



African Bank Holdings Limited (ABH) Conflict of Interests Policy

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1. Introduction

The Boards of African Bank Holdings Limited, African Bank Limited (“ABL”) and African Insurance Group Limited (collectively “ABH Group” or the “Company”) are committed to conducting business with integrity and transparency and, in doing so, ensuring that all decision-making within the Group is not influenced by undue personal interests. When personal interests either influence or have the potential to influence or are perceived to influence decision making, a conflict of interest arises.

In line with the ABH Group’s values, the Company strives to maintain the highest ethical and professional standards in carrying out its business activities and providing services to its clients. Implementation of a client-centric approach within the Company reinforces the concept that protection of clients’ interests is fundamental. The Company’s policies and procedures, which address and manage conflicts of interest of the directors and executives as and when they arise are intended to ensure that clients’ interests, as well as the reputation and integrity of the Company, are well maintained and protected.

2. Purpose

The purpose of this Conflict of Interest Policy (the “Policy”) is to set forth how the Company deals with conflicts of interest of the directors and the executive management, specifically as it relates to adhering to relevant legislation or governance principles pertaining to the matter.

In this regard, paragraph 7.4 of the Debt Listings Requirements stipulates that, *“The applicant issuer must have a current policy dealing with the conflicts of interest of the directors and the executive management of the applicant issuer and how such conflicting interests can be identified and managed or avoided. The policy must be available on the website of the applicant issuer.”*

ABH Group has in existence different internal documents which deal with conflicts of interest of the directors and the executive management. This Policy is not intended to duplicate the provisions of these internal documents, but make reference thereto as evidence of adherence to legislative and governance requirements.

3. Scope

This policy applies to all directors and executive management.

4. Internal documents and processes

4.1 ABH Group Board Charter

The ABH Group Board Charter stipulates the following in respect to conflicts of interest:

6.6 Attendance of Meetings:

The Chairperson may excuse from the meeting or from any item on the agenda any of the attendees at a meeting who may have or may be considered by the Board to have a conflict of interest. In such circumstances, the Director concerned should leave the Boardroom while that item is discussed.

12.2.5.6 The Chairperson

The Chairperson of the Board is responsible for, with the assistance of Directors’ Affairs and Governance Committee(DAGCom), dealing with conflicts of interest which may arise between directors and the Company or African Bank Limited (ABL). In this regard, the Chairperson must ask the relevant Director to recuse himself or herself from participating in discussions and taking decisions in respect of matters in which they have a conflict of interest;

15.42 Directors Conduct

The Board shall adhere to the conflict of interest rules as given below (which are reflected in the Directors' Code of Conduct – Annexure E):

- *Full disclosure of the nature of a Director's or any related person's interest on any matter before the Board is required.*
- *A Director may not vote on any matter in which he/she has an interest. He/she should recuse themselves from any meeting, at the discretion of the Chairperson, when such matters are discussed and leave the room for the duration of the discussion;*
- *A register of declarations of interest shall be kept and circulated at every meeting of Directors;*
- *Executive Directors must distinguish between their role as Director and that of Manager. If these roles conflict they shall withdraw from the discussion and the voting. An executive Director, when acting as a Director, as opposed to when acting as a manager is not accountable to the CEO in the hierarchal sense for their actions or vote.*

3.10 Acting in ABH's Best Interests and a Disclosure of Personal Interests

The Board is required to maintain an independent and dispassionate interest in the affairs of ABH and be seen to do so. At the same time it is required to promote and balance the interests of the different stakeholders to the exclusion of everyone else. Directors shall avoid a conflict of interest and shall regularly, as required by the Board disclose their personal interests. They must also consider the interests held by their spouses, partners or close family, and by persons living in the same household as well as the interests of other connected persons such as trusts, of which they may be a trustee (notwithstanding that they are not a beneficiary) or of which any of the aforementioned persons are a beneficiary.

Directors who have any queries or concerns about these situations, and particularly when in doubt, should discuss them with the chairperson. In all circumstances, they should ask themselves whether members of the public, knowing the facts of the situation, would reasonably conclude that the interest involved might influence the approach taken to the actions of the Board or Committee. The chairperson shall take particular care that no possible conflict or perceived conflict of interest in this area is allowed to arise.

In cases where a member of the Board and its Committees has a material personal financial interest, whether directly or indirectly, in a significant contract ("material" and "significant" in relation to ABH's business as determined by the Board or in the view of the individual director him / herself) to be considered or entered into by ABH, the following shall apply:

- *the interest and its nature must be disclosed at the earliest opportunity, if not in advance;*
 - *a written declaration of interest should be furnished and amended or renewed from time to time;*
 - *a special declaration can be made verbally or in writing. The declaration shall be made at or before the meeting at which the question of confirming or entering into the relevant contract is first taken into consideration.*
- *a director, immediately after he or she has made a declaration to the Board should leave the meeting and take no further part in any of the Company's deliberations on the matter;*

Individual directors shall sign an annual Declaration of Interests and signing this shall be a condition of appointment.

3.11 Disclosure and Approval of a director's trading in company securities or in shares

Directors shall obtain prior approval from the chairperson of the Board on all intended trading in the Company's securities or in the securities of any company with which ABH or any of its Group companies is in discussion with or is envisaged as a strategic counterparty or will by any other means be a party to a corporate action involving any Group company or is, or will be, or is tendering as a material supplier to the Company.

4.2 Executive Committee (Exco) – Terms of Reference

The Exco terms of reference stipulates the following in respect to conflicts of interest:

3.12 Meetings and Proceedings

The Chairperson may excuse from the meeting any Committee member or attendee who has declared a conflict of interest or may be considered by the Exco to have a conflict of interest.

11. Access to the Board: Exco or Exco Member

11.1 *The Board recognizes that there may arise conflict, a conflicting view, or disagreement between the Exco and the CEO or between a group of members of Exco or an individual of the Exco and the CEO. In such circumstances, it is incumbent upon the Exco, the members, or the specific member to escalate the issue to the Board by utilising the following processes:*

11.1.1 *The Exco, group of members or member in conflict or disagreement, will advise simultaneously the CEO and the Board Chairman of their intention to escalate the issue.*

11.1.2 *In the event that the issue is of a business nature, it will be reported to the Board and referred to the Board Committee vested with accountability for the matter which is at issue:*

11.1.2.1 *The Committee will be comprehensively briefed on the matter to enable it to consider the issue and formulate an opinion and recommendation/proposal to the Board.*

11.1.2.2 *The Board will opine on the matter and arrive at a decision that will be binding on both parties.*

11.1.3 *In the event that the issue is of an individual executive/CEO nature, the executive concerned will advise the CEO and Chairman simultaneously of his/her intention to escalate the issue.*

11.1.3.1 *The Chairman will consider the issue and report to the Board on it, together with a recommendation for resolution.*

11.1.3.2 *The Board will opine on the matter and arrive at a decision that will be binding on both parties.*

5. Conflicts of Interest between staff and clients

A potential conflict of interest arises where the financial service provided could be impacted by a personal interest or personal association. All staff should avoid situations which could possibly result in, or be perceived by third parties to cause, loss of independence or objectivity. Independence and objectivity must be maintained by staff in order to ensure that clients have the benefit of financial services provided and advice provided is not adversely impacted by any potential conflict of interest. The interests of the clients should always take precedence and conflicts of interest should be avoided and / or managed and/or mitigated.

Conflicts of interest by staff as it relates to clients are addressed in various other internal Company documents. Failure to comply with internal policies constitutes misconduct and could result in disciplinary action being taken. In serious cases, such disciplinary action may result in termination of employment.

6. Amendments to Policy

- 6.1 The Company Secretary's office will initiate action to amend, update or add to this Policy, upon request by any Board members of the ABH Group or the CEO.
- 6.2 Any amendments, updates or additions to the delegations will be approved by the relevant Board Committee and ratified by the ABH Board.

7. Non Compliance

- 7.1 Where there is non-compliance with this Policy by a Director, action will be taken in terms of the provisions of the Companies Act, other relevant legislation or Board Rules or resolutions;
- 7.2 Where non-compliance with the Policy is by an Executive, the Company's Disciplinary Code and Procedures will be pursued.
- 7.3 All incidents of non-compliance with this policy must be reported to the Group Company Secretary, or Chairman of the Board if the transgressor is a Director or CEO if the transgressor is an Executive.

8. Oversight and Approval of Policy

- 8.1 The Directors' Affairs and Governance Committee ("DAGCom") provides oversight, on behalf of the Board, for approval and regular review of this Policy.
- 8.2 This policy is a policy of the ABH Group and must be reviewed annually by the DAGCom and approved / ratified by the ABH Board.