

Nedbank Group Limited and Nedbank Limited Policy on Conflicts of Interest for Directors and Executive Management

Policy owner: Group Company Secretary
Cluster: Group Finance
Date reviewed: August 2023
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1 Introduction

- 1.1 Nedbank Group Limited and its subsidiaries (Nedbank) conducts business professionally, ethically, with integrity and in accordance with the laws and regulations of the countries in which it operates.
- 1.2 As a global financial services provider, Nedbank shall take all reasonable steps to maintain and operate effective organisational and administrative arrangements to identify and manage actual and perceived conflicts of interest.
- 1.3 Nedbank directors must act in good faith and in the best interests of Nedbank and they must avoid any fundamental conflicts of interest as they are the ultimate custodians of Nedbank's corporate governance.

2 Policy statement

The purpose of this policy is to ensure that there are guidelines to:

- 2.1 Effectively identify, manage, and monitor Nedbank conflicts of interests in relation to its board of directors and their interests.
- 2.2 Ensure that the board of directors adheres to high ethical conduct endorsed and premised on the following principles:
 - To act honestly and fairly, with due skill, care and diligence,
 - The fiduciary duty to act in the best interests of Nedbank and avoid conflicts of interests, and
 - The disclosure of personal financial interests and to be exemplary in practising good corporate governance for the Group.
- 2.3 Ensure compliance with the relevant common law, Companies Act No. 71 of 2008 requirements related to fiduciary duty of directors, as well as relevant King IV Code principles, JSE listing requirements (including Debt listing requirements) and any other relevant applicable Nedbank policy from time to time.

3 Definitions

A. Conflict of interest	Means a direct or indirect conflict, in fact or in appearance, between the interests of a director of Nedbank and the interests of Nedbank. It applies to financial, economic, and other interests in any opportunity from which Nedbank
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	may benefit, as well as use of Nedbank property, including information. It also applies to a director's related parties holding such interests.
B. Related party	<p>Means, to a director of Nedbank, an individual to whom:</p> <ul style="list-style-type: none"> • they are married to or live with in a relationship similar to a marriage; or • they are separated from by no more than two degrees of natural or adopted consanguinity or affinity. <p>A director is related to a juristic person if that director controls that juristic person directly or indirectly.</p> <p>A director controls a juristic person if:</p> <ol style="list-style-type: none"> a) in the case of a company, a director (together with any related parties): <ul style="list-style-type: none"> • can directly or indirectly use or control the use of a majority of the voting rights associated with securities of that company, whether under a shareholder agreement or otherwise; or • 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; or b) in the case of a close corporation, a 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; or c) in the case of a trust, a director can control the majority of the votes of the trustees, or can appoint the majority of the trustees, or can appoint or change the majority of the beneficiaries of the trust; or d) they can materially influence the policy of the juristic person in a way that is comparable to a person who, in ordinary commercial practice, would be able to apply control referred to in paragraph a), b) or c) above.



C. Personal financial interest	Means a direct material interest of a director of Nedbank that either is financial, monetary, or economic or on which a monetary value may be fixed but excludes any interest a person holds in a unit trust or collective investment scheme under the Collective Investment Schemes Act, 45 of 2002, unless that person has direct control over the investment decisions of that fund or investment.
D. Material	Means something is so significant when it comes to a particular matter that it: a) is of consequence in determining the matter; or b) might reasonably affect a person's judgement or decision-making in the matter.
E. Director	Means, for the purpose of this policy, a person appointed as a member of the Nedbank Group Limited Board or the Nedbank Limited Board, or an alternate director, and includes any person in the position of a director or alternate director, by whatever name designated, except where expressly stated otherwise.
F. Executive Management	Means, for the purpose of this policy, the members of the Nedbank Group Executive that serve on the Nedbank Group Limited or Nedbank Limited Board.

4 Management of any conflicts of interest

- 4.1. To effectively identify, manage and monitor conflicts of interest, it is incumbent on directors to notify the Nedbank Group Board of any information that they may be aware of, that relates to any actual or perceived conflict of interest that impacts Nedbank.
- 4.2. Directors have a continued duty to disclose any conflict of interest as outlined in paragraph 5 below.
- 4.3. Directors must avoid fundamental conflicts of interest and not place themselves or their interests in perceived/potential/actual conflict of interest with Nedbank.
- 4.4. Any new directorships must be agreed with the Chairperson prior to the director accepting appointment. In the case of the Chairperson any new directorships must be agreed with the Lead Independent Director and the SARB Prudential Authority.
- 4.5. Directors must avoid directorship appointments that will fundamentally conflict with the interests of Nedbank (i.e., directorships at competitors of Nedbank).
- 4.6. Directors must avoid holding more than two directorships of State-Owned-Entities.
- 4.7. Directors may not accept executive directorships of State-Owned-Entities.

- 4.8. To ensure Nedbank directors are able to devote sufficient time to duly discharge his/her responsibilities as a director of Nedbank, board members may hold the position of director on no more than 5 (including the Nedbank boards which will be considered as one directorship for the purposes of this paragraph, i.e. 4+1) listed and/or significant unlisted operating boards, with the relevant director's circumstances and the nature, scale and complexity of the respective directorships being taken into account. Directorships held in non-profit companies, private investment companies, or non-operating subsidiaries are excluded from this requirement.
- 4.9. Directors must inform the Chairperson (and in the case of the Chairperson they would inform the Lead Independent Director) of any information that may impact their independence.
- 4.10. Directors must declare a related party relationship, prior to any board discussion, transaction, or action, for the Group Company Secretary to assess any merits in relation to a conflict of interest that may be present at the time.
- 4.11. The Group Company Secretary shall assess board conflicts of interest and has the discretion, amongst other things, to impose recusal of conflicted directors from certain board activities or decisions, where necessary.
- 4.12. If a conflict of interest involves the Chairperson, the Lead Independent Director must assume the role of Chairperson with regard to the handling of that matter for as long as that conflict of interest exists.

5 Directors' disclosure of interests

5.1 Before the appointment of a director

- 5.1.1 A proposed appointee to the Nedbank boards must indicate their business interests and other interests to the Chairperson and Group Company Secretary so that the Nedbank Group Directors' Affairs Committee (DAC) and the Nedbank boards can consider and satisfy themselves that these interests do not fundamentally conflict with the business of Nedbank and therefore impact on the director's ability to exercise his/her fiduciary duties.
- 5.1.2 Nedbank Group Financial Crime and Forensic Services must conduct a fit-and-proper risk information review on proposed appointees to the Nedbank boards. The review must include the following:
 - The gathering of personal information.
 - Sanctions screening, including counterterrorist and anti-money-laundering enquiries.



- The identification of changes in directorships or disqualifications of directors.
- Financial and credit enquiries through credit bureaus.
- An assessment of reputational risks.
- The vetting of social-media profiles.
- Fraud, dishonesty, and criminal enquiries.

5.1.3 Nedbank Group Financial Crime and Forensic Services may, at its discretion or as required by law, conduct ad hoc fit and proper reviews in relation to any of the items listed above.

5.1.4 The Group Company Secretary must consider the results of the review to ensure that there are no interests that the proposed appointee has not disclosed. If there are interests that the proposed appointee has not disclosed, the Group Company Secretary must inform the Chairperson and DAC (and Chief Executive and Group Chief Compliance Officer in respect of executive management) about these interests.

5.1.5 The declaration of interests of any new director will be tabled at the first Nedbank board meeting that they attend.

5.2 Ongoing disclosure requirements of directors of Nedbank

5.2.1 The Group Company Secretary coordinates an annual declaration-of-interests process, whereby every Nedbank director provides a detailed return of all interests at the first meeting of the boards in every financial year.

5.2.2 The Group Company Secretary maintains a register of directors' interests, and directors must inform the Group Company Secretary of any changes to their interests so that the register is updated, and all directors are informed at their next sitting.

5.2.3 As stated in directors' letters of appointment, before a director accepts additional commitments, that director must discuss and have agreement on them with the Chairperson to ensure that they do not present a potential

conflict of interest that would impact on the director's ability to exercise his/her fiduciary duties.

5.2.4 Under the Companies Act, if a director has a personal financial interest in respect of a matter that will be considered at a meeting of the board or knows that a related party has a personal financial interest, the director must disclose the interest and its general nature, recuse themselves and not take part in the consideration of the matter. The Group Company Secretary must ensure that directors are always aware of the requirements of section 75 of the Companies Act. Directors are also reminded of this requirement through a standing submission in board papers.

5.2.5 This Policy does not place any legally binding obligations on Nedbank. The Board may amend and/or deviate from any of the provisions of the policy where the Board, in its sole discretion, considers it appropriate to do so, provided that such deviation is permissible under such legislation and/or regulation as is applicable to Nedbank from time to time.

5.2.6 Members of executive management must also comply with all relevant conflicts of interest policies.

5.2.7 This policy also adheres to paragraphs 7.4 to 7.6 of the JSE Debt Listing Requirements.

6 Register of Conflicts of Interest

A current register of any conflicts of interest and/or personal financial interests is maintained and made available on the website when Nedbank publishes its annual financial statements. Where no conflicts of interest are recorded, a negative statement is made to that fact.

The register of conflicts and/or directors' personal financial interests is available on Nedbank's website ([See here](#))