

Company Code of Ethics

At Honey Bun, we believe that living by a set of core values help define the true measure of a company - they guide the way we treat each other and how we make business decisions, no matter what the business climate is. Owner-manager's business behaviour will be taken as a role model by staff. Any business partner/director of the company must share both the vision and values of our company.

Companies where all employees are aligned to fundamental guiding principles consistently deliver the superior financial results that ensure long-term success.

At Honey Bun, we've developed a core ideology that is the foundation for everything we do. This creates an environment that allows us to maintain a focus on what's important while challenging everything else in a drive for continuous improvement.

It is the discipline of execution that distinguishes great companies. This is about building an organization that has purpose, focus and alignment, that lives its values every day and that creates an environment that allows employees to grow and to produce superior results.

Code of Conduct

Principles of fairness and honesty will govern our conduct at all times. It is each Honey Bun employee's responsibility to apply these principles. Each situation needs to be examined under this standard. No performance goals should be imposed or accepted if they can be achieved only by compromising our ethical standards.

Compliance with the Law

One of the hallmarks of Honey Buns reputation for integrity is its respect for, and compliance with, those laws, regulatory or similar mandatory requirements, that apply to the conduct of its business. It is the personal responsibility of all employees of Honey Bun to be aware of the laws, regulations and requirements relating to their job, location and environment and they must avoid any activities, which would involve Honey Bun in any unlawful practice.

Employment

Welfare and motivation of our staff are critical to our success.

Our employees are our most crucial resource, and therefore we abide by the following principles:

- Equal opportunities – we are committed to offering equal opportunities to all people in their recruitment, training and career development, having regard for their particular aptitudes and abilities. Full and fair consideration is given to applicants with disabilities and every effort is made to give employees who become disabled whilst employed by the company an opportunity for re-training.
- Health & Safety – we consider health and safety as equal in importance to that of any other function of the company and its business objectives. The chief executive/managing director has responsibility for health and safety. We seek to provide a safe and healthy workplace and system of work in line with local regulations, to protect all employees, visitors and the public, insofar as they come into contact with foreseeable work hazards. Our employees are expected to adopt a proactive attitude towards this end. We will continue to develop safety awareness amongst all employees, and we will measure and manage health and safety performance

- Harassment – we will not tolerate sexual, mental or physical harassment in the workplace. We expect incidents of harassment to be reported to the appropriate human resources director.
- Human Rights – managers must take account of the core International Labor Organization labor conventions and strive to observe the UN Declaration on Human Rights, by respecting the dignity and human rights of our employees and in particular as stated below: -

"Universal respect for an observance of human rights and fundamental freedoms for all without discrimination as to race, sex, language or religion."

We remunerate fairly with respect to skills, performance, our peers and local conditions.

- Communication – we will brief employees and their representatives on all relevant matters on a regular basis.

The use of intoxicating, addictive, or illegal substances while at work or on Honey Bun premises is prohibited. The sole exception to this prohibition is the consumption of alcohol when and where permitted by Honey Bun and/or local rules and regulations.

It is also Honey Bun's policy to respect all laws requiring confidential treatment of personnel data.

Company Property

Each employee of Honey Bun must use his or her best efforts to protect Honey Bun's property. The following are some examples of abuse of company property:

1. Unauthorized removal of company property
2. Theft of company property/products
3. Malicious damage of company property
4. Offences of dishonesty
5. Falsification of time sheets, subsistence, expenses and mileage claims
6. Misuse of Funds

Honey Buns assets are not only physical or tangible items (such as funds, supplies, patented inventions, or computer and telephone networks), but also include intangibles (such as ideas, concepts or know-how) which employees develop in the course of their work for Honey Bun. They also include customer and vendor lists and other market information, and other data and information to which employees has access as a result of their work responsibilities.

Confidentiality and Proprietary Information

Any employee entrusted with, or who comes into possession of, confidential, operational or proprietary information about Honey Bun's business activities:

1. Must keep such information confidential and use such information only if authorized..
2. May not act on such information for personal gain before it has been made public.
3. Must not misuse such information about other companies with which he or she has been entrusted.
4. Shall not share such information, business activities, procedures and processes with fellow employees or outsiders unless such persons are specifically authorized to receive it.

-Examples of confidential information include, but are not limited to, earnings and other financial data and forecasts, human resources data, information with respect to formulas, customers, suppliers, ingredients, new products or business orders.

-Examples of proprietary information include, but are not limited to, business strategies, product improvements, technical information, systems, techniques, inventions, trade secrets or know-how developed or acquired by Honey Bun. This also includes matters covered by secrecy agreements.

If an employee is not sure whether he or she may properly disclose or act on information he or she may have, then he or she should seek guidance from the person to whom he or she reports.

The employee's obligation with respect to such information continues after his or her employment ends.

On the termination of any individual, all documents in that persons property must be returned to the company. This includes computer files, which may not be copied or removed from the company property during or after employment without the consent of the CEO or Chairman.

Violations of certain Corporate instructions may have severe and/or lasting negative impacts on Honey Bun's image and results. Where circumstances warrant, Honey Bun may seek civil or criminal prosecution and dismissal of the employee involved.

Accuracy of Information, Internal Controls and Records

Each employee is personally responsible for the reports and records he or she writes and the information he or she provides (including information entered into computer systems). Records should be retained in compliance with Honey Bun's Document control procedures.

Employees must, at every level of the Company, assure that such reports, records and information used (whether financial reports and projections, research reports, marketing information, sales reports, tax returns, expense accounts, time sheets, claims and other documents, including those submitted to governmental or regulatory agencies) enable Honey Bun to make full, fair, accurate and timely disclosure in reports, documents and other public communications.

The management of the respective entity is responsible for the institution and operation of appropriate systems of internal control. These systems must be effective, and ensure that errors are detected speedily and corrective action taken where necessary, so that reasonable

assurance can be provided in relation to effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations

Email, Internet, telephone, other means of communication

Honey Bun respects the individual privacy of its employees, but these privacy rights may be limited with respect to employee's work-related conduct or to the use of company-provided equipment or facilities.

Honey Buns email, internet, telephone, other means of communication systems and/or its access rights are the property of Honey Bun and, thus are expected to be used primarily for job related communications. Although each employee who can access the system has an individual password, the contents of email communications may be accessed by the Company. While Honey Bun permits incidental and occasional use of email for personal use, such messages are treated in the same manner as other messages.

Use of Honey Bun's email and telephone for private purposes is based on the recognition that private and business life are closely linked and that the right balance between the two is beneficial for Honey Bun and it's employees. However such use should be limited to what is reasonable and necessary in the circumstances and use outside this norm is not permitted.

Employees are strictly forbidden from using Honey Buns email system or the Internet or any other means of communication for any improper purpose, and must avoid the transmission or receipt of messages or images that may be viewed as insulting or offensive to another person. Examples would include sexual explicit messages, ethnic or racial slurs or any other message that could be construed as harassment or disparagement of others on the basis of gender, race, religion, national origin, age, sexual preference, or disability.

Conflict of Interest

It is Honey Bun's policy that all employees avoid any situation, which involves or may involve a conflict between their personal interests (or those of members of their family) and those of Honey Bun.

To protect employees and Honey Bun from actual or apparent conflicts:

Employees shall not make or hold any investment in any supplier, customer, competitor or other enterprise if such investment might adversely affect their business decision on behalf of Honey Bun.

- Employees shall not accept, or allow a family member to accept payments, gifts, loans, entertainment or preferential treatment from anyone doing business with Honey Bun. However an employee may accept occasional business meals that can be reciprocated or occasional gifts, other than money, of purely nominal value.
- The test for a possible conflict is simple; might accepting the gift or service influence the employee's judgment or action? Will the person offering it think the employee has been compromised? If the answer to either of these questions may be yes the employee should refuse it gracefully, advising the giver of Honey Bun's policies prohibiting acceptance.
- Should protocol, courtesy or other circumstances suggest acceptance or offering of a gift or service of more than a nominal amount, the employee must report the circumstances to his or her immediate manager, or Human Resource Department or any person authorized to act, before accepting or offering any such gift or service. No gift or

gratuity of any nature may be given or received in any situation involving government contracts.

- Employees must obtain written clearance from the manager of their Unit before doing business on Honey Buns behalf with any company in which the employee or a family member is a significant investor or office or director.
- No employee shall accept outside work in his or her personal capacity from a supplier, client or competitor or do any outside work that may adversely affect the employees' performance or judgment on the job. The employee shall disclose any outside employment to his or her manager.

Customers

We seek to be honest and fair in our relationships with our customers and above all to provide the standards of product and service that have been agreed whilst at the same time offering value for money. At all times we take all reasonable steps to ensure the safety and quality of the goods or services that we produce.

Each employee has a responsibility to work at a relationship with each customer; relationships neither start nor stop when the sale is made

Suppliers

We will carry out our business honestly, ethically and with respect for the rights and interests of our suppliers. We will settle our bills promptly and we will co-operate with suppliers to constantly improve quality and efficiency. We seek to develop relationships with supplier companies consistent with the basic principles as set out above, and specifically with respect to human rights and conditions of employment. Where supplier audits show shortcomings in any of these areas, we will strive to encourage a programme of improvement leading to compliance. Responsibility for specific supply codes and agreements rests with individual companies.

Competitors

All business activities of the Honey Bun are highly competitive, and it is the policy of Honey Bun to compete aggressively, but fairly.

Predatory practices, i.e. practices focusing on driving a competitor out of the market or restricting entry in the market to new competitors by unlawful means is not allowed. Further Honey Bun's code of ethics also dictates that we maintain professionalism at all times and as it relates to competitors we maintain that we do not deliberately try to blemish the reputation of our competitors for our own gain.

The Wider Community

Honey Bun must become involved in improving the culture of our people in one-way or the other. This must be determined by the board and/or management staff and must become a regular annual effort.

Charitable contributions must be made against a specifically approved budget.

Such contributions should serve the purpose of the charity concerned. They must enhance Honey Bun's social contribution as a good citizen and have relevance to the community in which Honey Bun operates.

Environment

Honey Bun recognizes the impact that its businesses have on the environment. Therefore, as a minimum, we will comply with current applicable legislation of the countries in which we operate; and our operations will be conducted such that:

- Emissions to air, releases to water and land filling of solid wastes do not cause unacceptable environmental impacts and do not offend the community;
- Significant plant and process changes are assessed and positively authorized in advance to prevent adverse environmental impacts;
- Energy is used efficiently and consumption is monitored;
- Natural resources are used efficiently;
- Raw material waste is minimized;
- Solid waste is reduced, reused or recycled where practicable;
- The amount of packaging used for group products is minimized, consistent with requirements for food safety and product protection;
- Products are transported efficiently to minimize fuel usage, consistent with customers' demands, production arrangements and vehicle fleet operations;
- Accidents are prevented so far as is reasonably practicable; and
- Effective emergency response procedures are in place to minimise the impact of foreseeable incidents.

The environmental performance of our businesses will be regularly reported to and reviewed by the board.

Media

Honey Bun values its relationships with those in the media and will endeavor to provide full and prompt disclosure of all material developments or events. However communication with the media on sensitive issues or on issues, which may affect Honey Buns' image or reputation, must be carefully reviewed and controlled. Media relations are the responsibility of the CEO/Chairman and all statements to the media or responses to inquiries from the media shall be either handled through the CEO or co-ordinated with him/her.

In the event the media inquiry relates to a pending or threatened legal matter, media communications should also be co-ordinated with Honey Bun's lawyers or in the case of employment or social events the Human Resources Department.

Reporting Violations of Code of Ethics

Any employee who in good faith, has serious concerns regarding questionable accounting, internal accounting controls or auditing matters or believes that they have identified a breach of this Code of Ethics is to report such breach. Such report should be promptly made to (as may be appropriate in the particular circumstances) their superior, their Human Resources Manager, CEO or Chairman.

Any such report will be investigated thoroughly and any necessary measures will be subsequently taken.

Every effort will be made to honour an employee's desire for confidentiality. Honey Bun is committed to ensuring that an employee suffers no change in status, harassment or any other form of discrimination as a result of making such report or providing information in good faith.

Consequences of Violation of Code of Ethics

Each employee is responsible for ensuring that his or her conduct and the conduct of anyone reporting to the employee fully comply with this code of ethics.

Violations of certain Corporate Instructions may have severe and/or lasting negative impact on Honey Bun's image and results. Where circumstances warrant, Honey Bun may seek civil or criminal prosecution and dismissal of the employee involved.

If there is any question concerning the applicability of a Corporate Instruction to any situation in which an employee may become involved, or to any situation he or she may have knowledge of, he or she must report the matter to and review the matter with his or her local Human Resources department which will be responsible.

Applying our principles

These business principles apply to all our employees and are a minimum standard for their behavior; operating companies may have additional standards. Failure to comply with our principles may result in disciplinary action. If any employee feels that any laws are being broken or principles breached, this should be reported either to their manager or the group Company Secretary. We will make all efforts to protect the confidentiality of those who raise concerns, and employees may come forward without fear for their position.

This code of ethics will not solve all ethical problems: "But we must remember that good laws, if they are not obeyed, do not constitute good government. Hence there are two parts of good government; one is the actual obedience of citizens to the laws, the other part is the goodness of the laws which they obey..." (Aristotle, Politics 1294a3-6).

| Good Practice | Bad Practice |
|---|---|
| Root the code in core ethical values | Pinning the code to the notice board |
| Give a copy to all staff | Failing to obtain board commitment to the code |
| Provide a way to report breaches in a confidential manner | Leaving responsibility for its effectiveness to HR or any other department |
| Include ethical issues in corporate training programme | Failing to find out what concerns the staff at different levels |
| Set up a board committee to monitor the effectiveness of the code | Not to feature the code in induction training and management development activities |
| Report on the code's use in the annual report | Not to have a procedure for revising the code regularly |
| Make conformity to the code part of a contract of employment | Make exceptions to the code's application |

| | |
|---|---|
| Make the code available in the language of those staff located overseas | Fail to follow up breaches of the code's standards |
| Make copies of the code available to business partners, including suppliers | Fail to set a good example by corporate leaders |
| Review code in light of changing business challenges | Treat the code as confidential or a purely internal document |
| Make sure senior staff "Walk the Talk" | Make it difficult for staff to have direct access to the code |

Competitive Strategy

Honey Bun's Competitive Strategy constitutes:

1. it's product offering,
2. the formulas used and
3. the processes used to manufacture,
4. our business strategies for marketing and
5. expansion plans,
6. the dynamics of the team employed to execute these strategies and
7. the people employed to manufacture them

At all costs we need to ensure that we protect these competitive strategies within our normal working environment through policy and enforcement. This is accomplished through the following means:

1. Advertisement and Marketing of the product and the brand
2. Formulas are highly protected by means of separation of duties whereby no single person is familiar with formulas and processes.
3. Formulas are controlled [see Production Manual -Formula control]
4. Processes are managed through process monitoring [Production Manual - process monitoring]
5. The management team signs off on secrecy document 'Proprietary Information' on employment and promises not to work with a competitive company for 12 months after leaving HB.
6. Intensive interviews to find the right people to build the management team
7. People are motivated and rewarded for output

Further measures to protect formulas and processes include but are not limited to:

8. Guards check bags and should be aware of content of employees belongings to ensure formula pages or manuals are not being removed.
9. Visitors vehicles are searched before they leave compound
10. The production area is totally out of bound for visitors without prior consent from the CEO the Operations Manager, or the Financial Controller.
11. The production area is out of bound to visitors of any competitive nature.
12. All visitors must be accompanied by a Honey Bun representative
13. Photographs are not allowed in the stores or production area
14. The media footage is managed through the Quality Manual Food Safety document
15. Consultants must sign off on secrecy document

Management Departments

The various departments within the organization constitute:

1. Human Resource
2. Administration
3. Food Safety
6. Marketing, Sales & Distribution
8. Production
9. Product Development
10. Operations
12. Finance
14. IT

Each department operates within guided policies which support the overall mission and objective of the organization. The policies, procedures and work instructions for each department is contained in their individual department manual.

Each department manual represents the standards that exist against which internal audits are conducted according to the company schedules.

| Date | Prepared by | Approved by | Description |
|-------------------|---------------------|--------------------|---|
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