



FirstRand

DECLARATION AND CONFLICT OF INTEREST POLICY

December 2020

DOCUMENT CONTROL

Title	Declaration and conflict of interest policy
Author	Carnita Low, Group Company Secretary
Document version	Version 01
Version date	December 2020

TABLE OF CONTENTS

1	INTRODUCTION	2
2	DECLARATIONS AND CONFLICTS OF INTEREST	2
3	REGISTER OF CONFLICTS	3

1 INTRODUCTION

The board of directors of FirstRand Limited (the group or FirstRand) and FirstRand Bank Limited (the bank or FRB) (collectively the board) has adopted a board charter (the charter) which documents the role, responsibilities, membership requirements and procedural conduct as recommended in the *King IV Report on Corporate Governance for South Africa, 2016* (King IV).

The charter is subject to the provisions of the South African Banks Act, No. 94 of 1990 (the Banks Act), the South African Companies Act, No. 71 of 2008, (the Companies Act), FirstRand's and FRB's memoranda of incorporation (MOIs), the JSE Limited Debt Listings Requirements (JSE DLR), King IV and any other applicable law, best practice or regulatory provision, as deemed appropriate. It is not intended to replace or amend the MOI in any way whatsoever, and should any principles contained herein conflict with the MOIs, the MOIs shall take precedence over this charter.

Together with the charter, this policy sets out the policies and practices of the board in respect of matters such as corporate governance declarations and conflicts of interest.

2 DECLARATIONS AND CONFLICTS OF INTEREST

All directors must refer to the FirstRand group declaration of interest policy for guidance on accurate and timely declarations of personal financial interests. This includes guidance on the appropriate methods of declaration and to whom declarations should be made.

In terms of section 75 of the Companies Act, a director's obligation to disclose a personal financial interest arises in respect of:

- a matter to be considered at a meeting of the board in which they has a personal financial interest or in which they knows that a related person has a personal financial interest; or
- any personal financial interest acquired by a director in an agreement or matter, in which the bank or group has a material interest or knows that a related person has acquired a personal financial interest in the matter after the agreement or matter has been approved by the bank or group.

The disclosure required in terms of this section:

- relates to a personal financial interest in relation to an existing contract or matter which has been approved by the board; and
- requires a director to disclose their personal financial interest in an existing contract or a related person's personal financial interest in an existing contract – regardless of whether such personal financial interest is material to them so long as it relates to a matter in which the group or bank has a material interest.

In terms of S75(5) of the Companies Act 71 of 2008, if the director concerned 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, the director:

- must disclose the interest and its general nature before the matter is considered at the meeting and this must be sufficiently documented in the minutes;
- must disclose to the meeting any material information relating to the matter, and known to the director;
- may disclose any observations or pertinent insights relating to the matter if requested to do so by the other directors;
- if present at the meeting, must leave the meeting immediately after making any disclosure as required by the Companies Act; and
- must not take part in the consideration of the relevant matter/s.

Although conflicted directors are required to recuse themselves from the meeting of the board at which the matter in question is deliberated:

- they are treated as present for the purposes of determining the quorum but absent for the purposes of determining whether the resolution has enough support to be passed; and
- they must not execute any documents on behalf of group or bank in relation to the matters unless specifically requested or directed by the board to do so.

Declaration of interest records are kept and maintained by the group company secretary's office.

Upon first appointment, quarterly before each board meeting, and/or at any time when circumstances change, all board members should disclose, in good faith, to the board (for record purposes) any business or other interest that is likely to create a potential conflict of interest, including:

- all business interests, direct or indirect in any other financial services company, partnership or business venture;
- membership to trade, business or other economic activities;
- shareholding and/or other interests in FirstRand or FRB;
- any direct or indirect interest in any transaction with FirstRand or FRB, and
- any gifts, monies, commissions, benefits or other favours extended or received from any party in respect of or in relation to any business dealings with FirstRand or FRB.

Executive directors must distinguish between their role as director and that of manager. If these roles conflict, they shall withdraw from the discussion and voting.

3 REGISTER OF CONFLICTS

The register of conflicts and/or directors' personal financial interests will be made available on the group's website at <https://www.firstrand.co.za/investors/governance-and-compliance/> annually when the group's year-end results are published.