



# FirstRand

## CONFLICT OF INTEREST MANAGEMENT POLICY STATEMENT

### INTRODUCTION

FirstRand Limited (FirstRand or the group) is a portfolio of integrated financial services businesses operating in South Africa, certain markets in sub-Saharan Africa and the UK. These businesses offer a broad range of transactional, lending, investment and insurance products and services.

As a large financial services provider, the group needs an effective programme to manage conflicting interests.

A conflict of interest arises when the group's interests are compromised by the personal interest and/or relationships of any employee. Conflicting interests are generally characterised by a compromise or prevention of efficient, honest or objective work performance, because of employees maintaining inappropriate personal interests, either directly or through their close relationships.

### PURPOSE

This policy statement summarises the group's approach to managing and preventing conflicts of interest. This policy statement is supported by detailed underlying internal policies, as outlined below.

### SCOPE

The policy applies to all entities and operating businesses that form part of the FirstRand group, and their employees.

### APPROACH

The FirstRand conflict of interest management policy (the policy) sets out principles for avoiding and managing actual, potential and perceived conflicts of interest, and stipulates that all FirstRand directors, affected employees and representatives are required to declare all relevant personal interests that may conflict with the group's interests, as some of these interests, upon examination, may pose a conflict of interest risk.

Declaration of personal interests is based on an honour system and the responsibility to proactively, and in good faith, declare these interests and seek advice in cases of uncertainty, is fully vested with those affected by the policy.

The policy provides guidance on the following:

- where on the group intranet employees and directors can declare their interests;
- responsible persons for the declaration of interest process;
- when employees/directors should declare interests;
- confidentiality of personal interest declarations; and
- types of personal interests to be declared.

Policy support is provided to employees and directors through ongoing training, education, communication and awareness programmes.

### **Guiding principles**

In line with the FirstRand code of ethics and the FirstRand Philosophy and Promises, the principle of acting with integrity requires all directors and employees of FirstRand to be truthful, trustworthy, consistent, fair and honest in all decisions and actions. This will be evidenced by means of the following behaviour:

- being honest;
- avoiding both actual and perceived conflict of interest;
- being responsible when giving and receiving sponsorships, donations, gifts, entertainment and hospitality;
- preventing and reporting criminal and other unethical activities; and
- being responsible when engaging in outside work and political activities.

Not all conflicts of interest result in misconduct (such as corruption, internal and/or external fraud, bribery, inappropriate governance, nepotism or cronyism). It is prudent, however, to establish and maintain an effective conflict of interest management programme to ensure that conflicting interests are identified timeously, and mitigated and managed appropriately. Managing conflicting interests requires:

- mechanisms for the identification of conflicting interests;
- measures for the avoidance of conflicts of interests, and where avoidance is not possible, measures for the mitigation of such conflicts of interests;
- mechanisms for the disclosure and assessment of conflicts of interests;
- policies, standards, procedures and internal controls to facilitate compliance with the established measures;
- monitoring and reporting activities to determine and encourage compliance with the established measures; and
- consequence measures for non-compliance.

### **Responsibility to resolve conflicts of interest**

Where a personal interest conflicts, or could conflict, with the interests of the group, the declaring employee must resolve the conflict within a reasonably agreed time, with support from their line manager and, where appropriate, the risk manager, compliance officer and/or the business area ethics office.

Where a personal interest presents an actual conflict, or may pose a potential or perceived conflict in a decision-making process, employees must recuse themselves from being involved in or influencing any related decision to the interest in question.

Failure to adhere to the policy may constitute misconduct which could result in consequence management.

### **MONITORING AND REPORTING**

The FirstRand Group Ethics Office performs continuous risk-based validation checks against external data sources to ensure the adequate management of conflict of interest risk.

The FirstRand conflict of interest management policy is owned by the FirstRand Group Ethics Office and must be reviewed at least every two years, or as regularly as necessary, by the group's governing structures and the board.

### **ENGAGEMENT AND FEEDBACK**

Contact FirstRand Investor Relations on [investor.relations@firstrand.co.za](mailto:investor.relations@firstrand.co.za).

### **RELATED DOCUMENTS**

The policy forms part of the group's ethics and governance programmes, and must be read with the following:

- FirstRand code of ethics;
- FirstRand ethics line policy;
- FirstRand personal account (PA) trading policy;
- FirstRand supplier code of conduct;
- FirstRand anti-bribery and corruption (ABC) policy;
- FirstRand Financial Advisory and Intermediary Services (FAIS) Act conflict of interest policy;
- FirstRand sponsorships, donations, gifts and entertainment (SDGE) standard;
- FirstRand declarations of interest risk rating methodology;
- FirstRand procurement policy;
- FirstRand line and risk manager declaration of interests review guide;
- FirstRand declaration of interest decision tree; and
- FirstRand business conduct frequently asked questions.