

WELCOME MESSAGE

Welcome from the Company Secretary

Welcome to the Australian Automotive Group (AAG).

We would like to extend to you, a warm welcome for being part of the team at the Australian Automotive Group. This guide to employment will refer to our business as AAG and is aimed at introducing you to our business and our policies.

This guide does not form part of your employment contract however the policies and procedures contained herein, are designed to help you understand what you can expect from our managers and business generally, as well as what our expectations are of you. This includes entitlements, how we do business as well as how we expect staff to act and treat each other.

Throughout this guide, it is referred to as a policy manual, code of conduct and guide for employment. These terms are all interchangeable and refer to the same thing. We have tried to write this manual in plain English and avoid unnecessary jargon or legal terms. However it is your responsibility to ask questions on these policies if you are unsure of their meaning and implications.

A big part of our business involves the adoption of key principles and we expect all staff including our management team who are accountable for them, to uphold these values.

I also encourage any staff member who feels other co-workers are not abiding by this code to report this.

Anonymous reports can be made in full confidence by emailing our Human Resources Department through our online portal.

I also point out that any policy contained within this guide, once printed, is considered an uncontrolled document. This means it may not be the most up to date document and only those policies found on the employment guide contained on the company's intranet is considered the most current version.

On a final note, at AAG, we care for your wellbeing and want to give you every opportunity to excel in your career with us. Please feel free to contact our HR team if you have any questions on any of these policies.



John Austin
Chief Financial Officer and Company Secretary
Australian Automotive Group



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THE AAG WAY

Who we are

The Australian Automotive Group (AAG) was created in 2005 when Imperial Holdings of South Africa, purchased the assets from Ford Sydney's Retail Joint Venture.

Since 2005 the company has evolved into an outstanding portfolio of automotive assets, the core of which is the six leading Ford dealerships in Sydney. The Ford portfolio has been complemented by the addition of Suzuki and Renault, Mitsubishi, Hyundai and Nissan.

Other businesses include our automotive aftermarket business, Sentry Automotive Solutions and All Cars Paint Supplies in Sydney and Melbourne.

AAG employs over 450 staff in Sydney and Melbourne and sells approximately 12,000 new and used vehicles annually.

Imperial Holdings

Our parent company, Imperial Holdings of South Africa began in 1947 as a motor dealership in Johannesburg and has grown to a company of over 51,000 people across South Africa, the rest of Africa, Europe, the United Kingdom, the United States of America, and Australia.

IMPERIAL is a diversified industrial services and retail group with activities spanning logistics, car rental; tourism, financial services, vehicle distribution and retail, automotive parts and industrial products distribution.

We recognise our people and culture lead to our success and with this in mind, Our Vision (worldwide) is to:

- Create a diverse enterprise in Australia built around automotive related businesses.
- Be regarded by the businesses and its people as industry leaders.
- Dominate in each of the segments we participate in.
- Be regarded as great business partners and an employer of choice.
- Grow to become one of the jewels in the Imperial crown.

To do this, we have adopted the following key values which we strive to achieve.

1. **Teamwork:** We develop and invest in the best people so that they fulfil their potential, feel pride in their achievements, and work together to deliver high performance results
2. **Integrity:** We strive to do what is right. We do what we say we will do. We work and act in an ethical, courteous and professional manner
3. **Enjoyment:** We create an enjoyable and exciting environment. We are friendly, approachable, open to new ideas, passionate and enjoy celebrating our success.
4. **Respect:** We create a culture of respect. We take responsibility for our words and actions. We listen and support each other.
5. **Recognition:** We take pride in our achievements and acknowledge effort when celebrating results.



"We know by doing this, we are on the road to consistently deliver 100% customer satisfaction to 100% of customer's 100% of the time."

Michael Clements
Director Operations AU

THE AAG WAY

Donations and Bribery

AAG is committed to high standards of professional conduct and honest and ethical business practices.

We understand the way we do business and interact with our business partners, directly reflect our public perception, corporate values and standing in the business world. In Australia there are lawsⁱ prohibiting the making of offers, payments or gift giving which are designed to exert improper influence on the beneficiary. These laws regulate the rules around bribery.

Because of this, AAG adopts a strong corporate ethic and we have a zero tolerance policy towards corrupt conduct which can take on many forms including conflicts of interest outlined in this employment guide. These include taking or offering bribes, dishonestly using influence, blackmail, fraud, theft, embezzlement, tax evasion, forgery, nepotism and favouritism.

All business we undertake is conducted in an honest and ethical manner and all staff have a fiduciary duty to be vigilant and take an active role in the prevention and detection of fraud, bribery and corrupt conduct against AAG.

AAG will support any staff member(s) who come forward to report conduct which does not meet the standards required by our organisation.

Gifts and Hospitality | Employees must not offer or give any gift or hospitality of any kind, to any stakeholder which could be regarded as illegal or improper or which violates the policies of the person giving it.

Political Contributions | AAG does not make donations of any kind, in support of any political parties or candidates.

Charitable Donations | AAG supports a number of charities without expectation or acceptance of favourable action or the exercise of influence.

Bribery means the offering, promising, giving, accepting or soliciting of an advantage as an inducement for action which is illegal or a breach of trust. A bribe is an inducement or reward offered, promised or provided in order to gain any commercial, contractual, regulatory or personal advantage

Corrupt conduct means dishonest activity in which a staff member or contractor of AAG acts contrary to the interests of AAG and abuses their position of trust in order to achieve some personal gain or advantage either directly or indirectly

DO's

- ✓ Record and keep complete, accurate and detailed records of any payments made to third parties related to AAG including any expenses relating to gifts and hospitality made to third parties.
- ✓ Record and keep complete, accurate and detailed records of Report any conflict of interest to your manager as soon as possible.

DON'T's

- ✗ Turn a blind eye if you spot a breach of this policy. You would be deemed to be condoning the behaviour.
- ✗ Encourage another person or business to offer, promise or receive anything of value.

THE AAG WAY

Fraud and Dishonesty

What is Fraud and Dishonesty – Fraud is sometimes described as dishonest activity causing actual or potential financial loss to any person or entity including theft of monies or other property by staff members or persons external to the entity and whether or not deception is used at that time, immediately before or immediately following the activity.

This can also include theft, making false representations, manipulation of information and deliberate falsification. This is often linked to corrupt conduct.

Many Lawsⁱⁱ in Australia prohibit people from the making of offers, payments or giving gift giving which are designed to exert improper influence on the beneficiary.

Reporting – At first instance, all issues should be directed to your Manager. Where appropriate, you can speak to the Human Resources Manager.

This can be done verbally or in writing. If verbal, it may be required that the matter is documented to avoid any misinterpretation or confusion.

Anonymous Reporting – This should be made to the Human Resources Department however, depending on its nature AAG may not have sufficient information to conduct a proper investigation. It is strongly recommended all reporting be in writing and contain the particulars of the issue and the complainant's information

Investigation – Only AAG head office staff are permitted to investigate matters pertaining to fraud and dishonesty. In some situations (e.g. the suspected matter involves a level of interaction with a Dealer Principal), the concern should be referred directly to the Human Resources Manager.

All investigations remain confidential.

Where appropriate, management may take action to reduce risks while the investigation is being conducted. This may include relocating or suspending staff on full pay or temporarily changing the nature of one's work without loss of pay during the investigation.

At the conclusion of the investigation, a report will be given to the National Operations and Human Resources Manager for further action.

This could include disciplinary action leading up to, and including dismissal. When appropriate, the applicable authorities will be contacted.

Dishonest and Fraudulent conduct – This can also include a technician signing off on an incomplete vehicle, falsifying warranty claims, tampering with a customer viewpoint survey and Service Advisors costing work incorrectly for friends and family.



DO's

- ✓ Report known or reasonably suspected wrongdoings to your manager or the Human Resources Manager.
- ✓ Remember, any wrongdoings which involves a criminal offence can be referred to the relevant law enforcement or regulatory body.

DON'T's

- ✗ Turn a blind eye to known wrongdoings.
- ✗ Forget that AAG considers fraud an act of serious misconduct and grounds for termination.

THE AAG WAY

Accepting Gifts and Benefits

As with AAG's policies on Bribery and Fraud, many lawsⁱⁱⁱ in Australia govern the giving and acceptance of gifts and/or benefits that compromise, or appear to compromise, their integrity and objectivity in performing their duties. Staff should not profit from work undertaken by AAG.

Gifts can include things like goods and services, including discounts or special terms and conditions that are not usually available to the public, as well as entertainment such as sporting and movie tickets, dining, free entry to venues and the like.

If a person offers you a gift that you cannot accept, you should politely thank them and explain that AAG's policy is against accepting gifts. You must also report this to your manager.

This policy does not apply to gifts supplied to AAG as part of its sponsorship and/or partnership agreements.

It is the responsibility of the staff member receiving or giving the gift, to declare it by way of a **HR Form 93** to both the Dealer Principal and AAG's Human Resources Department by email.

The HR Form 93 must contain brief details on the gift including who gave (or was given the gift), what the gift was, when the gift was given or received and the perceived value of the gift. This information will be stored in a register.

Some roles within AAG require employees to accept or extend an offer of entertainment. These include where an employee's job description requires them to entertain customer's institutions, clients and suppliers in the normal course of employment. In those situations greater discretion is applied.

Other roles involve gifts and gratuities given to the employee by stakeholders for example, benefits obtained from a point system implemented by manufacturers to encourage sales.

For these reasons, and as a general rule, **AAG does not require** a staff member to fill in and/or declare gifts of the following nature:

- That are a token in nature (i.e. not personal)
- Personal gifts with a perceived value of less than \$50.00
- Meals and refreshments during business meetings. These do not need to be declared if the value is less than \$100.00
- Given in gratitude when hosting business events where refusal would be unreasonable and unnecessarily offensive
- Given by a company stakeholder as part of a performance based incentive system. For example, a manufacturer points based incentive system.

As long as the acceptance of the gift would not be deemed by your manager (and human resources) as you profiting from the business at the expense of AAG, the gift will not breach this policy.

Be mindful that sequences of receiving gifts can also trigger having to declare them. For example, receiving gifts from the same stakeholder on a regular basis (of \$ 45.00) would need to be declared even though it falls under the \$50 threshold.



DO's

- ✓ Always consider the purpose of a gift/benefit before making any decisions about accepting.
- ✓ Advise your manager immediately if you believe you have been offered a gift/benefit aimed to influence decision making now or in the future.
- ✓ Speak to your manager if in doubt.
- ✓ Err on the side of caution and declare all gifts.

DONT's

- ✗ Accept any financial benefit which could be considered a bribe.
- ✗ Accept any gift that could be perceived by a reasonable person to influence you when carrying out your official duties.
- ✗ Forget to declare any gift or benefit received.