required for governing the organisation effectively. This competence should be continually developed.

Commitment

A director should be diligent in performing his or her duties and devote enough time to the affairs of the organisation. Ensuring the organisation's performance and compliance receives unwavering dedication and appropriate effort.

Courage

A director should have the courage to take the risks associated with directing and controlling a successful, sustainable enterprise, and the courage to act with integrity in all Board decisions and activities.

Care

A director should devote serious attention to the affairs of the organisation. All relevant information required for exercising effective control and providing direction to the organisation needs to be acquired