

Standard Bank Group - Policy

Name:	<i>Management of Conflicts of Interests Policy</i>
Abstract:	<i>This policy sets out the mechanisms in place by the Board to manage conflicts of interests in line with the JSE Debt Listings Requirements.</i>
Level:	<i>The Boards of Standard Bank Group Limited (SBG); and The Standard Bank of South Africa Limited (SBSA)</i>
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Classification

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1 Purpose and overview

- 1.1 The purpose of the Management of Conflicts of Interest Policy (the Policy) is:
 - 1.1.1 To ensure compliance with the relevant legislation including corporate governance best practice on the disclosure of interests by directors and prescribed officers as provided in the JSE Debt Listing Requirements.
 - 1.1.2 To ensure that the board has proactive mechanisms to manage and deal with conflicts of interests as they arise.

2 Policy statement

- 2.1 The business of SBG (the Group) and its subsidiaries including SBSA is built on trust and integrity as perceived by our stakeholders, especially our clients, shareholders and regulators.
- 2.2 An important element of upholding trust and integrity is ensuring that the Group conducts its business in accordance with the Values and Code of Ethics and Conduct that it has adopted, and in compliance with applicable laws, rules and standards.
- 2.3 The board should lead ethically and effectively. Directors must act in good faith and in the best interests of the Group, avoiding any conflicts of interest.
- 2.4 The board serves as the focal point and custodian of corporate governance in the Group.
- 2.5 In terms of common law, directors have:
 - 2.5.1 A fiduciary duty to avoid any conflicts of interests. To act honestly, promote the best interests of the company, not usurp corporate opportunity, not to take secret profits, not to fetter votes and to exercise powers for the purpose for which they were granted and not for any collateral purpose.
 - 2.5.2 A duty of care, skill and diligence, which essentially amounts to the duty to manage the affairs of the company in the same manner as would be done by a reasonably prudent person of business.

3 Applicability

- 3.1 This Policy shall apply to all directors and prescribed officers of SBG and SBSA.

4 Minimum requirements to comply with this policy

- 4.1 In line with the requirements of the Companies Act and King IV Code on Corporate Governance, directors and prescribed officers are required to provide a declaration of interests at least annually in a manner that is acceptable to the company and complies with legislation. Further, the directors and prescribed officers must provide the group secretary with any changes to the declaration as soon as they occur for tabling at the next board meeting.
- 4.2 At the start of every board and board committee meeting, directors should declare if they have any conflict of interests in respect of matters on the agenda. Any such conflicts should be proactively managed as determined by the board and subject to legal provisions.
- 4.3 A director that has a personal financial interest in respect of a matter to be considered at a meeting of the board or knows that a related person has a personal financial interest in the matter, that director:
- 4.3.1 Must disclose the interest and its general nature before the matter is considered at the meeting;
 - 4.3.2 Must disclose to the meeting any material information relating to the matter and known to the director;
 - 4.3.3 May disclose any observations or pertinent insights relating to the matter if requested to do so by the other directors;
 - 4.3.4 If present at the meeting must leave the meeting immediately after making any disclosure contemplated in paragraph 4.3.2 or 4.3.3;
 - 4.3.5 Must not take part in the consideration of the matter except to the extent contemplated in paragraph 4.3.2 and 4.3.3;
 - 4.3.6 While absent from the meeting in terms of the provisions above, the director shall:
 - (i) be regarded as being present at the meeting for the purposes of determining whether sufficient directors are present to constitute the meeting; and
 - (ii) not be regarded as being present at the meeting for the purpose of determining whether the resolution has sufficient support to be adopted; and
 - (iii) must not execute any document on behalf of the company in relation to the matter unless specifically requested or directed to do so by the board.

- 4.4 The group secretary shall keep a record of all declarations made under 4.2 and the decisions taken.
- 4.5 This Policy shall be published online on SBG’s website. A current register of any conflicts of interest and/or personal financial interests will be made available on the website when the SBG / SBSA publish their annual financial statements. Where no conflicts of interest are recorded, a declaration to that fact shall be made available online.

5 Roles and responsibilities

- 5.1 Directors and prescribed officers are responsible for:
 - 5.1.1 advising the group secretary of any changes to their declarations of interests and ensuring that updated declaration forms are submitted;
 - 5.1.2 declaring any potential conflicts of interest at the start of any board and board committee meetings as set out in this policy; and
 - 5.1.3 recusing themselves from any board or board committee meeting, where required to do so in terms of this policy.
- 5.2 The group secretary is responsible for:
 - 5.2.1 ensuring that directors’ interests registers are updated and tabled at the board and board committee meetings; and
 - 5.2.2 publishing the conflicts of interest register on SBG’s website annually when the annual financial statements are published.

6 Related governance documents

This policy should be read together with:

No.	Policy/Guideline /Standard Name
1.	King IV Code on Corporate Governance
2.	SBG / SBSA Board Mandate
3.	SBG / SBSA Memorandum of Incorporation
4.	The South African Companies Act of 2008
5.	The JSE Listing Requirements, including the Debt Listing Requirements

7 Definitions

7.1 A **director** is a member of the board. Includes an alternate director; a prescribed officer and a person who is a member of a committee of the board of the company irrespective of whether the person is also a member of the company's board.

7.2 A related person:

7.2.1 a related party of a director is another individual if they:

- (i) are married, or live together in a relationship similar to a marriage; or
- (ii) are separated by no more than two degrees of natural or adopted consanguinity or affinity.

A director is also related to a juristic person if they directly or indirectly control the juristic person. A director will be regarded of having control:

- (i) of a company, if the director (together with any related parties):
 - (a) is directly or indirectly able to exercise or control the exercise of a majority of the voting rights associated with securities of that company, whether pursuant to a shareholder agreement or otherwise; or
 - (b) has the right to appoint or elect, or control the appointment or election of, directors of that company who control a majority of the votes at a meeting of the board;
- (ii) of a close corporation, if the director owns the majority of the members' interest, or controls directly, or has the right to control, the majority of members' votes in the close corporation;
- (iii) of a trust, if the director has the ability to control the majority of the votes of the trustees or to appoint the majority of the trustees, or to appoint or change the majority of the beneficiaries of the trust; or
- (iv) if the director has the ability to materially influence the policy of the juristic person in a manner comparable to a person who, in ordinary commercial practice, would be able to exercise an element of control referred to in paragraph (i), (ii) or (iii) above

7.2.2 In addition, a related person also includes a second company of which the director or a related person is also a director of, or a close corporation of which the director or a related person is a member of.

7.3 A **personal financial interest** is a direct material interest of a person, of a financial, monetary or economic nature, or to which a monetary value may be attributed, but excludes any interest held by a person in a unit trust or collective investment scheme in terms of the Collective Investment Schemes Act, unless that person has direct control over the investment decisions of that fund or investment.

7.4 **Material** means significant in the circumstances of a particular matter, to a degree that is:

- (i) of consequence in determining the matter; or
- (ii) might reasonably affect a person's judgement or decision-making in the matter.

8 Policy administration

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