# Employee’s Policy on Conflict of Interest and Outside Involvement

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<tr>
<th>Compiler</th>
<th>Yashwin Singh</th>
<th>Designation</th>
<th>Senior Specialist: Compliance</th>
<th>Signature</th>
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<tr>
<td>Sponsor</td>
<td>Konehali Gugushe</td>
<td>Designation</td>
<td>Chief Risk Officer</td>
<td>Signature</td>
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Annexure

Annexure A: Declaration of Interest Form
1 Purpose

1.1 The purpose of this policy is to provide guidelines for:

1.1.1 Managing the Banks employees engagement in interests that may conflict with the Banks interests and further assist them on how to declare such involvement;

1.1.2 Employees contemplating to engage in outside business interests; and

1.1.3 The declaration of involvement in outside interest;

1.2 The aim of this policy is therefore to protect both the Land Bank Group and the individuals involved from any appearance of impropriety and to ensure compliance to statutory and best practice requirements.

2 Definitions

CEO

Chief Executive Officer

Conflict of Interest

A conflict of interest means an employee’s personal interest interferes or is perceived to interfere in any way with the interest of Land Bank.

Employees

All permanent Land Bank Group employees as well contract, temporary and seconded staff members of Land Bank

Family Members

Includes spouse, life partner, own child, adopted child, grandchild, own parent, adoptive parent and siblings.

Personal Financial Interest

means a direct material interest of an employee, of a financial, monetary or economic nature, or to which a monetary value may be attributed.

Personal Interest

maybe an actual or potential, direct or indirect interest of the employee, or of close family member or related party of the employee, in any business entity, undertaking or investor as a shareholder, director associate, member, advisor/consultant, or in any other capacity.
Land Bank

Land Bank Group
Land Bank and its subsidiaries.

Management
Employee to whom the affected or declaring employee reports.

Outside Employment
Outside employment would mean, work taking place outside of the Land Bank Group.

Work
Rendering a service for which the person receives remuneration in cash or kind.

3 CONTEXTUAL BACKGROUND

3.1. Conflicts of interest may arise where an individual's personal or family interests and/or loyalties conflict with those of the company. Such conflicts may create serious problems for both the company and the relevant individual and should thus be regulated.

3.2. There needs to be a clear mechanism to manage such instances where employees are involved or interested in outside activities which conflicts with Banks interest. As a result, when employees are involved in outside activities, there is risk of disclosing or sharing confidential or unauthorized information. The Bank also faces reputational risk for employee's poor conduct, over and above loss associated with Banks time and resources engaged in outside activities.

3.3. The basic duty to avoid any conflict of interest gives rise to a number of particular duties of the Land Bank Group employee or official, which include the following:

3.3.1. The duty to act bona fide in the interests of the Land Bank Group;

3.3.2. The duty to utilize all time and resources of the Land Bank Group for the benefit of the Land Bank Group;

3.3.3. The duty not to misappropriate opportunities proposed to or pursued by the Land Bank Group;

3.3.4. The duty not to compete improperly with the Land Bank Group;

3.3.5. The duty to disclose interests in contracts with the Land Bank Group; and
3.3.6. The duty to only exercise powers for the purpose for which they were conferred.

3.4. The policy also seeks to regulate such activities.

3.5. It is possible that during their employ at the Land Bank Group, employees may be nominated, invited and/or develop interests to participate in activities beyond their work schedule within the Land Bank Group.

3.6. The policy does not seek to discourage employees from contributing to outside activities that have a benefit to society but to provide guidance for ethical conduct in relation to their obligations to Land Bank Group.

3.7. Corporate governance dictates that outside business interests that benefit employees must be regulated.

3.8. This policy must be read in conjunction with the Code of Ethics and Business Conduct.

4 Types of Conflicts of Interests

4.1 A conflict of interest may take a number of forms. It maybe financial or non-financial. It maybe direct or indirect. It may be professional or family related. It is therefore impossible to provide exhaustive lists of conflicts of interests, if there is any uncertainty the employee should contact the relevant Executive or Risk department. A conflict of interest may arise from:

4.1.1 Abuse of power using ones position to influence others, thereby gaining personal benefit e.g. discount form suppliers of the Bank.

4.1.2 Using ones employment to make secret commission or profit.

4.1.3 Using employer’s facilities or resources on furthering of outside business or personal interest.

4.1.4 Engaging in direct competition. Running a competitors business on the side or poaching the Banks clients in order to build one’s own business.

4.1.5 Abuse of company property. An employee using the Banks information and intellectual property or any other company resources to further outside business interests.

4.1.6 Associates and or family tendering work/services for the Bank.

4.2 Activities that could be taken to constitute conflict of interest include outside employment in areas similar to those in which Land Bank Group is involved,
outside work for customers, service providers, competitors and other activities that have the potential to affect the employee’s objectivity and work performance and activities that could reflect negatively on the reputation of Land Bank Group and its employees. These activities should not conflict with the employee responsibilities of the Land Bank Group.

4.3 In the event that business interests arise with Land Bank Group clients or service providers, the employee shall recuse himself/herself from participation in any decision making process relating to the outside interest.

5 **Policy Statements**

5.1 The policy applies to all employees of the Land Bank Group.

5.2 Conflicts of interests between an employee’s obligations towards the Bank and his or her personal interest are amongst the most common types of issues faced in organizations. Both the Bank and its employees share responsibility for maintaining the Bank free of harm arising from real or perceived conflict.

5.3 Employees have an obligation to act in the best interest of the Bank. It is in interest of good governance that employees maintain the highest standard of professional ethics. The object of the policy is to protect both the Bank and the individuals involved from any appearance of impropriety and ensure compliance to statutory and best practice requirements.

6 **Policy Guidelines**

6.1 All employees must:

6.1.1 act in the best interest of Land Bank Group at all times;

6.1.2 Be professional in his/her conduct within and outside the work environment such that his/her conduct does not reflect negatively on Land Bank Group’s Image;

6.1.3 Inform management of any attempt by a 3rd party to engage in activities contrary to this policy;

6.1.4 Not maintain, develop, or engage in any business interests with Land Bank Group, its clients or service providers;

6.1.5 In the event that business interests arising with Land Bank Group clients or service providers, the employee shall declare his/her interest upfront and recuse himself/ herself from participation in any decision
making process relating to the outside interest. The committee will make decisions on the materiality;

6.1.6 Have zero tolerance for any form of bribery or corruption;

6.1.7 Not divulge privileged or any Land Bank Group information that could benefit the employee or external interests;

6.1.8 Not individualize information which will result in that client being favoured or potentially favored or another client being prejudiced or potentially prejudiced;

6.1.9 Not expose themselves and the Land Bank Group to any situation involving risk of a conflict between their responsibilities and their private interest;

6.1.10 Not act or provide a service as a(n) Officer, Director, Partner, Consultant, Agent, Advisor, Representative, or Employee of a supplier, customer, client, competitor or any organization with similar business interests to that of Land Bank Group;

6.1.11 Protect the interest of Land Bank Group and its clients at all times; and

6.1.12 Devote all Land Bank Group time and resources to the benefit of Land Bank Group.

6.2 The Bank expects employees to disclose the circumstances that may produce a conflict of interest and recuse themselves from any decision making process with regards to issues which they may have an interest

6.3 An employee shall disclose to the Bank any personal interest that they may have as well as any financial interest known to them of any related party in a matter to be considered by the bank or in which another person or entity proposes to do business with the Bank.

6.4 Employees and family members are prohibited from having commercial dealings with the bank. No loans shall be provided by the bank to employees to further private interests.

6.5 Employees may not use their positions in the Bank, or the knowledge gained through their work relationship with the bank for private or personal benefit, where there is a conflict of interest between their own personal benefit and the benefit of the Bank.
6.6 A conflict of interest can arise where an employee or family member of the employee, or a business with which the employee or family member is associated, wishes to gain advantage or profit as a result of the position held in the Bank by the employee, or as a result of the knowledge acquired by working for the Bank.

6.7 Employees or family members of employees should not have interests or investments in a client, partner, or supplier of the Bank that would create a conflict of interest. Conflicts of interest would not usually arise out of merely holding shares in such a company. However conflicts would arise if a staff member had shares in a family company that was a supplier to the Bank and the employee was able to influence decision making regarding the awarding of contracts to that company.

6.8 Similarly, employees should not hold positions in or have relationships with outside organizations that have business dealings with the Bank if the employee’s position in the bank allows them to influence transactions.

6.9 Employees must advise their Managers of situations that could involve an actual or perceived conflict of interest and remove themselves from any discussions or activity involving the conflict beforehand. It is the Managers responsibility to ensure that the matter is properly reviewed, including whether it is appropriate for the employee to be included in any discussions or activities that involve the conflict.

6.10 An employee shall not without prior written consent of the bank act as a director or trustee of a private or public company, a member of a closed corporation, a trustee of a business trust or a partner in partnership. This excludes personal or family investments.

6.11 All employees are required to complete a declaration form annually and when a change occurs. If a conflict of interest is identified it would be reported to the Group Executive concerned to manage it in line with the above guidelines.

6.12 The outside involvement of new recruits who are joining the Bank should scrutinized to ensure management of conflict of interest form the onset.

6.13 All existing and new appointments to the employ of the Bank will be required to declare any outside business interest in accordance with the above policy, and provide details of any changes as when required.
7 OUTSIDE INTERESTS, DIRECTORSHIPS AND TRUSTEESHIPS

7.1 The Bank has a range of expertise, which are often attracted to serve in outside activities. In some instances such participation could create a conflict of interest. Based on their expertise all employees from the Bank are often invited to participate on external Boards as non-executive directors or trustees and in activities beyond their work schedule within the Bank.

7.2 The Bank recognizes the benefit of employee involvement in outside activities from a developmental perspective. Employees are encouraged to hold such directorships only to the extent that these do not interfere with their contractual responsibilities as employees of the Land Bank.

7.3 In such appointments, the following should be observed;

7.3.1 Employees shall submit any request to serve on a board of external companies as non-executive director to their Executive Manager who in turn will submit the application for approval to the CEO.

7.3.2 Executive Managers shall submit their request to serve outside boards to the CEO for approval; the CEO will submit his request to the Chairman of the Board.

7.3.3 The CEO will approve all applications by employees to serve as non-executive directors in their personal capacity. In all instances of approval the CEO shall give due consideration to governance issues, banking relationships, potential risks including reputational risk, the number of meetings (Board and Committees) the employee serves on, and the number of days required by the employee on a year to serve on Board and Committees.

7.3.4 The request for approval should explain why the proposed appointment will not conflict with the interest of the Bank, will not interfere with the employee’s contractual responsibilities and contribution to the Bank. It should also contain why the appointment would be in the interest of the employee in terms of personal development and expanding their networks and contacts.

7.3.5 All such approvals shall be reviewed by the Executive Managers to ascertain that the original intentions of the approval still exist. The process shall be monitored by HR and the Company Secretary.
7.3.6 Approval granted for such external appointments is on the basis that the employee has no authority to represent the Bank in matters pertaining to such board affairs.

7.3.7 An employee shall be permitted to serve in no more than one external boards/trusts as a non-executive director or trustee.

7.3.8 All employees will be expected to disclose to the Bank the remuneration received from serving on the Board in their private capacity as a non-executive directors.

7.3.9 All employees will be expected to donate 50% of the remuneration received to the Bank.

7.3.10 All employees will not be expected to take annual leave to attend the meetings.

7.3.11 Memberships of consortiums/partnerships must be clarified with the relevant Executive Manager in consultation with the Company Secretary to ensure that there is no conflict of interest that exists and must be disclosed in terms of the declaration of outside interests which is available on the Banks intranet.

7.3.12 There will be no limitation on company shareholdings with no directorships, however, these must be declared upfront and clarified with the relevant Executive Manager to ensure that no conflicts exist.

7.3.13 The Land Bank may from time to time nominate employees to serve on Boards where the Bank has an equity investment to ensure that the investment is protected or sit on Boards and professional bodies on behalf of the Bank. The approval process including remuneration issues will be governed according to the Land Bank Nominee Director policy.

8 PROCESS

8.1 Declaration of Interest Records

8.1.1 The HR Business Unit and Company Secretariat shall keep records of employee’s declaration of interest.

8.1.2 It is the responsibility of an employee to keep the interest form updated.
8.1.3 The Executive Manager will ensure, as mentioned above that employees timeously update and submit declaration of interest forms to HR Business unit and Company Secretariat annually.

9 **APPROVAL**

This policy was recommended for approval by EXCO on the

\[ \text{CEO} \]

On behalf of EXCO

This policy was approved by Board on the

\[ \text{Chairperson of the Board.} \]
DECLARATION OF INTEREST

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The Land Bank Group carries a particular obligation to the public and therefore, all Land Bank Group employees are expected to display behaviour that promote and maintain public confidence and trust. This Policy provides a structure to all employees in all capacities to be empowered to make the correct decisions in his/her business relationships and stipulates what is acceptable outside business interests for employees of the Bank.

Employees should avoid acquiring any business interest or participating in any activity outside the Land Bank Group, which would create or appear to create the following:

- An excessive demand on their time and energy which would deprive the Land Bank Group of their best efforts on the job; and/or

- A conflict of interest that is an obligation, interest or distraction which would interfere or appear to interfere with the independent exercising of judgement in the Land Bank Group's best interest.

As part of sound Corporate Governance principles, the Bank, in terms of Section 21(4) of the Land Bank Act, will stipulate the conflict of interest applicable to employees of the Bank, that employee's formally declare their interest on entering the employ of the Bank, as well as should new interests be acquired.
DECLARATION:

A. I have the following business interests for which I have an equity interest and/or directorship and/or partnership and/or receive payment (remunerated work outside Land Bank Group), and/or is an unpaid consultant (if there are none, write “NONE”), and

B. The following is a list of family members (spouse, mother, father, brothers, sisters, children or in-laws) who are employed by or have an equity interest in a company that has a direct business relationship with Land Bank Group (if there are none, write “NONE”):

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<tr>
<th>NAME OF COMPANY</th>
<th>BUSINESS DESCRIPTION</th>
<th>NATURE OF INTEREST</th>
<th>OWN INTEREST (A) / FAMILY MEMBER INTEREST (B)</th>
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(Should the space provided be insufficient, please attach detail on separate sheet.)

I agree to notify Land Bank Group immediately in writing, if at a future time, I or a member of my family as defined above acquire an interest in a business not listed above.

I hereby certify that I understand Land Bank Group’s commitment to ensure compliance with good corporate practice regarding the conflict of interest and ethical business practices and that the information above is complete and correct to the best of my knowledge.

Signature

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