

CODE OF ETHICS AND BUSINESS CONDUCT

1. INTRODUCTION

City Lodge Hotels is dedicated to maintaining its growth record, and achieving acceptable investment returns. In its pursuit of excellence, the Group is bound to its values and principles and we therefore believe that we must act, at all times, in a manner consistent with them. All employees are expected to demonstrate the character that is required to live the standards as specified in this code and the code of employment. This character is evident in the primary values held by the group and includes the requirement to be;

- Trustworthy,
- Respectful of others,
- Responsible and accountable for one's actions, behaviour and decisions,
- Fair, consistent and impartial,
- Caring, and
- a good citizen.

We are all expected to apply these requirements to our everyday decisions and behaviour and therefore to execute our duties with complete integrity.

By **Integrity** we mean that we will act, at all times, in a manner consistent with our values and code of employment thereby demonstrating our commitment towards honesty and transparency, whilst showing both empathy and respect for all our stakeholders.

Issues of ethics are closely monitored, with the rules and regulations applied equally across every person in the organization, no matter who that person may be.

WE USE THE FOLLOWING VALUES TO GUIDE AND INFORM OUR DECISIONS AND BEHAVIOUR

- Quality
- Service
- Teamwork
- Communication

By **Quality** we mean that we are committed to providing our Guests with an overall hospitality experience that compares favourably with the best anywhere in the world. We will therefore establish and maintain the highest standards of quality in all that we do. By quality we mean that we strive to "Do things right the first-time!" thereby avoiding the costs associated with redoing work. It means that we take pride in our Lodges, our work and our high standards of cleanliness. It also means that we are constantly striving to improve our standards, systems and service to maintain our leadership position in the South African hospitality industry.

By **Service** we mean living out the highest standards of service in all that we do. It means that we:

- always greet our Guests first, with a smile and by name
- care deeply about our Guests as individuals with unique tastes, preferences and requirements
- maintain absolute Guest confidentiality and discretion



- always anticipate, listen to and respond to the ever-changing needs and expectations of our Guests
- are humble and willing to go the extra mile to please and satisfy
- keep ourselves and our Guests informed of all additional services we provide

By **Teamwork** we mean that we accomplish our tasks by working together in a spirit of true dedication, commitment, enthusiasm and high performance teamwork. This requires encouraging each other to constantly improve our performance, asking for help when needed and trusting and supporting one another at all times. It also requires inspired leadership, a focus on measurable results as well as all round competence. It means that we recognise our team-members by catching them doing things right and going beyond our job description when required.

By **Communication** we mean creating trust and respect through being open, honest and ethical in our dealings with all of our stakeholders as well as with one another. It means keeping everyone informed at all times on issues that affect their jobs, our Guests and the overall City Lodge Hotels group. It means respecting one another's diverse backgrounds and always respecting one another's opinions as well as the right to voice those opinions. It means that we constantly share ideas and thoughts about all issues of importance and confirm our understanding of what has been said. It also means apologising to one another when we have made mistakes or when we may have offended one another.

2. STATEMENT OF COMMITMENT

The Company:

- conducts its business within the framework of applicable laws, regulations and codes of good practice; and
- is committed to maintaining a high standard of ethical and business conduct, which it has achieved through the adoption of certain values and principles that form our business culture, including personal integrity and fair play.

The Code has been designed to provide clear guidelines on what is considered acceptable values and behaviour to be applied by the Board and all Employees in the daily execution of their duties on behalf of the Company. Implementation of the Code is fully supported and adopted by the Board. Employees are encouraged to seek advice when in doubt about the correct course of action in a given situation, as it is ultimately each individual Employee's responsibility to uphold the values of the business.

Directors and Employees must pay careful attention to its contents and ensure that they comply with both the written word and the spirit of the Code and should always be guided by the following key principles:

- avoid any conduct that could have a negative impact on the Company or its reputation;
- act in accordance with the law and with honesty; and
- put the Group's interests ahead of personal or other interests.

3. DEFINITIONS

- 3.1 Board: the City Lodge Hotels board of directors;
- 3.2 CEO: means Chief Executive Officer
- 3.3 City Lodge Hotels / the Company / the Group: means City Lodge Hotels Limited, registration number 1986/002864/06, and all its subsidiaries and operating divisions;
- 3.4 Code: means the City Lodge Hotels Code of Ethics and Business Conduct;
- 3.5 Employee: means any person who is employed by or works for the Company and who receives or is entitled to receive remuneration or who works under the direction or supervision of an employee of the Company;
- 3.6 Employer: means CITY LODGE HOTELS or any of its subsidiaries;
- 3.7 Exco: means the Executive Committee, currently comprising of the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Divisional Director: Operations (x4), Divisional Director: Human Resources, Divisional Director: Financial, Divisional Director: Information Technology, Divisional Director: Sales and Marketing and the Group Company Secretary;
- 3.8 General Manager: any Employee who is responsible for managing staff across the Group and who has at least a Paterson level D job grading;
- 3.9 HOD: head of department either at hotel level or the Company's central office;
- 3.10 Related party: means spouse, life partner, parents, siblings and children of an Employee, but also includes instances where the relationship develops during the course of employment with the Group. In this instance, the Employee concerned will need to report the relationship to his/her general manager, HOD or relevant Exco executive who, if necessary, may adjust structures if there is a direct reporting relationship impacted by the personal relationship.
- 3.11 Relevant Exco executive: means the Exco member responsible for that aspect of the business;
- 3.12 Stakeholder: means shareholders, guests, employees, service providers, suppliers, the communities within which the Company operates, government, etc;
- 3.13 Whistleblowers: means the independent and confidential alertline facility operated by Whistle Blowers Pty Ltd, that is available to all stakeholders for purposes of reporting any unethical behaviour.

4. UNDERSTANDING THE CODE

Applicability of the Code

The Code applies to the Board and all Stakeholders when they are representing or acting on behalf of the Company.

Each stakeholder should therefore make a personal commitment and recognise that we are both accountable and responsible for our own actions and that the success and reputation of the Company is dependant on each one of us.

Accountability for upholding the Code

- Each City Lodge Hotels Employee is personally responsible for:
 - reading the Code;
 - understanding what it means;
 - applying it consistently in their daily activities;
 - ensuring that he/she is certificated through the Company's electronic training platform;
 - seeking guidance from his/her General Manager, HOD, relevant Exco executive, as may be applicable, in case of any doubt related to the application of the Code or concern that the standards set out in the Code are not being met or adhered;
 - drawing the contents of the Code and its effect on the way City Lodge Hotels conducts its business to the attention of all stakeholders
 - making use of the various platforms that are available for reporting allegations of contravention and/or Employee misconduct. Refer to **Contravention of the Code**.

- Employees are required to uphold the highest levels of integrity and business ethics in all interactions and transactions.

5. FUNCTIONAL RESPONSIBILITY FOR THE CODE

The Board is responsible for setting the policy and standards of ethical conduct and has delegated to the Group Company Secretary, the responsibility for developing the policy document, providing policy direction, maintaining standards and establishing guidelines, under the guidance and approval of Exco.

Human Resources assumes responsibility for providing and/or facilitating training on the Code for new and existing Employees through induction and ongoing engagement and will ensure that all new Employees receive a copy of the Code together with their induction packs, alternatively on their first day of employment.

Exco is responsible for monitoring adherence to the Code and taking corrective action against Employees who contravene the provisions thereof.

General Managers serve as a source of guidance to Employees in order to ensure the proper implementation of the Code and that Employees know what is expected of them.

6. AVAILABILITY OF THE CODE

The Code along with all relevant declaration forms and FAQs is available on the intranet as well as the Company's website www.clhg.com.

7. ISSUES OF AN ETHICAL NATURE

7.1 COMPLIANCE: LAWS, REGULATIONS, BEST PRACTICE, INTERNAL POLICIES

Not only is it expected that business is conducted within the framework of applicable laws, regulations and codes of good practice, but Employees are expected to comply with internal policies and to apply the values detailed in the Code in the execution of their daily responsibilities. The standards set out in the



Code that will assist and guide Employees in the discharge of their duties and supplement compliance to laws, regulations and codes of good practice. The Code also prescribes and provides guidelines on how we should interact with each other, the greater body of stakeholders and the environment.

Non-compliance could result in significant commercial and/or reputational damage to the Group. Policies have been drafted with a view to promoting compliance and as such must be complied with.

Note, however, that it is not possible to detail every law, regulation or policy that may have application.

Employees must bear in mind that the perception of their actions by others is important, and they should act accordingly, particularly when any indiscreet or anti-social behaviour could affect the individual's performance or reflect badly on the Group.

Failing to comply with any laws, by-laws, statutes or regulations as may apply to the Group or the Employee in the execution of his/her duties or any unethical business practice by an Employee, including any payment for, or other participation in, an illegal act such as bribery, corruption or money laundering, either during or outside of working hours will neither be condoned nor tolerated.

7.2 RESPECT FOR OTHERS

Respect requires that we recognise the inherent worth of every person and treat them accordingly by:

- treating colleagues, guests, suppliers and other stakeholders as we would have them treat us;
- respecting our colleagues, guests, suppliers and other stakeholders with whom we interact;
- listening to others;
- treating others with dignity

Examples of behaviour, which do not meet this requirement (not an exhaustive list), are:

- Failure to provide a high level of service or courtesy to any Guest
- Abusive or derogatory language, behaviour or action
- Insulting language, behaviour or action
- Racist or sexist language, behaviour or action
- Sexual harassment
- Any act which may promote racial tension or disharmony
- Bringing the good name of the City Lodge Hotels group into disrepute
- Making, publishing or giving to the press or any other person or organisation, a statement or any information concerning an Employee, supervisor, the Company and/or its services, products, policies etc. which are confidential, false, vicious or malicious.
- Bringing the good name of a fellow Employee, guest or supplier into disrepute
- Failing to keep locker clean, tidy and locked
- Failure to report the contracting of any dangerous or infectious disease, it being noted that HIV/AIDS does not have to be reported.



7.3 HONESTY AND INTEGRITY

City Lodge Hotels, in the conduct of its business, is committed to upholding the principles of honesty, trustworthiness, fairness and integrity.

Trust is at the heart of the Company's values and comes from us being honest, open and transparent with ourselves and each other. It builds self-confidence and self-respect and is demonstrated through the ability to openly express one's apprehensions and ambitions with others.

Employees are required to maintain the trust inherent in the employment relationship by being honest and acting with integrity at all times. Trust is the most critical aspect of the employment relationship. As such, Employees should avoid any action, which could reasonably be viewed as dishonest, deceptive or misleading, as well as any action that could reasonably be perceived as cheating or stealing.

Examples of behaviour, which does not meet this requirement (not an exhaustive list):

a) Theft or attempted theft

- Unauthorised possession or misappropriation of property belonging to the City Lodge Hotels group, other Employees, guests, suppliers or other persons and organisations
- Removal of any item, other than personal stationery, supplies, linen or equipment, from the Hotel's premises, central office or any other Company property without General Manager or HOD authorisation
- Use or abuse of Hotel stationery, supplies, linen or equipment
- Attempt to possess or obtain property belonging to the City Lodge Hotels group, other Employees, guests, suppliers or any other persons and organisations without authorisation
- Assisting others to steal or withholding knowledge of such acts or attempted acts from the Group
- Attempting to conceal evidence of thefts or attempted thefts
- Removing any property from any premises without the owners authorisation

b) Fraud or Attempted Fraud

- Falsifying or altering records or documents
- Tampering with medical certificates
- False recording of time
- False claims for overtime
- Claims for sick leave when not entitled
- Failing to submit completed leave forms or to have leave recorded
- Submitting to the Company false driver's licenses or other false documents, including but not limited to prior employment confirmation or relating to level of education attained
- Concealing or withholding knowledge of fraudulent acts from the Group
- Telling lies or passing on untruthful or misleading information
- Making false or misleading statements in Job Application documentation or during interviews, including but not limited to prior employment confirmation or relating to level of education attained
- Accepting bribes, considerations and/or any inducements for any reason
- Attempting to bribe or offering an inducement to any other person



- Failing to report knowledge of any bribe or inducement or attempted bribe or inducement
- Using the Group's time, materials, transport, labour and/or equipment without authorisation or allowing for such unauthorised usage to occur
- Committing any dishonest or improper act away from the workplace
- Being charged with the commission of a dishonest or improper act in a criminal or civil court
- Committing or being found guilty of having committed any act which may affect the trust relationship between the Company and an Employee
- Involving City Lodge Hotels in any legal action or in the recovery/assumption of personal debts
- Using unauthorised, pirated or illegal software on any computer belonging to the Group

c) General

- Making false or misleading statements to colleagues, guests, suppliers, shareholders, or other stakeholders who may rely on the accuracy and truthfulness of the information provider.

7.4 CONFLICTS OF INTEREST

- **Definition**
 - A conflict of interest arises when an Employee has a personal interest that could be seen as having the potential to interfere with the objectivity required to perform official duties or exercise judgement on behalf of the Company.
 - A conflict of interest occurs/exists when Employees have divided loyalties. When an Employee has, or is likely to be perceived to have, a direct or indirect personal interest in a transaction/activity/matter such that it might reasonably appear to affect the judgment that he/she exercises on behalf of the Company, which influences his/her actions or leads them to neglecting the Company's business interests.
 - Employees must not operate under the influences of such conflicts themselves or create them for others and are expected to perform their duties conscientiously, honestly and in keeping with the best interests of the Group.

- **Guidelines to avoid personal conflict of interests**
 - Employees must at all times act in a manner that is fair and unbiased;
 - Employees must place the Company's needs ahead of their personal needs when dealing with matters related to City Lodge Hotels business;
 - Employees must avoid financial, business and other transactions or situations in which their personal interests might conflict with City Lodge Hotels business;
 - An actual conflict of interest does not need to be present to amount to a contravention of the Code. Employees must avoid circumstances or situations that could be perceived as a conflict of interest;



- **Examples of prohibited conflicts of interest (not an exhaustive list)**
 - employment by a supplier/guest/service provider or potential supplier/guest/service provider, regardless of the nature of employment, whilst employed by City Lodge Hotels, except where the relevant approval has been obtained;
 - owning entirely or having an interest in a company that is a supplier/service provider/competitor of City Lodge Hotels, unless such interest has been disclosed as provided for in the Code;
 - acting independently as a consultant to a supplier/service provider/competitor whilst employed by the Company;
 - having a personal interest or potential for gain in any City Lodge Hotels transaction;
 - when a family member is directly involved or stands to gain personally from a situation despite you having no direct involvement or personal gain;
 - where a member of an Employee's family or a close friend of the Employee or a business with which the Employee or his/her family/friend is associated, obtains a gain, advantage or profit because of the Employee's position within the Group or knowledge gained through the Group, regardless of whether the Employee is directly involved or has gained personally from the situation;
 - doing business for and on behalf of City Lodge Hotels with related parties for their benefit; and
 - using company assets, intellectual property or proprietary information for personal gain.

- **Declaring outside interests**

Employees are required to:

 - provide full particulars of the transactions, appointments and interests on Form 002;
 - declaration forms are available on the intranet or from the Group Company Secretary;
 - declaration Form 002 is to be completed and signed, in duplicate, by the declaring Employee, submitted to his/her General Manager, HOD, or relevant Exco executive, as may be applicable as well as to the Group Company Secretary who will stamp both copies and return one copy to the declarer and file the other in the Declarations Register as proof of the employee's compliance with the policy;

- **Register of Interests**

The Group Company Secretary will:

 - maintain a Declarations Register for the Board of Directors, Exco and Employees;
 - record the interests in the Declarations Register;
 - ensure that activities that could be perceived to constitute a conflict of interest are declared annually by all Employees;
 - inform the relevant Exco executive of all the details in order that they may determine whether the interests concerned comprise elements that will conflict with Company business. Where there is uncertainty the Exco executive may refer the matter to Exco for a decision. Consent may be

given subject to certain conditions or withheld if there is a potential risk to the business;

Declarations received will be reported to Exco on a quarterly basis and the Declarations Register will be tabled for inspection and noting by Exco once a year, prior to year end.

If an Employee feels that a course of action that he/she has followed or is considering, may constitute, or be perceived to constitute a conflict of interest, he/she should immediately notify his/her General Manager, HOD, Exco executive or the Group Company Secretary, disclosing all relevant facts known to them.

7.4.1 OUTSIDE DIRECTORSHIPS, EMPLOYMENT, PERSONAL INVESTMENT OR ACTIVITIES

In its continued efforts to uphold the highest standards of ethical conduct and good corporate citizenship the Company expects its Employees to act in the best interests of the Company and not to be compromised through outside employments and activities. However, the presence of conflict may not necessarily mean that the proposed activity will be prohibited.

Employees may not, without the prior written approval of the relevant Exco executive hold outside directorships, acquire any business interest, take up any outside employment or participate in any activity that would create, or appear to create, an:

- excessive demand on their time, attention and energy and/or which would deprive the Company of their best efforts on the job;
- an obligation, interest or distraction which would interfere, or appear to interfere, with his/her independent judgment in the Company's best interests.

7.4.1.1 Outside directorships

- An employee may not sit on more than two outside boards at a time, without the express prior approval from the relevant Exco executive.
- The Chief Executive Officer may not sit on more than two outside boards without the express written consent of the Chairman of the Board.
- Submissions in respect of proposed appointments as a director of a company, member of a close corporation or trustee of a trust (other than a family trust) must be submitted on the prescribed Form 002 for prior consideration and written approval of the Employee's General Manager, HOD or relevant Exco executive, as may be applicable and then submitted to the Group Company Secretary.
- Where outside board meetings are scheduled to take place during ordinary City Lodge Hotels working hours, any fees accruing from these board attendances will be for the company's benefit. In any other instance where an Employee uses his/her personal time to engage and attend outside board meetings, any fees accruing will be to his/her benefit.

7.4.1.2 Outside employment/business interests/activities

- Employees must not without prior written consent of their General Manager, HOD or relevant Exco executive, as may be applicable:
- be directly employed on a full or part-time basis by any person or other business concern;
- conduct any business on behalf of another company except in the capacity of shareholder/member of that company/close corporation;
- perform any work for a third party for remuneration.
- Employees wishing to engage in outside activities must complete Form 003 providing all relevant details, sign, submit to their General Manager, HOD or relevant Exco executive, as may be applicable, for approval and signature and file the approved form with the Group Company Secretary.
- Employees who previously held, currently hold, or have been invited to hold, outside directorships must take particular care to ensure compliance with the provisions of the Code. Prior written approval must be obtained from the Group Company Secretary, who will consult with their General Manager, HOD, Exco executive or management/the Board of Directors, as necessary.

7.4.1.3 Personal investments

Employees are entitled to make personal investment decisions provided these decisions are not in contravention of the provisions of the conflict of interest policy, any applicable legislation, or any Group specific policies or procedures, and further provided that these decisions are not made on the basis of material non-public information acquired by virtue of the Employee's position within the Group.

Personal investments are not to present a conflict with the interests of the Group and Employees are to ensure that no personal investment decision could reasonably be expected to adversely influence their judgements or decisions in the performance of their duties.

7.4.1.4 Appointment of family members/relatives

Immediate family members (including spouses and siblings) and partners of employees may be appointed as employees or consultants provided that, amongst others:

- careful consideration to the matter has been given and there is no conflict of interests;
- they are the most suitably qualified candidate for the position;
- the decision to appoint is made independent of the related employee;
- full disclosure of the relationship is made at the outset; and



- there is no direct or indirect reporting relationship between the related employee and the appointee.

For more information on conflicts of interests and how to manage these, refer to and acquaint yourself with the “Conflict of Interest Policy”.

7.4.2 RELATIONSHIPS WITH SUPPLIERS, SERVICE PROVIDERS AND BUSINESS PARTNERS

Dealings with suppliers, service providers and business partners are at all times ethical, fair and transparent.

Employees must, in all their business dealings, ensure that they are, and are perceived to be, independent from suppliers, service providers or any other business partner with whom the Group has a contractual relationship. If such a relationship might affect or create the impression of influencing their decisions in carrying out their duties on behalf of the Group, Employees should not investor acquire a financial interest (whether it be direct or indirect) in any such business organisation.

Suppliers and service providers are expected to respect and uphold City Lodge Hotels’s values and are required to adopt the Company’s Supplier Code of Conduct, which contains the general principles contained in this Code.

7.4.3 GIFTS, HOSPITALITY, FAVOURS AND BUSINESS COURTESIES

Suppliers, service providers and other business partners are selected based on quality and competence.

Employees must, in turn, not improperly influence others by providing gifts, hospitality, favours or other business courtesies.

A conflict of interest can arise where an Employee is offered gifts, hospitality, entertainment, personal favours or other offers of preferential treatment which might, or could be perceived to, influence his/her judgement in relation to a business transaction, i.e. the selection of suppliers, service providers or business patrons.

As a general rule, Employees may only accept gifts, entertainment, hospitality or the like that are for business purposes and are not material or too frequent.

Employees must not accept a gift, entertainment, hospitality or the like when it appears or it could appear that:

- o the cash value thereof exceeds R1000.00
- o it is cash or a cash equivalent (e.g. gift certificate, loan, stock or stock options) in excess of the R1000.00 limit;
- o the donor may expect something in return;
- o an attempt is being made to persuade an Employee to do something to benefit the donor by influencing the Employee’s discretionary decision;
- o an attempt is being made to influence an Employee to contravene the law or the Company’s policies and practices;
- o he/she is using his/her position within the Company to gain a benefit or any kind of favour; or



- o the donor may obtain a right or privilege that he/she would otherwise not be granted e.g. a quid pro quo or part of any agreement requiring anything in return for the gift.

Note:

- o *gifts that are promotional in nature such as pens, diaries, calendars need not be declared provided their value does not exceed R500.00*
- o Employees must not enter into arrangements with third parties, whereby gifts are broken down into tranches in an attempt to circumvent the provisions of the Code).

To avoid a conflict of interest, or the potential conflict of interest, Employees must:

- o declare all gifts, hospitality, entertainment, favours or promotional material even if the value falls below R1000.00 by completing, signing and submitting Form 001 which is available on the intranet or from the Group Company Secretary;
- o if the value of the gift exceeds R1000.00, the recipient Employee must obtain his/her General Manager, HOD or relevant Exco executive's written permission to accept the gift by completing and signing Form 001, and requesting his/her General Manager, HOD or Exco executive to append their signature to the form which will be submitted to the Group Company Secretary and recorded in the Gift Register;
- o before providing any gifts to guests, suppliers, service providers or business partners, in addition to having his/her General Manager, HOD or relevant Exco executive's permission, ensure that this is in line with approved Company policies relating, but not limited, to CSI strategies and complementary accommodation. Particulars of gifts, hospitality, favours and business courtesies provided must be declared by completing, signing and submitting Form 004, which is available on the intranet or from the Group Company Secretary and will be recorded in the Gift Register, which is maintained by the Group Company Secretary.

The Company competes on the merit of the services it provides and does not use the exchange of business courtesies to gain an unfair competitive advantage.

Employees need to guard against the exchange of excessive business courtesies (or any gift that can reasonably be interpreted as outside of normal business practice) or where the offering of a gift can create the perception that favours were granted in order to influence business judgement. The following (not an exhaustive list) are examples of what is considered to be business courtesies:

- o gifts and gratuity;
- o favours;
- o monetary benefits;
- o commission;
- o loans;
- o discounts;
- o other tangible or intangible items having monetary value.

Note:

- o Occasional business entertaining (including lunches and dinners) and hospitality (including tickets to local sporting events or theatres, it being



- understood that local applies to events taking place in the province where an employee is based for work) is not prohibited.
- The cost of any related travel and accommodation must be borne by the Employee, unless he/she has obtained prior written approval from the relevant Exco executive.

Business courtesies or gifts should:

- only be offered or provided to guests/service providers/suppliers;
- preferably not be in excess of R1000.00 (*save where managerial discretion merits otherwise*) and only be offered or provided once the relevant approval has been obtained from the CE, relevant Exco executive or General Manager. The authorising General Manager, HOD or Exco executive must, before granting permission, satisfy him/herself that acceptance/giving of the gift does not accord the Employee or the Company a privilege or opportunity that otherwise would not have been granted.

7.5 ANTI-COMPETITIVE PRACTICES

City Lodge Hotels prides itself in competing fairly in the marketplace and will not enter into collusive arrangements with competitors or suppliers that will have the effect of prejudicing guests, suppliers or competitors or in any way interfere with free competition in the market.

Employees must not be party to and must ensure that the Group is not involved in the following:

7.5.1 COLLUSIVE ARRANGEMENTS WITH COMPETITORS, SUCH AS:

- (a) Fixing prices or other trading conditions (for example agreeing with competitors to charge the same price or offering the same credit terms);
- (b) Market sharing arrangements (for example agreeing with competitors to “apportion” guests or suppliers, products or areas of operation); or
- (c) Collusive tendering (for example agreeing with competitors to not compete normally in a tender process).

7.5.2 COLLUSIVE ARRANGEMENTS WITH SUPPLIERS OR SERVICE PROVIDERS, INCLUDING:

Agreements with suppliers or service providers that prohibit them from dealing with a competitor.

7.5.3 ABUSE OF DOMINANCE:

This relates to the potential abuse by the Company of its strong position in the marketplace and includes, by way of example, the following (not an exhaustive list):

- (a) Charging excessive prices to the detriment of guests;
- (b) Refusing to give a competitor access to an essential facility (i.e. an infrastructure or resource) of the Group when it is economically feasible to do so; or
- (c) Engaging in an act that hinders or prevents a competitor from entering into, or expanding within, the marketplace, including:

- (i) Inducing or requiring guests, suppliers or service providers not to deal with competitors;
- (ii) Selling services on condition that the guest purchases other products or services unrelated to the original purchase, or forcing a guest to accept a condition unrelated to the original purchase; or
- (iii) Predatory pricing if it is likely to have the effect of substantially preventing or lessening competition.

7.6 STAKEHOLDER COMMUNICATION

Stakeholders are communicated with in a responsible manner.

Refer to the Stakeholder Engagement Policy for further detail.

7.6.1 PROMPT COMMUNICATIONS

City Lodge Hotels is committed to providing timely, transparent, consistent and credible information to its various stakeholders.

7.6.2 GUEST RELATIONS

Complaints are to be dealt with in accordance with internal procedures established by the various divisions within the Group and any applicable laws.

- o Despite disputes involving stakeholders being an inevitable part of doing business, it remains crucial that we promote the establishment of relationships based on mutual trust and open and candid engagement with our stakeholders.
- o It is therefore crucial, with a view to preserving and enhancing our commercial and corporate citizenship, that the Company provides an opportunity for resolving disputes and addressing business, environmental and social challenges through negotiation.
- o Stakeholders are encouraged to refer any disputes to info@clhg.com from where it will be directed to the relevant department. If it cannot be resolved at that level it will be escalated to the relevant Exco executive, alternatively stakeholders can avail themselves of whatever other means are available in order to protect their interests.
- o Disputes should not only be considered with a view to resolution, but also with a view to identifying and/or addressing broader business challenges inherent in the guest/supplier/service provider relationship which may have the effect of enhancing the commercial relationship.

For further details, refer to the policy on dealing with complaints.

7.6.3 MEDIA RELATIONS

Communication to third parties should be channelled through a designated official to ensure that there is consistency in the message and that confidential information is safeguarded.

Aside from everyday communications (including routine marketing and operational communication) with outside persons and organisations, the Company will, on occasion, be asked to express its views on certain issues. Only the chairman and/or CE are authorised to make public announcements



and comments on behalf of the Company. Employees who are approached by the media should immediately refer them to the CE.

Care must be taken, when dealing with anyone outside the Company, including any public official, not to compromise the integrity or harm the reputation of any outside individual, business, government body, or the Company. The Company's position on public policy or industry issues is a matter for the CE.

The CE is required to pre-approve articles for publication, public speeches and addresses about the Group and its business.

Employees are required to keep their personal views separate from the Group's position when communicating on matters not involving Company business. They should be especially careful to ensure that they are not identified with the Company when pursuing personal or political activities, unless this identification has been specifically authorised in advance by the CE.

Refer to the **Social Media Policy** for guidance on communicating on social media platforms.

7.7 INSIDE INFORMATION

Employees in possession of confidential, unpublished, price sensitive information must not:

- make use of such information to deal in City Lodge Hotels shares; or
- provide such information to third parties;
- pass this information on to others for their use.

Directors and senior Employees may not deal in City Lodge Hotels shares during closed and prohibited periods and at any time when they are privy to price sensitive information.

For further detail, refer to the **Dealing in Securities Policy**.

7.8 WORK ENVIRONMENT / HUMAN RIGHTS – FAIRNESS, NON-DISCRIMINATION, DIVERSITY, FREEDOM FROM HARASSMENT

City Lodge Hotels supports the principles of fairness and equal opportunity and will not tolerate discrimination, workplace violence or misconduct.

The principles of fair employment are applicable to all aspects of employment, including remuneration, promotions and transfers.

Employees and stakeholders shall:

- treat each other with respect and dignity at all times in accordance with the values of the Company;
- maintain a professional work environment that is free from threats and acts of violence, bullying, abuse and intimidation;
- refrain from any form of discrimination based on race, religion, gender, disability, sexual orientation or age; and
- report practices of unfair or unjustified discrimination.



No one underage is employed by the Group, unless for training and/or educational purposes. It is a condition of employment that all Employees are required to provide proof of age upon employment.

7.8.1 EQUAL OPPORTUNITY

The Company's Recruitment Policy supports the principle of equal opportunity for all. Employees who demonstrate personal integrity, initiative, enterprise, hard work and loyalty in their job will be developed and rewarded.

City Lodge Hotels does not support the concept of window dressing or tokenism. Appointments are made in the best interest of the Company and are therefore made based on merit rather than on race or other criteria unrelated to an Employee's ability to do the job. Refer to the Employment Equity Policy contained in section B1.24 of the Company Policy Manual.

7.8.2 DISCRIMINATION AND HARASSMENT

Employees have the right to work in an environment that is free from any form of harassment or discrimination, including on the basis of race, gender, sexual orientation, place of origin, citizenship, creed, political persuasion, age, marital or family status or disability. Refer to the **Sexual Harassment Policy** contained in section 302.1.7 of the Human Resources Manual.

Employees are encouraged to report any cases of actual or suspected discrimination or harassment in the manner provided for in the clause dealing with Contravention of the Code.

7.8.3 WORKPLACE VIOLENCE

Actual or perceived threats of violence or intimidation will not be tolerated.

Damage to property and/or harm to people are strictly prohibited.

7.8.4 HEALTH AND SAFETY

The Company is committed to providing a work environment that is conducive to safety and good health.

The possession of dangerous weapons is not permitted on Company property.

Employees are encouraged to report activities that pose a real or potential threat to health and/or safety immediately upon becoming aware thereof in the manner provided for in the clause dealing with Contravention of the Code and through Worktrainer.

7.8.5 SUBSTANCE ABUSE

The use, sale, transfer, manufacture or possession of any legal or illegal drugs will not be tolerated.

Consumption of alcohol on Company premises, other than for approved business or other approved social events, is not permitted.

Employees may not arrive at work under the influence of alcohol or any legal or illegal drug.

7.8.6 MISCONDUCT ON AND OFF THE JOB

Employees must avoid conduct off the job that could have a negative effect on work performance or the Company's reputation or business interests. Employees are required to disclose details of all criminal arrests or convictions that could negatively impact their ability to perform their job, the Company's reputation or the safety of their colleagues and other stakeholders to:

- Human Resources, upon appointment;
- their General Manager, HOD or relevant Exco executive, during their employment.

Employees are required to demonstrate acceptable conduct and behaviour during their employment. Continued or serious misconduct makes the continuation of an employment relationship impossible. All Employees are required to conduct themselves in accordance with acceptable social norms, morals and ethics, politeness and other standards of behaviour as may be required by the City Lodge Hotels group.

Misconduct may in certain cases such as severe breach of trust, gross dishonesty, willful damage to property, willful endangerment of safety, physical assault, gross insubordination etc. justify summary dismissal.

Examples of behaviour, which do not meet these requirements, are (not an exhaustive list):

a) Assault and Violence

- Assault or attempted assault
- Actual or attempted physical violence towards persons or destruction of or damage to property
- Victimisation, intimidation, threats or menacing behaviour or action
- Carrying, possessing or using firearms, munitions or any other potentially dangerous weapons or devices on company property without authorisation
- Inciting other persons to violence, disobedience or to breach rules, regulations, procedures or agreements.

b) Alcohol, legal and illegal drugs, etc

- Possessing, trading, using or being under the apparent influence of any alcoholic or narcotic substance
- Being unfit to perform duties as a result of being under the apparent influence of alcohol or any narcotic substance
- Driving a company vehicle or operating any company machinery or equipment whilst under the apparent influence of alcohol or any narcotic substance

c) Safety

- Failing to comply with safety rules, regulations or requirements
- Failure to wear protective clothing or equipment



- Failing to show due concern or caution for the safety of others
- Failing to exercise care for the property of the City Lodge Hotels group and its stakeholders
- Willfully or negligently causing damage to the property of the City Lodge Hotels group or its stakeholders
- Driving any vehicle without the required authorisation or without a valid license
- Failing to report an accident or damage to property
- Driving a vehicle negligently or recklessly

d) Hygiene, morals

- Committing unhygienic or immoral acts at the workplace
- Committing any act, which may cause distaste, revulsion or abhorrence to guests and fellow employees, or affect the employment relationship
- Improper or disgraceful conduct, on or off duty, which may cause harm to the City Lodge Hotels group's reputation or the reputation of its products or services
- Immoral, indecent or immature behaviour
- Sexual harassment (refer to the policy on Sexual Harassment for more detail).
- Soliciting any person for immoral purposes or the aiding/abetting of such
- Any form of discriminatory, offensive or anti-social behaviour
- Operating any money lending, laundering or pyramid-type schemes on the Company premises or during work hours
- Contravening agreements with Guests, suppliers, trade unions and other persons or organisations
- Spreading false or malicious rumours

e) Use and abuse of property

- Willful damage to property
- Negligent damage to property
- Use of guest or Company property without authorisation
- Tampering with, altering, damaging or losing company property, computer hardware, software or information systems
- Usage of the hotel's telephones without the authorisation or good reason
- Internet usage without authorisation or good reason
- Use of Company wifi without authorisation

f) General

- Failing to wear name-badge or prescribed uniform whilst on duty
- Wearing uniform off duty outside of a City Lodge Hotels group hotel, save where an Employee is making his/her way to or from work
- Smoking in guest or public areas
- Interfering with, hindering or obstructing work schedules or their implementation
- Chewing gum on duty
- Walking around with hands in pockets, whistling, singing, shouting or generally causing a disturbance
- Soliciting, begging or requesting a tip or gratuity



- Unauthorised presence at guest functions or in guest areas, including rooms and public areas
- Socialising with current guests of the hotel without authorisation
- Use of mobile phones while on duty where such use negatively impacts guest perception and/or experience and/or the Employee's productivity

7.9 EMPLOYEE PERFORMANCE

Employees are required to make their services available to the Company as agreed to in their contract of employment. This includes any variation to the Employees' contract that may result from changes to the Company's operational requirements, or the Employees' promotion, change in duties or transfer.

Examples of behaviour, which do not meet this requirement, are (not an exhaustive list):

- Reporting late for duty
- Leaving work early
- Loitering or deliberate time wasting
- Sleeping whilst on duty
- Taking extended meal or tea breaks
- Unauthorised absenteeism
- Abuses of sick leave i.e. taking sick leave when not ill
- Abscondment or desertion
- Failing to report absence from work or late coming as soon as the employee is aware that it is likely to occur
- Extended or excessive absenteeism due to illness or incapacity
- Failing to work overtime
- Failure or refusal to abide by work schedules
- Participation in an unprotected strike, go slow or other unprotected form of industrial action
- Insolent or insubordinate behaviour towards a more senior Employee
- Failure to abide by company Directives, Policies and Procedures
- Failure to carry out a reasonable instruction within an acceptable period of time
- Refusal to carry out a reasonable instruction
- Failing to leave the premises when requested
- Refusal to have personal belongings, suitcases or parcels checked by management and/or security guards on arrival or departure

Employees are required to perform work, in an efficient, professional and competent manner, and to the standards and rate of output reasonably required by the Company. In order to achieve this, Employees are required to possess the requisite degree of skill, knowledge and energy as well as the appropriate attitude to be able to effectively meet work standards.

Employees are required to be obedient. This means that Employees are required to carry out any reasonable instructions that may be given to them by those authorised to do so. Reasonable instructions are those that fall within the scope of the Employee's job description, duties, or are necessary to ensure safety, good order, efficiency and productivity within the Group, or to meet any operational requirements within the Group.



Examples of behaviour/performance, which do not meet this requirement, are (not an exhaustive list):

- Poor work performance in terms of quantity, quality, time or wastage
- Careless or incompetent work
- Leaving hotel keys unattended or failing to deposit keys with the respective supervisor at end of shift
- Not demonstrating the required knowledge, skill or attitude to complete work according to required standards
- Failing to meet set deadlines or to complete work on time
- Failing to improve work standards when required to do so
- Failing to follow laid down work procedures or instructions when required to do so
- Causing Guests, fellow employees or other persons to complain regarding work, guest service or attitude
- Making repeated mistakes
- Failing to achieve required or expected outputs or results
- Failing to follow up or implement guidelines or work instructions given
- Failing to maintain a disciplined working environment
- Failing to maintain a neat and orderly working environment
- Letting fellow employees down as a result of poor quality or late delivery of work
- Failing to demonstrate the required vision, insight, business acumen or leadership/interpersonal skills

7.10 ENVIRONMENT AND SUSTAINABILITY AND SOCIAL RESPONSIBILITY (“CSI”)

Environmental responsibility includes ensuring that inappropriate environmental risks are not taken and natural resources used in the Company’s daily operations are conserved. This principle challenges Employees to use all resources (electricity, water, paper, fuel etc.) more efficiently.

Employees are encouraged to become involved in the Company’s various social upliftment initiatives.

7.11 PROTECTION OF COMPANY ASSETS AND INFORMATION AND LOSS PREVENTION

Company assets and resources do not belong to Employees, but to the Company and as such, each Employee has the responsibility to protect the Company’s assets and resources. Employees are responsible for:

- using Company assets and resources in the appropriate manner;
- the proper use of Company property, electronic communication systems, information resources, materials, facilities and equipment;
- using assets in a respectful manner and guarding against their abuse;
- may not, except in the ordinary course of business, move any assets belonging to the Company without the approval of their General Manager, HOD or relevant Exco executive;
- Employees may occasionally use the Company’s assets for personal use ensuring that such use does not take precedence over legitimate Company related work – (refer to the City Lodge Hotels group Information Technology Acceptable Use Policy);
- may not use Company assets for personal business or for an illegal act or for purposes that can cause reputational risks to the business.



Internal controls and procedures have been developed in order to safeguard Company assets and prevent fraud and misappropriation. Employees are required to follow the prescribed policies and procedures for recording, handling and safeguarding of Company funds and assets. Refer to the relevant sections of the Administration Manual for further detail.

Employees whose responsibility includes spending Company funds must take responsibility and exercise sound judgement to ensure that appropriate value is received for such expenditure.

If Employees become aware of, or suspect, evidence that Company funds or assets may have been used in a fraudulent or improper manner, they should immediately and confidentially report the matter as set out in the clause dealing with Contravention of the Code.

7.12 PERSONAL INFORMATION AND CONFIDENTIALITY

The Company, in the ordinary course of business, collects a considerable amount of confidential, personal and sensitive business, guest and Employee information.

Information required for Company business should be collected, processed retained and secured in accordance with Company policies and applicable legislation, particularly the collection, retention and processing of personal information must comply with the provisions of Protection of Personal Information Act 4 of 2013.

Employees are responsible for protecting:

- guests' personal information, in compliance with applicable legislation; and
- the Company's confidential information, including but not limited to business interests, trade secrets or intellectual property, in accordance with the contract of employment.
- Employees who have access to such information may only:
 - use this information for legitimate business purposes;
 - disclose this information to third parties after obtaining the necessary approval from his/her General Manager, HOD or relevant Exco executive, as may be applicable; and
 - keep the information safe in accordance with the applicable policies.

In this regard Employees are required to take the necessary precautions to ensure that all confidential information and information that is considered privileged and which is generally not available to the ordinary public is protected and will not be leaked to persons that are not entitled or authorised to receive it.

This applies for the duration of employment and after termination as well as throughout the year and not only during the closed or prohibited periods referred to in the **Dealing in Securities Policy**. When in doubt, consult the Group Company Secretary.

Employees shall not divulge confidential information concerning the City Lodge Hotels group's business interests or trade secrets to any other person or organisation without prior authorisation.

Examples of behaviour, which do not meet these requirements, are (not an exhaustive list):



- using company information or business secrets to further the interests of an Employee or any other person or entity
- utilising company information or resources to make an undisclosed or unauthorised commission or profit
- divulging confidential information and trade secrets
- disclosing, to the detriment of the City Lodge Hotels group, any information obtained whilst in the employ of the City Lodge Hotels group
- copying software or any confidential or propriety information
- possessing any confidential or propriety information without prior written authorisation

Requests for information should be dealt with in accordance with applicable legislation and/or internal policies. If in doubt, consult your General Manager, HOD, relevant Exco executive or the Group Company Secretary.

7.13 POLITICAL SUPPORT / POLITICAL ACTIVITY AND PAYMENTS

Whilst the Company encourages the personal participation of its Employees in the political process and respects their right to privacy with regard to personal political activities, it remains politically neutral. The Company will not interfere with personal political activity as long as it does not disrupt the workplace or contribute to industrial unrest.

No donations, including the provisions of Group facilities at no charge, will be made to political parties and political candidates under any circumstances.

7.14 COMPANY RECORDS

The Company is required to keep valid, accurate and complete records.

Employees responsible for accounting and recordkeeping functions are expected to be diligent in enforcing proper accounting and recordkeeping practices and to maintain effective systems of internal control.

7.15 COOLING OFF PERIOD

Former Employees must not, within a period of one year of leaving the employ of the Company tender or offer services to the Company except with the express prior written consent of the relevant Exco executive.

Note this is not a restraint of trade arrangement.

8. CONTRAVENTION OF THE CODE

Contravention of the Code is considered a serious matter that will be investigated. Any investigations in respect of contraventions of the Code will be treated with utmost confidentiality. If you suspect or become aware of a circumstance or action that violates, or appears to violate the Code and other activities that could affect the Company or its employees in compliance with its/their legal and ethical obligations you must report it to your General Manager, HOD or Exco executive as may be applicable, or if the suspicion relates to, or contravention was committed by another Employee, you must promptly and confidentially report as follows:

- (a) by advising the General Manager, HOD or relevant Exco executive, as may be applicable; or

(b) by contacting Whistleblowers: 0800 00 00 36

The Whistleblower service is available seven days a week, 24 hours a day and is staffed by trained operators who will respond to calls in English, Afrikaans, Zulu, Sotho or Xhosa.

Callers will be asked for specific facts so as to record as much information and understand the situation as clearly as possible.

Legitimate issues and concerns reported will be forwarded to the Divisional Director: Human Resources or his nominated representative who will investigate matters scrupulously following due process, without compromising the identity of implicated Employees or stakeholders, until compelling facts have been uncovered to corroborate the initial complaint. If further inquiry is necessary, matters will be handled by the relevant service providers.

You may choose to reveal your identity, which will assist with further investigations. **Unless you indicate otherwise, your identity will not be revealed to the Company.**

Should you prefer not to phone the **Whistleblowers Alertline**, you may contact the service via these alternative routes:

- Fax: 086 5222816
- Email: citylodge@whistleblowing.co.za
- Online: www.whistleblowing.co.za
- Post: Whistle Blowers, PO Box 51006, Musgrave, 4062

(Note: E-mails sent from your work e-mail will remain anonymous from the Company as the e-mail server will not archive any emails sent to the Whistleblower email address. Therefore your name as well as all other source information will not be available or viewable by anyone in City Lodge Hotels. As a further precaution, it is recommended that you delete the e-mail from your Sent Items as well as from your Deleted Items.)

It is recommended that you do not confront any other Employee who you suspect is in breach of the Code. By following the processes set out above, confidentiality will be maintained and issues and complaints will be investigated impartially.

Contravention of the Code is a serious matter and may result in disciplinary action, including corrective action or even termination of employment. Certain breaches of the Code could also result in civil or criminal proceedings.

The Group Company Secretary will, bi-annually, submit a report, including a trend analysis of the Whistleblower Alertline monitoring within City Lodge Hotels to the Social and Ethics Committee for noting.

9. ACCEPTANCE OF THIS CODE

In order to confirm your acceptance of this code you are required to complete and return the **Code of Ethics – Acceptance of the Code** form attached hereto, to Human Resources.

Appendix 1

FORM 001
DECLARATION OF GIFT(S) RECEIVED
<p>I, the undersigned, hereby declare that at the date hereof, I have received and accepted the gift of</p> <p>..... from</p> <p>..... of</p> <p>..... with an approximate value of R</p> <p>Nature of business relationship</p> <p>Pending proposals for business with CLH <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Conflict of interest <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>In compliance with the provisions of the Code, I hereby declare that I have accepted and kept such gift.</p>
<p>Name:</p> <p>Designation:</p> <p>Date:</p> <p>Signature:</p>
<p>Name and Designation of Approving General Manager HOD Exco executive:</p> <p>.....</p> <p>Signature of Approving General Manager HOD Exco executive:</p> <p>.....</p> <p>(If gift in excess of R1,000)</p> <p>Date:</p>
<p>Official Use:</p> <p>Signature of Group Company Secretary:</p> <p>Date:</p>

Appendix 2

FORM 002
DECLARATION OF OUTSIDE INTERESTS
<p>I, the undersigned, hereby declare that at the date hereof, I have financial interests and/or sit on the Board of Directors of the following entity: (delete whichever is not applicable)</p> <p>Company name:</p> <p>.....</p> <p>Objectives of Company:</p> <p>.....</p> <p>(check that the entity is not a competitor of City Lodge Hotels, if Board seat) Date of Appointment:</p> <p>.....</p> <p>Nature & Size of Interest:</p> <p>.....</p>
<p>Name of Declarer:</p> <p>Official Title:</p> <p>Date:</p> <p>Signature:</p>
<p>Approving General Manager/HOD/Exco executive:</p> <p>Name:</p> <p>Signature:</p> <p>Date:</p>
<p>Official Use:</p> <p>Signature of Group Company Secretary:</p> <p>Date:</p>

The following guidelines apply in respect of the completion of this declaration:

- shareholding in listed entities at the JSE/other exchanges need not to be declared;
- nature of “ interests” may for example include shareholding, partner, director, consultant or member of a CC (operational and not SPVs);
- any interests in an entity that is a guest, supplier, service provider or business partner of City Lodge Hotels must be declared upfront;
- any interest of a relative of a City Lodge Hotels Employee must be declared upfront; □ interests must be revisited and reviewed annually.

Appendix 3

FORM: 003
DECLARATION AND CONSENT TO WORK FOR REMUNERATION OUTSIDE OF CITY LODGE HOTELS
<p>I, the undersigned, hereby declare that at the date hereof, I have requested permission to undertake work for on a part time basis and in return for remuneration of approximately R a month from to</p> <p>I further declare that this will not have an adverse impact in my fulfilment of my duties and responsibilities for and on behalf of City Lodge Hotels. Should I detect an adverse impact in this regard, I undertake to highlight this to the relevant parties and desist from offering such services.</p>
<p>Company Name:</p> <p>Service commencement date:</p> <p>Service end date:</p> <p>Name of Declarer: Title:</p> <p>Date:</p> <p>Signature:</p>
<p>Approving General Manager/HOD/Exco executive:</p> <p>Name:</p> <p>Signature:</p> <p>Date:</p>
<p>Official Use:</p> <p>Signature of BCC:</p> <p>Date:</p>



Appendix 4

FORM 004
DECLARATION OF GIFTS, HOSPITALITY, FAVOURS AND BUSINESS COURTESIES PROVIDED
<p>In compliance with the provisions of the Code, I, the undersigned, hereby declare that on I provided (individual's name) of (name of supplier service provider) with: (select the applicable)</p> <p><input type="checkbox"/> gift:</p> <p><input type="checkbox"/> hospitality entertainment:</p> <p><input type="checkbox"/> favours:</p> <p><input type="checkbox"/> business courtesies:</p> <p>valued at approximately R</p> <p>Nature of business relationship</p> <p>Pending proposals for business with CLH <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Conflict of interest <input type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>Name:</p> <p>Designation:</p> <p>Signature: Date:</p>
<p>Name and Designation of Approving General Manager HOD Exco executive:</p> <p>Signature of Approving General Manager HOD Exco executive:</p> <p>..... Date:</p>
<p>Official Use:</p> <p>Signature of Group Company Secretary:</p> <p>Date:</p>

CODE OF ETHICS

FREQUENTLY ASKED QUESTIONS

ETHICS EXPLAINED

Ethics is the system of moral principals or rules of conduct that direct behaviour. In other words, it is one's ability to choose between what is "right" and what is "wrong".

Moral principles:

- are not based on legal requirements;
- are linked to person's intrinsic/inherent sense of justice and what they consider is the "right" thing to do in a particular situation; and
- can be applied over and above any laws and policies that may be in place.

In business one must be able to be accountable for and accept responsibility for decisions or actions taken and justify why that decision or action was taken.

Generally, the most personal ethical dilemmas can be solved by analysing/examining the components of the problem. This is done by asking a number of ethical questions to put the decision which must be made into perspective, so that it can be considered objectively. The below serves as a guideline to assist when one finds oneself in a dilemma. However, there may be occasions when these guidelines do not address the specifics of a situation.

Analyse the situation

Consider the possible outcomes

Ask the following questions

- *What caused the situation?*
- *What must be decided?*
- *Who can make the decision – you or someone else?*
- *What would the consequences of the decision be?*
- *Are there any written instructions/policies/procedures that could be referred to?*
- *Does an existing policy/procedure shed light to the situation? Who should be consulted and what are ethical alternatives and rationale for each?*
- *Which is the most favourable ethical outcome?*
- *Who could be affected (favourable or not) by the decision?*
- *To what extent could the person affected be harmed? How might they be assisted and what ethical alternative is best to follow?*

- *Of the alternatives identified, which reduces the risk of harm the most, provides assistance, is/are aligned with the Company's culture and, on the whole protect the rights of those involved?*
- *Would I be in breach of an existing policy or procedure?*
- *Should I have reasonably been aware of the policy or procedure?*
- *Could my decision have a negative effect on the Company's reputation?*
- *Would I be proud to tell my family/friends/colleagues of my actions?*
- *Would I be proud to read about my actions in the media?*
- *Would I consider it fair, if I were on the other side of the table?*
- *Would my peers consider my actions appropriate?*
- *Will my decision be considered to be appropriate a year, five years or ten years from now?*
- *Will my decision involve a breach/violation of a law or guideline?*
- *Will my decision keep me awake at night?*

CONFLICT OF INTEREST

QUESTION	ANSWER
<p><i>If I want to start a business or acquire an interest in an existing business that is in no way related to City Lodge Hotels, will this be considered to be a conflict of interests?</i></p>	<p><i>No, provided you do not use City Lodge Hotels time or your position to solicit business from City Lodge Hotels, its service providers and guests and you limit your activities to outside of City Lodge Hotels working hours.</i></p> <p><i>It would however be prudent, before starting the business or acquiring the interest, to obtain written permission from your General Manager/HOD/Exco executive. Once you have received written permission, declare your interest in accordance with the provisions of the Code.</i></p>

QUESTION	ANSWER
<p><i>A family member / friend is a consultant who I would like to appoint for a project. Can I contract with him/her?</i></p>	<p><i>It is not advisable as this may be perceived as a conflict of interest. However, if you do appoint him/her, first obtain written permission from your General Manager/HOD/Exco executive and ensure that you follow all relevant City Lodge Hotels policies e.g. delegations of authority, procurement policy etc.</i></p>



INFORMATION USE

QUESTION	ANSWER
<p><i>A potential/existing City Lodge Hotels service provider/supplier has offered to sell me a product at a discount if I:</i></p> <ul style="list-style-type: none"> • <i>provide him with details about upcoming City Lodge Hotels needs;</i> or • <i>favourably influence his position in terms of being City Lodge Hotels' service provider/supplier.</i> <p><i>What should I do?</i></p>	<p><i>You must refuse the offer, advising the service provider that City Lodge Hotels treats all its stakeholders fairly and impartially.</i></p> <p><i>You must also inform your General Manager/HOD/Exco executive about the situation, who in turn will be required to relay the information to the appropriate Exco executive for guidance.</i></p>

QUESTION	ANSWER
<p><i>A service provider has asked me for details of another service provider's quotation received for a specific tender.</i></p> <p><i>Can I provide this information?</i></p>	<p><i>No, all information received from service providers is confidential and should be treated as such.</i></p> <p><i>Note: A breach of confidentiality could result in disciplinary action.</i></p>

QUESTION	ANSWER
<p><i>A student has asked me for a precedent agreement so that he can look at it for business or academic purposes.</i></p> <p><i>May I provide a copy of an existing agreement containing a service provider's information?</i></p>	<p><i>No. Service/supply agreements usually contain a confidentiality clause. Should the service provider/supplier's information be released for no authorised purpose, City Lodge Hotels would be in breach of its confidentiality obligation, which could attract liability for the company.</i></p> <p><i>It is recommended that you speak to your General Manager/HOD/Exco executive in this instance for proper authorisation to be obtained in this regard.</i></p> <p><i>Note: agreements which do not contain service provider/supplier information may, with the Group Company Secretary's prior written consent, be provided.</i></p>

QUESTION	ANSWER
<p><i>What do I do if I receive a request for information in terms of the Promotion of Access to Information Act?</i></p>	<p><i>You must immediately pass the request to the Group Company Secretary.</i></p>

ACCEPTING OR GIVING OF GIFTS, BUSINESS COURTESIES AND DONATIONS

QUESTION	ANSWER
<p><i>A supplier/service provider dropped by and left a pen and pencil set with me as a token of appreciation.</i></p> <p><i>May I accept it?</i></p>	<p><i>Yes, provided the item is only of a nominal value (not in excess of R1,000.00) and you have completed the Declaration of Gifts form (Form 001) and submitted it to the Group Company Secretary.</i></p> <p><i>Gifts exceeding a value of R1,000.00 should either be returned to the supplier/service provider or permission to accept same should be obtained from your General Manager/HOD/Exco executive. You must complete the Declaration of Gifts form (Form 001) have your General Manager/HOD/Exco executive sign it and submit it to the Group Company Secretary.</i></p>

QUESTION	ANSWER
<p><i>I have been invited to attend a party being sponsored by an existing supplier/service provider.</i></p> <p><i>May I attend?</i></p>	<p><i>Yes, subject to obtaining your General Manager/HOD/Exco executive's prior written consent.</i></p>

QUESTION	ANSWER
<p><i>I have been offered a discount on a product sold by a City Lodge Hotels existing/potential supplier/service provider.</i></p> <p><i>May I take advantage of the offer?</i></p>	<p><i>Yes, provided the discount is equally available to all City Lodge Hotels Employees. If not, the discount will be regarded as a gift, which will need to be declared in accordance with the Gift Policy.</i></p>

QUESTION	ANSWER
<p><i>I have been invited on an all expenses paid trip (local or abroad) by a supplier/service provider</i></p> <p><i>E.g.'s a weekend at a game farm; a trip abroad to watch the Olympic Games on an "all expenses" paid trip.</i></p> <p><i>May I accept?</i></p>	<p><i>This is regarded as highly extravagant. You may, however, approach the CE for consent.</i></p> <p><i>The CE when considering the request will consider whether accepting this will affect the employee's judgment and dealings with the supplier/service provider. The general principle is that no indebtedness should be created as a result of the courtesy.</i></p>



QUESTION	ANSWER
<i>A supplier/service provider has asked me to deliver an address at a conference. May I accept travel expenses?</i>	<i>Ask your General Manager/HOD/Exco executive for guidance and consent. As a general rule it is not appropriate to accept payment of expenses from suppliers/service providers to speak in professional gatherings. However, you may accept reimbursement for expenses for such an engagement on the basis that the supplier/service provider is not likely using the speaking invitation as a means to secure favourable treatment.</i>

COOLING OFF PERIOD

QUESTION	ANSWER
<i>Does the Company have recourse against an Employee who leaves to join a company that has been awarded a City Lodge Hotels tender where that Employee was part of the adjudicating panel?</i>	<i>No, unless there is a restraint of trade in place.</i>

QUESTION	ANSWER
<i>A former Employee would like to render services to the Company. Can he/she render the service within 1 year of termination of employment?</i>	<i>The former employee or existing employee seeking to engage him/her should obtain Exco's prior written consent before committing on this process.</i>

RELATED PARTY TRANSACTIONS

QUESTION	ANSWER
<i>Can I employ a relative/friend or be part of the process where a relative/friend is being considered for employment?</i>	<i>This is not advisable as a situation may arise where you are not able to exercise absolute discretion, which other employees could perceive as bias in favour of the relative/friend, which in turn could have a negative effect on staff morale.</i> <i>It is suggested that the appropriate declaration is made to your General Manager/HOD/Exco executive, HR, and the Group Company Secretary, recuse yourself from the employment process and, in the event that the relative / friend is successful, ensure, as far as possible, that they do not report to you.</i>



CONFLICT OF INTERESTS

QUESTION	ANSWER
<p><i>I want to start a business or have an interest in an existing business that is in no way related to City Lodge Hotels.</i></p> <p><i>Will this be considered a conflict of interests?</i></p>	<p><i>Generally, no, provided you do not use company time or your position to solicit business from City Lodge Hotels, its suppliers and service providers. However, it is advisable to obtain permission from your General Manager/HOD/Exco executive by completing and submitting Form 002 before starting the business and also to make the relevant declaration in accordance with the provisions of the Code.</i></p>

QUESTION	ANSWER
<p><i>A relative / friend happens to be a consultant that I'd like to appoint to a project.</i></p> <p><i>May I contract with him/her?</i></p>	<p><i>No, this is not advisable as it may be perceived as a conflict of interest. However, when in doubt, please ensure that you obtain your General Manager/HOD/Exco executive written approval on Form 002 and comply with all relevant company policies e.g. delegations of authority, procurement policy.</i></p>

INTERNAL AND EXTERNAL RELATIONSHIPS

QUESTION	ANSWER
<p><i>Are obscene comments and jokes regarded as a form of sexual discrimination or harassment?</i></p>	<p><i>Yes, as they are likely to be considered to undermine an individual's dignity and self-worth and have been ruled by SA courts to constitute sexual harassment.</i></p>

QUESTION	ANSWER
<p><i>Are racist jokes regarded as a form of racial discrimination?</i></p>	<p><i>Possibly yes, depending on the individual and the relationship between employees.</i></p> <p><i>It is, however, advisable to exercise caution when joking with colleagues as some people are inclined to be more sensitive than others.</i></p>



QUESTION	ANSWER
<i>What is the company's position on employees being romantically involved?</i>	<i>Whilst the company does not wish to be prescriptive towards its Employee's personal lives, romantic relationships between employees are not encouraged because of the potential complexities that may arise and adverse impact that could result both from the: parties involved in the relationship; and colleagues, (particularly where one of the parties involved is a manager a possibility that this could be construed as sexual harassment may surface, alternatively other employees can consider this in a dim light, which could have an adverse effect on staff morale).</i>

USING CITY LODGE HOTELS CLIENT/SERVICE PROVIDER INFORMATION AND RESOURCES

QUESTION	ANSWER
<i>Am I accountable to City Lodge Hotels for my conduct or behaviour outside of business hours?</i>	<i>Yes if your conduct could impair your performance at work, or affect the reputation or legitimate business interests of the company.</i>