



Transaction Capital

GROUP ETHICS CHARTER

HELPING TO BUILD AN ETHICAL SOCIETY

FOREWORDS

From the group chairman

Ethics is a set of moral principles that govern or influence our behaviour, above and beyond the laws or policies that govern a country, industry, profession or company. Our ethics guide every action taken and decision made, even when no one is watching. In business, a code of ethics helps to define the way that people in an organisation, from its leaders and managers to every employee, are expected to act.

The King IV Report on Corporate Governance™ for South Africa 2016 (King IV) reinforces that effective corporate governance by the board must consider the practice of ethical leadership, attitude, mindset and behaviour across the group. King IV specifies that the governance of ethics is the role of the board, which must ensure that an organisation's ethical culture is aligned with the tone set by the board through the implementation of appropriate policies and practices.

In the local and global context, a lack of ethics has led to detrimental behaviours, including corruption, abuse of assets for personal gain and misappropriation of funds. This has resulted in spectacular failures in businesses and public institutions, which severely damages reputations and has devastating effects on us all. In this environment, ethical leadership in businesses and society is more relevant than ever.

While Transaction Capital's board of directors oversees the group's systems of control and governance, and recommends enhancements to ensure that each division is managed ethically, the group's values provide the foundation for effective and ethical leadership. Consequently, Transaction Capital's values must form the basis for all our deliberations, decisions and actions – at board level and within every area of the business.

I must commend Transaction Capital's leadership and employees for driving a culture of ethical business, and of honesty, openness and transparency in conducting its business. Let us all remember our responsibility to follow an ethical path so that we can hold our heads high as individuals, as representatives of Transaction Capital, and as citizens of South Africa.

Christopher Seabrooke, group chairman

FROM THE GROUP CEO



DAVID
HURWITZ

ETHICS HAS OFTEN BEEN DESCRIBED AS A MORAL COMPASS, POINTING US IN THE RIGHT DIRECTION. FOR ME, ETHICS IS LIKE A COMPUTER'S OPERATING SYSTEM – IT MANAGES ALL HARDWARE AND SOFTWARE, AND PROVIDES A COMMON PLATFORM ON WHICH ALL OTHER PROGRAMS RUN.

Taking this analogy into Transaction Capital – with ethics working effectively as our operating system, it does not matter what role we perform and in which business or department we work, our actions and decisions are always informed by a common system, our ethical operating system.

Across Transaction Capital, we must all strive to operate as an ethical group every day. This does not mean that we do not and will not make mistakes; rather, by ensuring that our ethical operating system is sound, we will together build a reputation for operating as a value-based organisation that always acts with *integrity*, strives for *excellence*, treats all our colleagues and stakeholders with *respect*, and *innovates* in our markets. In this revised Ethics Charter we have included a new value of *accountability*, which includes being responsible for our conduct, learning from mistakes and not blaming others.

Our entry ticket to doing business is to be regarded as an ethical group – it is an ethical operating system powered by our executives and employees

From the group CEO continued

that drives our business and reputation. Ethics are key to our clients and customers choosing us as their partner in business; our suppliers providing good service and walking the extra mile with us; our communities that we work with in building our nation; our shareholders in trusting our ability to conduct good business that grows in value; the trust of our funders and our ability to continue raising funding; and public sector partners and regulators in granting us a licence to operate. And in as much as we have responsibility to work ethically with all our stakeholders, so too do they in working with us.

Transaction Capital has well-developed ethical governance and operating structures. These are designed to prevent unethical conduct, rather than deal with the consequences of unethical behaviour after the fact. As part of the group, we are all expected to speak up in good time when we are aware of unethical behaviour, and it is expected of all leaders, managers and supervisors to act with sensitivity and consideration when dealing with the ethical issues raised. Where employees feel they would rather report in confidence, they can contact the independently operated and anonymous whistle-blower hotline (see page 10 for details).

Operating as an ethical business is not just good for our business. If we act ethically, in our work, in our homes and in our communities, we can help to build and inspire an ethical culture that extends beyond Transaction Capital. Let us all stand proud and resolute in being a values-based company, knowing that our actions are helping to build an ethical society.

David Hurwitz, group chief executive officer

OUR APPROACH TO REVISING THE TRANSACTION CAPITAL ETHICS CHARTER

Transaction Capital's Ethics Charter (the Ethics Charter) was revised through a consultative process across the Transaction Capital group (the group) involving focus groups with executives and employees with feedback incorporated into the new Ethics Charter. The Ethics Charter sets the framework for the operating systems driving ethical business across Transaction Capital.

It takes into account the values and business principles in Transaction Capital Risk Services (including the TCRS Leadership Charter) and SA Taxi (in the SA Taxi Way).

SA Taxi was the first principal funder of the Business Ethics and Governance Think-Tank programme developed by the Gordon Institute of Business Science (GIBS), which stands to make a seminal contribution to the understanding, awareness, and practice of business ethics in South Africa. SA Taxi is also a participant in its ethics survey, which is benchmarked internationally.

Our support for the GIBS programme is an organic extension of our own core value of integrity in business, as expressed through our developmental finance focus.

FROM THE SA TAXI CEO

TERRY KIER

As a division of the Transaction Capital group, all businesses within SA Taxi subscribe to the Transaction Capital Ethics Charter and the group's values.

The SA Taxi Way is complementary to the Ethics Charter and translates the group's values into the behaviours that are expected of each of us within SA Taxi. Like the Ethics Charter, the SA Taxi Way was developed as part of a consultative process across the division, ensuring that each behaviour is relevant to the industry in which we operate.

We are fortunate to work in an industry that drives real social change, but it is essential that the good work we do is always based on a foundation of ethical business. I encourage all SA taxi employees to live the behaviours in the Ethics Charter and SA Taxi Way every day.

Terry Kier, SA Taxi chief executive officer

FROM THE TRANSACTION CAPITAL RISK SERVICES CEO

DAVID MCALPIN

As a division of the Transaction Capital group, all businesses within Transaction Capital Risk Services (TCRS) subscribe to the Transaction Capital Ethics Charter and the group's values.

Across TCRS, we operate against a clearly defined code of conduct and the TCRS Leadership Charter. Given the nature of our business, these policies are driven by principles (rather than rules) as our behaviour and actions are what differentiates us in a highly competitive industry.

As leaders, managers, supervisors and employees of TCRS, building a solid ethical foundation requires that all TCRS' people understand and embed our values and principles in our day-to-day activities and behave in accordance with our Leadership Charter every day. This is why the principles in our Leadership Charter form part of our performance management process.

And importantly, all of us have a responsibility to report unethical behaviour and take action when it is reported.

David McAlpin, TCRS chief executive officer

ABOUT THE SOCIAL AND ETHICS COMMITTEE

The social and ethics committee (the committee) of the Transaction Capital board of directors (the board) is a statutory committee in terms of section 72(4) of the Companies Act of 2008, with accountability to both the board and shareholders. One of the committee's specific mandates it to ensure that the group's ethics framework is managed effectively.



FROM THE SOCIAL AND ETHICS COMMITTEE CHAIR

PHUMZILE LANGENI

IN TAKING A PRINCIPLES-BASED APPROACH (RATHER THAN A COMPLIANCE-DRIVEN APPROACH) TO ETHICAL AND EFFECTIVE LEADERSHIP, KING IV STANDS AS AN IMPORTANT EVOLUTION IN CORPORATE GOVERNANCE

I believe that principles require far more ownership and accountability, especially as everyone across an organisation must live and entrench them in their actions and decisions every day.

The importance of ethics cannot be understated. Behaving ethically is as critical in business as it is to each of us, as members of communities and as South Africans. Ethics is also binary – so conduct is either ethical or it is not; there are no grey areas. As a result, the example and tone set by leaders and those of us responsible for governance is critical.

The Transaction Capital Code of Ethics defines the values that are expected of each of us across the group. I make a specific appeal to those in leadership positions, from the board and executive, to managers and team leaders – never forget that people look to you when you are in a position of leadership; they are influenced by your actions and decisions, and will model their approach to ethics and business on the actions you take and the decisions you make. As leaders, it is critical that we ensure that our decisions are understood and implemented within the bounds of the Ethics Charter at all times.

Remember that an ethical culture takes years to nurture and build, but one unethical misstep can undermine all that effort and destroy a company's reputation in the process.

Ethics is about far more than the whistle-blower hotline. While this reporting mechanism is vital in providing an anonymous, confidential and auditable process when needed, an ethical culture is the result of what we do and what we say, even when we are not being watched. I encourage all Transaction Capital's people to trust their instincts; we all have a sense when something is right or wrong, and we all bear responsibility and are empowered to raise ethical issues for the benefit of the group.

Ethics does not presuppose that we make no mistakes; rather, building and maintaining an ethical culture means that we do our best, learn from our mistakes and remain accountable for our actions.

Phumzile Langeni, independent non-executive director and chairperson of the social and ethics committee

WHAT IS THE TRANSACTION CAPITAL ETHICS CHARTER?

The Transaction Capital ethics charter defines our vision, mission and values, and outlines our approach to operating as a value-based group.



WE ARE COMMITTED TO:

Upholding the highest standards of ethical behaviour and integrity.

Complying with all prevailing laws that are applicable to our business.

Aligning our behaviour in the workplace with Transaction Capital's values.

Providing relevant information on our approach and attitude to conducting business ethically to our stakeholders.

Abiding by principles and recommended practices in the King Report on Corporate Governance™ 2016 (King IV).

Supporting group initiatives to manage ethics effectively.

IN THE WORK WE DO EACH DAY, THESE COMMITMENTS SUPPORT OUR EFFORTS TO:

ENSURE
ETHICAL
LEADERSHIP

ALWAYS ACT AS
A RESPONSIBLE
CORPORATE
CITIZEN

INCLUDE OUR
STAKEHOLDERS
IN OUR EFFORTS TO
OPERATE ETHICALLY

NURTURE AN ETHICAL CULTURE THROUGH A WORK ENVIRONMENT WHERE **EVERYONE IS TREATED WITH RESPECT AND DIGNITY**, AND WHERE **DISCRIMINATION OF ANY KIND IS NOT TOLERATED**

HOW IS THE ETHICS CHARTER APPLICABLE ACROSS THE GROUP ?

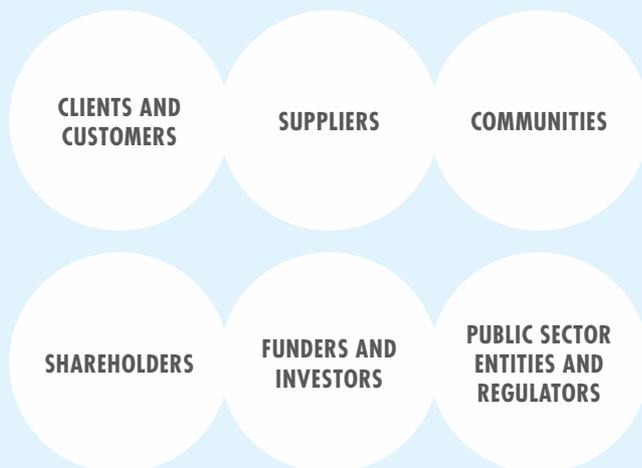
For Transaction Capital to be regarded as an ethical organisation, **we must all commit to a shared set of principles and behave according to the same ethical standards.**

Thus, the **Transaction Capital Ethics Charter** is applicable **to all our people** across all levels in Transaction Capital – at group level, in the divisions and in each subsidiary company. **We all have a responsibility to comply with the Ethics Charter and uphold the group values** it embodies – which extends to the group’s supporting ethics related policies and applicable legislation.

The ethical culture this creates benefits us all by maintaining a fair workplace, and a sound reputation benefits the entire group by demonstrating to our stakeholders that we share a commitment to upholding ethical business practices.

ETHICS AND OUR STAKEHOLDERS

Transaction Capital’s Ethics Charter also applies to our external stakeholders, across our:



We are **committed to fair and honest dealings with our stakeholders.** Equally, we expect that they too behave ethically in all their interactions with us.

Our Ethics Charter can be accessed by all stakeholders and interested parties on our website at <http://www.transactioncapital.co.za/about.php>



“THE ETHICS CHARTER SHOULD GIVE ME AN INDIVIDUAL PLATFORM TO STAND AGAINST UNETHICAL CONDUCT”

– Employee, values focus group, April 2018

TRANSACTION CAPITAL'S VISION, MISSION AND VALUES

OUR VISION

Our vision recognises that our ultimate success depends on our stakeholders having positive regard for the group and its divisions, which requires that we meet their legitimate needs and expectations as determined through constructive mutual engagement.

**OUR VISION IS OUR
DEFINITION OF VICTORY.**

Our vision can be accessed on our website at <http://www.transactioncapital.co.za/about.php>



OUR MISSION

Our mission is to provide specialised financial and allied services in selected high-risk and under-served segments of the financial services sector.

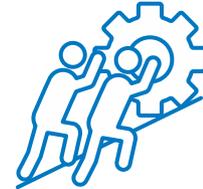
**OUR MISSION DESCRIBES
HOW WE APPLY OUR
COMPETENCIES TO
ACHIEVE OUR VISION.**

OUR VALUES

**OUR VALUES UNDERPIN
AND SUPPORT OUR
VISION AND MISSION.**

They guide our actions and our interactions with our stakeholders, and are the foundation on which we build our brand and make decisions.

As our values clarify what constitutes acceptable and desirable behaviour, we must always strive to align our actions to these values.



INTEGRITY

We recognise that integrity goes beyond complying with laws, regulations and company policy – integrity encompasses honesty and fairness, including treating customers fairly (TCF), consistency and appropriate levels of transparency.



RESPECT

We treat everyone with respect, embrace and value diversity, care for and value our people, and do not tolerate any form of discrimination.



EXCELLENCE

We value our people’s contributions. We set goals that are challenging, always strive for high performance and are committed to ongoing learning.



ACCOUNTABILITY

We accept accountability for the organisation’s actions and similarly expect our employees to be accountable and accept responsibility for their conduct, to learn from mistakes and not blame others.



INNOVATION

We initiate and embrace change, and use it as an opportunity to adapt to and overcome challenges. We encourage new ideas and discover new ways to address the needs of our stakeholders.



“MAKE A DIFFERENCE AND HAVE AN IMPACT”

– SA Taxi Way

TCRS LEADERSHIP CHARTER AND THE SA TAXI WAY

The TCRS Leadership Charter and the SA Taxi Way are powerful influencing philosophies that are aligned to specific operational and market environments.

The **Transaction Capital Ethics Charter**, including the group’s core values, provides a **common platform** for ethics, and **ensures that the group acts in common purpose** across all levels, divisions and subsidiary companies.

ETHICS POLICIES

Our values are supported by and implemented through various ethics related policies.

ETHICS SUPPORT

Ethical and values-based behaviour is already a key tenant of how Transaction Capital, its divisions and subsidiary companies operate. However, we recognise that there may be times when our people require further support in giving effect to the Ethics Charter.

If employees are unsure about a decision or action they are required to take, or when they observe or suspect inappropriate behaviour by others, they can seek guidance from line managers, HR practitioners, the Group Ethics Officer or executives.

"THE ETHICS CHARTER SHOULD PROTECT AND IMPROVE YOUR WORK SITUATION"

– *Employee, values focus group, April 2018*

REPORTING MISCONDUCT

We commit to integrating our values and ethical conduct into the work we do, every day, and are empowered to speak out where we believe that this commitment is not being met.

Reporting of suspected unethical or fraudulent behaviour can be directed to line managers, HR practitioners or executives, with confidential reporting to the Group Ethics Officer.

Where employees or others report unethical or fraudulent behaviour in good faith, the group will protect them from any negative repercussions. Any victimisation of those who speak out will not be tolerated.

Anonymous reporting of suspected unethical or fraudulent behaviour can be reported via the Whistle Blowers hotline. These anonymous reports are distributed to the Group Ethics Officer and all alleged incidents of misconduct are investigated.



Transaction Capital's anonymous Ethics Hotline details are:

FREE CALL:

0800 212 767

FREE FAX:

0865 222 816

EMAIL:

information@whistleblowing.co.za

WEBSITE:

www.whistleblowing.co.za



www.transactioncapital.co.za



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