



Type:	Policy
Name:	Management of Conflict of Interests Policy
Level	The Board of SBN Holdings Limited and Standard Bank Namibia Limited
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**Classification**

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## 1. Policy Statement

- 1.1 The business of the Company is built on trust and integrity as perceived by our stakeholders, especially our clients, shareholders and regulators.
- 1.2 An important element of upholding trust and integrity is ensuring that the Company conducts its business in accordance with the Values and Code of Ethics that it has adopted, and in compliance with applicable laws, rules and standards.
- 1.3 The board should lead ethically and effectively. Directors must act in good faith and in the best interests of the Company, avoiding any conflicts of interest.
- 1.4 The board serves as the focal point and custodian of corporate governance in the Company.
- 1.5 In terms of common law, directors have;
  - 1.5.1 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
  - 1.5.2 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 in business.
- 1.6 The purpose of the Management of Conflicts of Interest Policy (the Policy) is:
  - 1.6.1 To ensure compliance with the relevant legislation including best corporate governance practice on the disclosure of interest by directors and prescribed officers.
  - 1.6.2 To ensure that the board has proactive mechanisms to manage and deal with conflicts of interests as they arise

## 2. Applicability

This Policy shall apply to all directors and prescribed officers on the board of the Company.

### 3. Disclosure of Interests and Management of Conflicts

- 3.1 In line with the requirements of the Companies Act, The Namcode and the 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 that 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.
- 3.2 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.
- 3.3 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:
- 3.3.1 Must disclose the interest and its general nature before the matter is considered at the meeting;
  - 3.3.2 Must disclose to the meeting any material information relating to the matter and known to the director;
  - 3.3.3 May disclose any observations or pertinent insights relating to the matter if requested to do so by the other directors;
  - 3.3.4 If present at the meeting must leave the meeting immediately after making any disclosure contemplated in paragraph 3.3.2 or 3.3.3;
  - 3.3.5 Must not take part in the consideration of the matter except to the extent contemplated in paragraph 3.3.2 and 3.3.3;
  - 3.3.6 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 to be regarded as being present at the meeting for the purpose of determining whether the resolution has sufficient support to be adopted; and
- 3.4 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.
- 3.5 The group secretary shall keep a record of all declarations made under 3.2 ad 3.3 and the decisions taken.
- 3.6 This Policy shall be published online on the Company's website. A current register of any conflicts of interest and/or personal financial interests will be made available on the website when the Company publishes its annual financial statements. Where no conflicts of interest are recorded, a declaration to that fact shall be made online.

#### 4. **Definitions**

4.1 A **director** is a member of the board and includes an alternate director where applicable, a prescribed officer and a person who is a member of a sub-committee of the board of the company irrespective of whether the person is also a member of the company's board.

4.2 A **related person**:

4.2.1 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.

4.2.2 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.

4.3 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.

4.4 **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.

## 5. **Related Policies**

This Policy should be read together with:

5.1 Companies Act 71 of 2008;

5.1 The Namcode and King IV Code on Corporate Governance

5.2 The NSX and JSE Listing Requirements, including the Debt Listing Requirements;

5.3 The Company's respective Board Mandates; and

5.4 Any other relevant policy applicable from time to time

## 6. **Policy Administration**

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