

Grobank Code of Ethics and Conduct Policy

Grobank Ethics Office

Level 1

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1. OUR VIEW ON ETHICS AND CONDUCT

1.1 Introduction the Code of Ethics and Conduct

The Grobank Code of Ethics and Conduct sets out clearly the moral principles and values as well as the relevant rules that frame the actions of the employees, including management, to ensure sustainable business. It also provides the necessary guidelines for taking the right decisions in compliance with the corporate governance principles, practices and rules as well as the legal and regulatory environment.

The Code serves as a valuable point of reference for the officers and employees of Grobank, contributing substantially to the protection of the interests of employees, clients and shareholders on the basis of clearly stated governance structures, while at the same time observance of the standards set by the Code ensures that the reliability, solvency and reputation of the bank are reinforced. It links to the Bank's values throughout the value-chain and stresses upon the responsibility and fiduciary duty of employees towards the Bank.

Included in the Code is the following:

- Our Chief Executive Officer, Bennie van Rooy writes on his view on ethics and our commitment as a Bank.
- The code provides the basis on which the Bank conducts business.
- Provides us with a view on the Boards approach to corporate governance.
- The Code explains what our responsibilities are and what to do when unethical behaviour occurs.
- An overview of some forms of unethical conduct is discussed.
- We expect all employees to adhere to the Code, even prospective employees are required to have knowledge of the conduct expected from them. A copy of the Code will be provided to all prospective employees together with the offer of employment and the employee will be required to sign it when signing the letter of appointment.

Dear colleagues and business partners,

Grobank places at the forefront and views observance of the applicable legal and regulatory framework, incorporation of international best practices, and operation according to high ethical standards and principles of conduct, as a fundamental element of its corporate culture.

Observance of the principles of ethics and conduct is inextricably linked to the dynamics and credibility of our Bank, and our successful long-term good standing. According to our philosophy, implementation of the current Code does not constitute a luxury, but rather a necessity, in order to maintain the reputation, prestige and credibility of our Bank, as well as to prevent potential exposure of the Bank and its associated risks.

Having high awareness of our responsibilities in a continually changing society, we are conscious of our role in the development of practices and principles of business ethics and correspond effectively to the accomplishment of such role. We reformed our Code of Ethics, so that it fully meets new requirements in line with the evolving environment in which we operate and to make clear that Grobank operates in a manner that accommodates the basic principles of transparency, consistency and credibility (accountability).

The Code in a way also consists an important link to our corporate history for new employees, clients and associates, so that they understand and become fully acquainted with our corporate tradition and philosophy. We believe that the Code fully clarifies and leaves no doubt as to the Principles that determine our business ethics and professionalism. The new global environment promoting transparency makes clear comprehension of our Principles by all parties even more necessary. Anyone who is in any way related to Grobank's activities must be aware of our business principles and act accordingly. Grobank views preservation of its prestige and credibility on a global scale as an end in itself, for the realization of which, rigorous implementation of its Code's Principles consists the first basic tool.

We are all responsible to act in accordance with high ethical standards. This does not constitute a temporary goal, but a constant process that requires vigilance and active contribution. Even the smallest mistake, due to any reason, could further result to extensive negative consequences. It shall not be forgotten that we remain at the centre of public attention due to our leading role.

The Bank pays utmost attention to open and transparent communication with its clients, employees, shareholders and associates, and generally with the society in the environment in which it operates.

In the course of its long history the Bank has emphatically expressed its commitment to integrity and preservation of a high level of ethical conduct in all Grobank activities and shall continue making every effort to ensure it always remains true to its principles.

Yours sincerely,

Bennie van Rooy.
CEO

1.2 Grobank Values

The Grobank values guides us in the way in which we do business and how we deal with our stakeholders. The Grobank values are as follows:



1.3 Standards and practices supporting ethical conduct

Grobank upholds the protection of human rights as contained in the Bill of Rights and South African Constitution and therefore we embrace and support the values pertaining to human rights, which are reflected in the following two principles:

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2: Businesses should make sure that they are not complicit in human rights abuses. In addition, we subscribe to all the above labour standards, the protection of the environment and anti-corruption, and we align our core values therewith.

1.4 Board Ethics Statement of Grobank

Grobank use international standards, legislation and best-practice guidelines as the basis for our Code and building an ethical culture within the Bank.

KING IV™ Principles on Corporate Governance

In King IV it is stated that the governing body of an organisation's primary governance role and responsibilities include the following:

- "Steering and setting the direction regarding the organisation;
- Approving policy and planning;
- Overseeing and monitoring of implementation and execution by management; and
- Ensuring accountability for organisational performance."

According to King IV the governing body should embody the ethical characteristics of Integrity, competence, responsibility, accountability, fairness and transparency, in order to offer effective leadership that results in achieving strategic objectives and positive outcomes over time.

Grobank and its Board are embracing the concepts from King and not just the ones listed above. The Bank also supports the principles related to human rights, labour, the environment and anti-corruption found in the United Nations Global Compact.

I am proud of our Board's collective commitment to leading ethically, acting in good faith and in the best interests of the business.

By appointing strong, independent directors with an extensive range of relevant expertise and experience to our Board we are equipped to effectively contribute to value creation for our stakeholders.

Pankajkumar Ranchod
Chairman

1.5 To who does the code apply?

Compliance with this Code is required of all employees of the Bank. The principles contained in this Code also apply to contract labour, consultants, temporary employees, part time employees, casual employees, occasional employees, directors, clients, suppliers and others acting on behalf of, or dealing with, the Bank.

2 GROBANK STAKEHOLDERS

Our employees

The development of our employees to enable them to provide quality products and services to our clients remain a priority for Grobank. The bank acknowledges our employees who live our values and act with consideration to dignity and respect.

The Bank enters into fair contracts of employment within the parameters of labour law provisions and fair remuneration, provides for the proper training of staff and the existence of the appropriate technological infrastructure to ensure the continuous enhancement of quality customer service.

The Bank strives to put performance measurement systems in place that reward achievement and rewards it. We ensure our employees work in a safe environment where employees can growth and perform. We promote understanding of cultural diversity between different ethnic groups, with a focus on building a culture of mutual trust.

2.1 Our clients

We work to have relationships with our clients based on respect, integrity, honesty, equal treatment, objectivity and impartiality.

Trust, the advancement of our clients' interests and satisfaction of their needs are key targets of our actions, while also acting in the interest of the Bank. We keep confidential information received from client, vendors, suppliers and other business associated private, unless otherwise directed by local legislation or a court order.

At every stage of the business relationship, we strive to provide our clients with accurate and timely information on our products and the expected benefits as well as possible risks, considering more specific needs after we have reviewed their profile and expectations.

We ensure that our advertising and other public communication is in line with the applicable legal provisions and accurate without exaggeration, including the provision of appropriate information for clients to make informed decisions.

We may not give or receive, or encourage the giving or receipt of, cash gifts or gifts in kind that may impair our judgement when dealing with our clients. Similarly, any hospitality or entertainment given or received in the course of business must be reasonable, not open to interpretation as excessive and in compliance with bank policies.

2.2 Our market-conduct

Grobank believes in delivering quality goods and services in line with qualifications, professional commitments, and contract terms in an honestly and fair way. We are committed to lending in a fair manner; complying with regulatory requirements; ensuring our advertising and marketing is accurate and not misleading; dealing with client queries and complaints in a fair manner. We ensure that our employees comply the fit-and-proper requirements contained within the Financial Advisory and Intermediary Services Act and that we offer products based on their needs and not on sales targets or incentives.

2.3 Our shareholders

The Bank's key priority is the creation of value for shareholders in combination with the implementation of socially responsible practices, actions and initiatives. Every employee has the responsibility to protect the Bank's reputation. We undertake to communicate business policies, achievements and strategy to our shareholders and other investors in a transparent manner; to comply with legislation, industry regulations and prescribed practices; and ensure that financial and regulatory reporting is fair and accurate and produced in accordance with relevant accounting/regulatory practices, statutes and supervisory requirements.

2.4 Competitors

Grobank acknowledge that healthy competition in the financial services sector is important as it leads to more appropriate products and services being available to clients. We avoid discussions of an anti-competitive nature or on confidential or proprietary information.

2.5 Our society and community

We abide by a high-level of social responsibility, adhering to and promoting human values as well as social, intellectual and cultural values. We understand that our success as a bank depends on the value we have to our stakeholders. We adopted a Corporate Social Investment (CSI) Policy that defines the key pillars of our CSI and relevant actions we are committed too. We believe that respect for the environment and the implementation of a relevant realistic Environmental Policy comprise a fundamental principal for proper corporate behaviour and the contribution of businesses to sustainable growth and the alleviation of problems deriving from climate change.

2.6 The environment

The Bank systematically implements policies that have been developed for the purposes of sustainable growth and the protection of the environment, enhancing the environmental awareness of its staff and, indirectly, its shareholders and their clientele. They monitor and constantly improve the Environmental Risk Management Policy in line with international standards, observe the relevant legal framework, set targets based on the respective criteria, assess the impact of their activities on the environment, and keep up to date as regards

international trends. The bank is looking at implementing an Environmental Management Programme that will focus on saving natural resources, the rationalization of commuting for professional purposes, the efficient management of waste materials, the implementation of environmental criteria to supplies, and the implementation of rules for the analysis and evaluation of environmental risks in financing procedures.

2.7 Being responsible investors

Grobank encourage collaborative engagement with the aim to better incorporate environmental, social and governance issues in decision-making and ownership practices.

2.8 Our Government and Regulators

Grobank undertakes to continue to act within the spirit and letter of the Constitution of the Republic of South Africa and applicable laws and regulations; to contribute to the economic, environmental, social and cultural well-being and development of communities where business is conducted; and continuously honour tax obligations. We will in a transparent and co-operative manner engage with our regulators, ensuring that all reportable transactions are recorded and reported; and continue to adhere to independent auditing and financial reporting standards.

2.9 How Grobank manages risks associated with money laundering, terrorist financing and related activities; and sanctions

Grobank will not facilitate money laundering, terrorist financing or be associated with such activities or the breach of sanctions regimes subscribed to by the bank. The Risk Management and Compliance Programme (RMCP) of the bank includes policies, processes, procedures, practices, principles and plans. The RMCP is aimed at ensuring the bank meets its statutory and regulatory obligations, as well as internal standards. As employees we are aware of our duty to identify, prevent and report possible events or transactions of a money laundering, terrorist financing or related activities nature. Knowing your client, fulfilling client due diligence-, recordkeeping- and reporting obligations are critical in our business.

3 GROBANK ETHICS OFFICE

3.1 The Ethics Office

It is the office that takes responsibility for managing the Bank's ethics programme

3.2 Functions of the Office

The Ethics Office is the ally of management, working together to improve ethics risk management in Grobank. The Office facilitates the embedment of an ethical culture aimed at setting the governance of ethics across the bank at all levels. It sets ethics standards across the Bank to improve management reporting. Ethics matters reported through Tip-offs Anonymous or directly to the Ethics Office are investigated by the Forensic team, with involvement from the Ethics Office. The Ethics Office does not deal with any Human Resources policy or process-related incidents; these should be reported to Human Resources. It does not deal with incidents related to theft, fraud and dishonesty, and this will be dealt with by the Forensics team.

3.3 Protection

Every person who files a report in good faith either through the Tip-offs Anonymous facility or the Ethics Office, will be protected from retaliation. However, reporting in bad

faith is not acceptable and will not be tolerated. Any attempt to determine the identity of a whistle-blower is considered a violation of the Whistleblowing Policy and will result in disciplinary action.

3.4 Contacting the Ethics Office

Employees and all other stakeholders are invited to contact the Ethics Office for advice, queries or complaints on any unethical behaviour or actions by our employees or any human rights transgressions by the bank. The Ethics Office may be contacted for guidance and advice on whether a specific type of unethical behaviour needs to be reported.

Reporting can also be anonymous through one of the following channels:

- Use of a dedicated Free Call number which is 0800 22 44 63
- Use of one unique e-mail address which is grobank@tip-offs.com
- Free Post address: KZN 138, Umhlanga Rocks, 4320
- Free Facsimile: 0800 00 77 88
- Access to the Deloitte Tip-offs Anonymous website which is www.tip-offs.com.

3.5 Investigations

The Ethics Office will be involved in all investigations of the following nature:

- Gifts incidents not related to fraud;
- Harassment;
- Social media transgressions;
- Conflicts of interest not related to fraud;
- Human rights abuses;
- Nepotism/cronyism not related to fraud;
- Any other values-related conduct unbecoming of a bank employee.

Forensic Services investigates:

- Dishonesty;
- Fraud;
- Theft with internal employee involvement;
- Bribery and corruption;
- Involvement in any other criminal activity.

Human Resources investigates:

- All matters arising from breaches of HR Policy, process and people practices as well as the People Risk Framework and including matters of misconduct, incapacity and employee grievances.
- When an employee has a grievance, he/she must follow the Human Resources process of reporting misconduct and laying grievances in accordance with the Grievance Policy.

4 GENERAL CONDUCT

4.1 Security

Violence, threatening behaviour and assault will not be tolerated on bank premises or bank events. If you have obtained a restraining order including against a fellow colleague, listing any organisation properties as protected areas, you must disclose this to management and People Security. Weapons are not allowed on organisation premises. This excludes security employees.

Hardware, software and data processed by computers and shared electronically or otherwise must be adequately safeguarded against damage, loss, alteration, theft, fraudulent manipulation, unauthorised access to and disclosure of information. You must strictly adhere to all policies and standards addressing the protection of the Bank's data resources and data networks.

4.2 Discrimination and harassment

Discrimination and harassment against any person are strongly prohibited. Some conduct, even if it is legal, may violate our policies regarding harassment and discrimination. Even conduct that takes place outside of work premises and after hours may violate our policies. All employees must familiarise themselves with the definition of harassment, sexual harassment and discrimination as per the definitions section.

4.3 Occupational health and safety

We are committed to taking every reasonable precaution to ensure a safe environment for all employees. All employees who become aware of circumstances relating to the Bank's operations or activities that pose a real or potential health or safety risk should report the matter.

All employees can contribute to the Bank's efforts in this regard by:

- Complying with environmental, health and safety laws and regulations;
- Taking measures to prevent workplace injuries and illnesses, and providing a safe and healthy working environment;
- Reducing the use and release of toxic and hazardous materials; and
- Co-operating with the public, the government, and other interested parties to develop regulatory and public policies to protect public health and the environment.

From time to time you may be required to attend social, strategic and work events including but not limited to teambuilding, strategy sessions and conferences organised by the bank. You will continue to be bound by the bank's policies even in instances where such events may be held outside of company premises and/or outside of work hours. Remember that you are responsible for your own health and safety, and the safety of your possessions, and the bank will not be liable for any loss or damage that may arise as a result of your participation in such activity, unless otherwise expressly prescribed by law. The bank may also require that no alcohol be consumed during the event or during certain parts of the event.

4.4 Drugs and alcohol

Being in the possession of illegal drugs or under the influence of intoxicating substances or using illegal drugs on organisation property as well as any offsite engagements with stakeholders not within business hours is in violation of the code.

We allow the moderate use of alcohol at business-related functions, if we practice responsible drinking and don't return to work after the function having exceeded the legal limit. Please don't drink and drive.

4.5 Smoking

Smoking is allowed on the bank premises in designated areas only. The duration and number of breaks must not negatively impact your job or working environment. As with any allowance, abuse of this privilege may lead to the relevant management action.

4.6 Intellectual property

You are required to protect the bank's intellectual property and proprietary information. This includes patents, trademarks, copyrights, research and trade secrets. It also applies to any other information over which the Bank has control. The obligation not to disclose proprietary information still applies after an employee has left the Bank. All the work you do for the bank in the execution of your duties belongs to the Bank and becomes the property of the Bank. Should you need to use any confidential or proprietary information belonging to the Bank in your studies or for any other purpose, you must first obtain written authorisation from the Bank, your business executive and Legal. All employees must familiarise themselves with the definition of intellectual property and proprietary information as per the definitions section.

4.7 Declaration of secrecy

Every employee signs a Declaration of Secrecy as part of their employment on-boarding and it forms part of an employee's terms and conditions of employment.

Information is used and released by the Bank in many forms, including reports, brochures, booklets and electronically via the Internet. Employees can provide official information that is normally available to the members of the public. All other official information or documents should only be provided under the following circumstances:

- It is a normal part of an employee's job function and the employees have received proper authorisation to provide the information;
- It is requirement to do so by law; and
- Employees are called to give evidence in court.

Employees approached by the media should immediately refer this to the Chief Executive Officer.

4.8 Electronic communication, acknowledgements and training material

The Bank uses various tool to communicate with employees such as electronic communication which can be for business communications, training, etc. You need to note that by acknowledging a communication, you agree that you have read and understood the communication.

Every new and current employees of the bank have three (3) months to complete all compliance training and policy/document acknowledgements. Employees may not argue that a policy does not apply to them in circumstances where they failed to acknowledge it.

4.9 Removal of bank documents for the bank's premises

The Bank has developed several internal controls to safeguard assets. You are not allowed to remove any of the bank's confidential records, documents or other information from the bank's premises unless you have authorisation from your line manager, verbally or in writing. The assets and property of the Bank, its customers and its suppliers should be treated with the same respect as personal assets and property.

4.10 Personal relationships at work

The Bank does not approve inappropriate personal relationships (e.g. romantic) that create a conflict of interests, reputational risk or have any negative impact on the working environment. Where a relationship has a negative impact on the business environment or creates a reputational risk, management will address it. There is a possibility of a forced separation of these individuals depending on the context of the situation (e.g. by moving employees to different areas where they do not negatively impact on each other or the working environment).

4.11 Money and your colleagues

All employees are discouraged from lending, borrowing or giving money to colleagues, as non-repayment could disrupt work relationships. Employees should not become involved in colleagues' personal financial affairs.

4.12 Political donations or sponsorship

We do not make political donations or sponsorship.

4.13 Dress code

The behaviour and actions of employees must always display professionalism, including complying with the bank's general accepted dress code principles.

4.14 Gossip and rumour mongering

Gossip is defined as the casual or unconstrained conversation or reports about other people, typically involving details which are not confirmed as true. Gossiping is considered harassment and will be treated accordingly. While a rumour is a currently circulating story or report of uncertain or doubtful truth. Employees are required to treat everyone with respect and dignity and not create or spread rumours about others including competitors.

4.15 Cell phone use at work

The use of cell phones for texting and other personal uses including social media as defined below in 4.16, must not be excessive, distracting to other employees and impact on the employee's deliverable. Use of devices may even be restricted if it interferes with productivity or the work environment.

4.16 Social media

Social media is defined as websites and applications that enable users to create and share content or to participate in social networking. Grobank does not discourage or object to the use of social media. It is an important tool linking people. We acknowledge a person's right to freedom of speech, however the use of social media has risks connected to it and employees should limit and, where possible, avoid those risks. We must protect the privacy, security and image of the bank and its employees, clients and stakeholders, while at the same time maintaining corporate security. Employees must always be aware the use of these platforms does not change their responsibilities and obligations as an employee of the bank. You must always act ethically and obey local laws.

If you are unsure, consult your ethics or compliance officer before publishing/posting any material to a social media platform or online media. Remember your obligations regarding proprietary information and take care to avoid misrepresentation. The Bank has specific employees nominated to act as a spokesperson for the Bank. You are not permitted to publish any content on behalf of the Bank or content which may be perceived to be on behalf of the Bank, unless authorised by a delegated spokesperson.

4.17 Personal account and insider trading

Personal Account Trading means employees trading in securities, where the risks and rewards are for their own personal benefit, or for that of their connected persons. Insider trading is the illegal practice of trading on the stock exchange to one's own advantage through having access to confidential information, that you would not have otherwise had, if not for your employment.

4.18 Stakeholder engagement

Only individuals nominated as delegated spokespersons, may speak to external stakeholders like the regulator or the media, on behalf of the Bank. Breaching this rule, is a serious contravention and will have repercussions of a serious nature.

4.19 Use of the Bank's resources for personal purposes

You may on occasion use the banks telephones, email or copier machines for personal purposes. Where there is excessive use of organisation resources for private purposes, management is entitled to suspend the use of these resources. This allowance excludes the use of these resources to manage/run your own personal business, which is considered a conflict of interest.

4.20 Financial crime, bribery and corruption: Grobank's approach and view

We acknowledge that we have a duty to observe legal provisions regarding anti-money laundering and the countering of financing of terrorism; financial crime; bribery and corruption. The Risk Management and Compliance Programme (RMCP) of the bank includes policies, processes, procedures, practices, principles and plans. Grobank will manage and, where necessary, decline business relationships, applications for business relationships and transactions involving individuals, entities, countries, goods or activities targeted in applicable financial sanctions legislation.

Included here is the following crimes with definitions:

- Theft is the unlawful and intentional appropriation of another person's or entity's property.
- Fraud is unlawful and intentional misrepresentation that causes actual prejudice or is potentially prejudicial to another.
- Corruption is when you use your job to obtain a benefit for yourself or someone else which you would not ordinarily have received.
- Dishonesty is any misrepresentation of the truth, acting without honesty and integrity, and includes lying, cheating or failing to disclose facts.
- An employee may be listed on the register of employees dismissed for dishonesty-related offences (REDS) for dishonesty-related misconduct, even if the employee resigns prior to the disciplinary hearing.

You have a duty to report Financial crime, bribery and corruption, should you be aware or suspect it.

4.21 Facilitation payments

Facilitation payments are only allowed when your life is in danger or if there is a medical emergency. Instances like these must immediately, or as soon as reasonably possible after they have occurred, be declared to the Chief Risk Officer, the Ethics Office and line management.

4.22 Entrapment

If requested by the State to participate in an entrapment process in terms of the Criminal Procedures Act if, the request must be approved by the Chief Compliance Officer or Chief Risk Officer and the Chief Executive Officer, prior to the entrapment taking place.

4.23 Conflict of interests

All employees are subject to the Code of Ethics and Conduct together with its Standard Operating Procedures, except non-executive directors to the board where declarations of outside interests are done as per the Companies Act requirements to the board on a routine basis. Involvement in civic and political activities is beneficial to an employee's personal growth and influence within his or her community and profession, as well as to the Company. However, you are expected to avoid any outside interest or activity that will interfere with your duties at the Company. An employee should serve his/her employer honestly and faithfully. When a conflict occurs, the values of objectivity and fairness are at stake. This may lead to reputational risk.

There are four basic rules:

- a) The employee owes a fiduciary duty to act in the best interests of the Bank and not in conflict with the Bank;
- b) The employee must not make a profit for himself without the permission of the Bank;

- c) The employee must sign/review a declaration every year declaring either the outside interests or the fact that they do not have any, by submitting a Nil Return. This is non-negotiable. Declarations must also be updated as and when there are any changes in status to these declarations; and
- d) Outside interest must be approved before an employee may continue with such an activity.

The Bank expects employees to perform their duties conscientiously, honestly and in accordance with the best interests of the Bank. Employees must not use their positions, or knowledge gained through their employment with the Bank, for private or personal advantage or in such a manner that a conflict or an appearance of conflict arises between the Bank's interest and their personal interests.

Instances of conflicts of interest could include but are not limited to the following:

- a) Where an employee, member of an employee's family, or a business with which the employee or family member is associated, obtains a benefit, advantage or profit by virtue of the employee's position with the Bank or knowledge gained through that position.
- b) Abusing of the power of the position held to influence others and gaining personal benefit e.g. discount form suppliers of the Bank.
- c) Where employees are aware that they are included in a will of a client, or as a beneficiary in a trust where the financial planner was instrumental in setting up the trust or included in insurance policies e.g. life policy beneficiary;
- d) Influencing a client in order to become a beneficiary in a will or trust;
- e) Using the property/resources of the Bank for personal purposes;
- f) Using intellectual property/information as acquired in the course of business without permission of the Bank;
- g) Disclosing confidential information to outsiders;
- h) Conducting a business or enterprise during working hours;
- i) Abusing working hours' or the Bank's resources for personal purposes;
- j) Approaching clients or vendors of the Bank for personal use or building up his/her own business;
- k) Acting or providing a service as an officer, director, partner, consultant, agent, advisor, representative, or employee of a supplier, customer, client, competitor or any organisation with similar business interests to that of Bank;
- l) Running a business in competition with the Bank;
- m) Being involved in a formal role or function in any political party (not membership).
- n) In the case of employees being invited by suppliers to attend conferences the bank will be required to pay the travelling and accommodation costs if we deem it relevant and necessary for the employee to attend. Management needs to decide if the cost of the employee attending these conferences is justified by the value that the bank will receive from it. The conference/seminar costs as well as all gifts received during the conference/seminar may be accepted as gifts in accordance with policy and must be declared.

- o) Employees should avoid acquiring any business interest or participating in any activity outside the Bank, which would create, or appear to create an excessive demand on their time and energy which would deprive the Bank 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 exercise of judgement in the Bank's best interest.
- p) Activities include outside employment in areas similar to those in which Bank is involved, outside work for clients, 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 Bank and its employees.

Employees should avoid placing themselves in positions where personal interest conflict with their duties as Bank employees and/or where it impacts on their ability to live the Bank values. If employees feel that a course of action they have pursued, are pursuing or are contemplating pursuing, may involve them in a conflict of interest situation or a perceived conflict of interest situation, they should make all the facts known to the person to whom they report. It is the Manager's 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.

An employee MUST declare the following:

- a) Transactions where the employee knows the external party either as a connected person or related individual.
- b) All interests in companies and close corporations, whether active or dormant. 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, which are dealt with below.
- c) 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.
- d) Affiliation (friendship, romantic or familial relationships) with a bank supplier, client or business associate.
- e) Beneficiary of a personal trust trading on the stock market.
- f) All business interests outside the Bank where an extra income is made e.g. rental income or outside employment.
- g) Potential conflicts of interest.
- h) Safety and security payments in other countries (facilitation payments).
- i) Memberships on external boards/ trusts/consortiums/partnerships/trade association in their private capacity.

The number of non-executive directorships an employee can hold will depend on the following:

- Type of business (certain directorships will take up less time and effort than others).
- Impact on the employee's duties/function.
- Whether it is a conflict of interest and if so, the directorship will not be allowed.

All non-executive directorships must be approved/declined at executive level after consultation with business compliance and the Ethics Office.

The fees employees are paid:

- Employees representing the bank on boards must pay the fees they earn over to the bank.
- If an employee is a non-executive director on a board in his/her private capacity and attends meetings during working hours (if agreed by line management according to operational requirements), the fees must be paid over to the bank. If the meetings and duties are done outside of working hours, fees need not be paid to the bank.

Human Resources must request a disclosure of outside involvement of individuals interviewed during the recruitment process. The disclosure will assist the Bank with the management of conflict of interest from the onset.

It is every employee and their line manager's responsibility to ensure that declarations are up to date, reviewed annually or when circumstances change. This section is not intended 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 the Bank.

Human Resources and Company Secretariat shall keep records of employees' declaration of interest and report twice per annum to the Social and Ethics Committee on the level of compliance, material issues and/or concerns.

Nepotism and Cronyism

Nepotism and cronyism are both forms of conflicts of interest. This occurs where employees use their position or influence to unduly impact decisions made by business.

Example thereof includes the following:

- Where an employee's managerial responsibilities include oversight of a relative or other closely related person. Should this be the case, it must be approved according to the two-tier principle (two levels of management removed from the employee).
- Nobody may be afforded preference to a position just because that person is related or close to an existing employee. This also applies to internships, traineeships and other short-term employment.

- Any employee in a personal, family or other relationship with another employee may not authorise payment increases, bonuses, expense claims or any other form of remuneration or payment for that employee.
- Employees with family members who are suppliers to the bank must not be involved in any decision-making regarding the onboarding process or the use of suppliers by the bank.
- Employees must not approve any invoices for services/products rendered by family members who are suppliers of the bank.
- Personal relationships with suppliers or any other third party associated with the bank can possibly lead to a conflict of interests or reputational risk.

Exclusion: Directorships/trusteeships of personal family-related companies, i.e. where the trust/company is an extension of the assets/estate of an employee (e.g. property-owning companies or trusts) need not be declared unless this becomes a valid conflict of interests as per the principles of the policy.

4.24 Relationships with business partners

Should an employee have a personal relationship (friendships, romantic or familial) with a business partner, supplier or client to the Bank, the employee must immediately recuse himself/herself from any related transactions or applicable processes and have no influence or authority in any decision being made where this party is involved. Employees must declare the relationship as an outside interest.

4.25 Gifts and hospitality

Accepting of business courtesies, gifts or other benefits

Employees may accept gifts provided that appropriate management approval is obtained, the gift is properly declared and accounted for, and the acceptance does not create the appearance of a conflict of interest.

- All gifts (irrespective of value), arising out of an employee's employment with the bank, received by employees must be declared.
- Employees are not allowed to receive more than six gifts, including entertainment, per annum from any party associated with the bank.
- Employees may accept a gift card/voucher where they are unable to exchange this gift card for cash (bank notes / changes).
- Novelty or advertising items may be accepted when they have no appreciable value and are widely distributed by the giver to other firms e.g. inexpensive calendars, pens, cups and other promotional items carrying the distributing company's name or logo.
- Employees must obtain approval prior to accepting a gift whilst acting in his or her capacity as an employee of the Bank, from vendors or clients or third parties. These gifts must still be declared.
- Occasional business entertainment such as luncheons, cocktail parties or dinner on an infrequent basis is acceptable. When assessing whether to attend, the following conditions must be met:
 - i. Attendance is in the interests of building necessary business relationships;
 - ii. It is not likely to be extravagantly priced;
 - iii. Acceptance will not create the appearance of a conflict of interest; and

- iv. Management approval has been obtained.
- Solicitation of gifts within the ordinary scope of employment is strictly prohibited unless in collaboration and with the approval of the Executive responsible for Corporate and Social Investment (CSI), supporting Grobank CSI initiatives.
- Where it would be impractical, inappropriate or insulting to refuse to receive a gift that has been offered, an employee may accept the gift. This gift must be declared and handed over to the manager for safekeeping. The gift can be raffled or sold, and the proceeds given to charity.
- No gifts may be given to public officials without prior sign-off at chief executive level.
- Employees are reminded that it is their duty to establish the value of the gifts or gratuity or hospitality or entertainment for declaration purposes.

Strict prohibition

- Gift cards/vouchers.
- Cash in any form.
- Any gifts from suppliers during the tender and onboarding process except relationship-building/networking lunches/functions.
- Travelling and accommodation for attending events on behalf of suppliers and/or endorse/promote the supplier or its products/services.

No gifts may be received from public officials and public employees without prior sign-off from your managing executive.

Offering or giving of gifts by employees to other parties during their employment

- Gifts may only be offered or given for legitimate business purposes and should not be intended as an inducement to do business.
- The gifts must be customary and consistent with the reasonable and ethical business practices of the marketplace in which it is offered.
- All gifts must be declared.
- The employee must consider the rules governing the receipt of gifts by the relevant supplier, client, third party or government, to ensure that the integrity of that supplier, client, third party or government is not compromised.
- All gifts given to clients during marketing campaigns must be declared and a comprehensive report supplied to the Ethics Office monthly. This includes VIP tickets, hospitality passes, etc.
- Gifts/entertainment (accommodation, vouchers, etc.) will be limited to suppliers and their spouses or partners for that specific event.
- All business lunches, functions, cocktails, etc, must be declared. Instances exceeding R500,00 per person will require line manager approval.
- Relationship-building initiatives with suppliers and participation in client/supplier events such as corporate golf days must be declared.
- All corporate card expenditure for gifts, networking and relationship building for clients/business associates must be declared.
- The gifts should not gain for the giver any right or privilege that he/she might otherwise not enjoy.

- Employees are reminded that it is their duty to establish the value of the gifts or gratuity or hospitality or entertainment for declaration purposes.

The Bank Executive will from time to time determine the threshold values and levels of authorisation for gift declarations. Employees can refer to **ANNEXURE 2: GUIDE ON QUESTIONS TO ASK BEFORE APPROVAL OF THE GIVING OR ACCEPTING OF A GIFT.**

4.26 Meeting recordings

Meetings of whatever nature may only be recorded if all participants to the meeting have been informed of such and agreed to be recorded, notwithstanding any provisions of any law or legislation.

4.27 The bank's policies

All employees must familiarise themselves with all the bank policies. It is the employee and their line manager's responsibility to ensure that their employees have acknowledged policies according to requirements on the system.

5 TERMS AND DEFINITIONS USED

Affiliation means the close involvement with a vendor or service provider by an employee or a connected person.

The **Bank** refers to Grobank

Benefit includes any tangible or intangible advantages or profits gained, such as tickets to sporting, theatrical or other events, invitations to lunches, dinners, promotions or travel.

Bill of Rights means a bill that encompasses the rights of all the people of our country.

Board refers to the Board of Directors of the Bank.

Board Member: A member of Grobank Board of Directors.

Business Courtesies means anything of value, a favour, or a benefit provided free of charge or at a charge less than fair market value. A business courtesy may be a tangible or intangible benefit, including, but not limited to, such items as non-monetary gifts, meals, drinks, entertainment, hospitality, recreation, door prizes, transportation, discounts, tickets, passes, sporting events, side excursions or outings, promotional items, or use of a donor's time, materials, or equipment.

Business ethics: The principles, standards and norms that guide an organisation's conduct of its activities, internal relations and interactions with external stakeholders.

CEO means the Chief Executive Officer

Client: Includes current and potential future clients or customers external to Grobank.

Code means the Code of Ethics and Conduct

Conflict of interests means a person's private interests interferes or is perceived to interfere with the interests of the Bank. This usually happens when the interest impairs the employee's ability to act impartially.

Connected persons of a director where conflicts of interests are concerned:

- Spouse or civil partner or anyone with whom the director lives as a partner in an enduring family relationship;
- Children, including the child's partner or spouse; grandchildren, adopted and stepchildren;
- Parents, including adoptive parents;
- Siblings;
- Companies to which the director is connected;
- Trustees of a trust in which the director (or another connected person) is a beneficiary business partner.

Corruption entails the abuse of a position of employment by the offering or acceptance of a benefit that is not legally due, for the commission of an act in connection with that position of employment, as defined in the Prevention and Combating of Corrupt Activities Act, No 12 of 2004.

A person is guilty of **corruption** if he/she directly or indirectly-

Accepts or agrees or offers to accept any gratification from any other person, whether for the benefit of himself or herself or for the benefit of another person: or

Gives or agrees or offers to give to any other person any gratification for the benefit of that other person or for the benefit of another person in order to act personally or by influencing another person so to act in a manner that amounts to:

- An illegal, dishonest, unauthorised incomplete or biased act;
- The misuse or selling of information or material acquired in the course of the exercise, carrying out or performance of any powers, duties or function arising out of a constitutional statutory, contractual or another legal obligation;
- The abuse of a position of authority;
- A breach of trust;
- The violation of a legal duty or a set of rules that is designed to achieve an unjustified result; and
- Any other unauthorised or improper inducement to do or not to do anything.

Employee means any directors (and connected persons), permanent staff, fixed term contractors on our payroll, seconded staff, temporary workers and consultants not on the payroll but engaged for a period of at least one month, working for the Bank. The definition includes individuals currently employed as well as new appointees.

Employee's Family includes the employee's spouse or equivalent, sibling, parent, grandparent, child, grandchild and any person who is a blood relation of the employee.

Employer includes the Bank and is referred to hereafter as "the Bank"

Ethics refers to the standards of conduct, which indicate how a person should behave, based on moral duties and virtues arising from the principles of right and wrong.

Ethics Office is the office that takes responsibility for managing the Bank's ethics programme.

Ethics management framework includes all the interventions at strategic, system and operational levels which are intended to improve the organisational ethics.

Ethics performance means the extent to which an organisation behaves ethically.

Facilitation payments are improper payments made to facilitate or expedite the performance of “routine” governmental action where we initiate or engage in business with government in South Africa or government in any other country.

Fraud: The unlawful and intentional making of a misrepresentation which causes actual prejudice, or which is potentially prejudicial to another.

Gift and Gratification: Anything that is received by an employee from a client, third party, supplier or a vendor that at face-value could be considered a benefit or an advantage;

Gratification includes:

- Money, whether in cash or otherwise;
- Any donation, gift, loan, fee, reward, valuable security, property or interest in property of any description, whether movable or immovable, or any other similar advantage, including a donation or gift of fresh produce;
- The avoidance of a loss, liability, penalty, forfeiture, punishment or other disadvantage;
- Any office, status, honour, employment, contract of employment or services, any agreement to give employment or render services in any capacity;
- Any hospitality;
- Residential or holiday accommodation;
- Any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part;
- Any forbearance to demand any money or money ‘s worth or valuable thing;
- Any other service, favour, or advantage of any description. Including protection from any penalty or disability incurred or apprehended or from any action or proceedings of a disciplinary, civil or criminal nature whether instituted or not, and includes the exercise or the forbearance from the exercise of any right or any official power or duty;
- Any right or privilege;
- Any real or pretended aid, vote, consent, influence or abstention from voting; and
- Any valuable consideration or benefit of any kind, including any discount, commission, rebate, bonus, deduction or percentage.

However, gratuity does not include:

- Official Grobank branded goods or items;
- Official Grobank sponsored functions, promotions or hospitality events for business purposes;
- Official donations made on behalf of Grobank; or
- Items, goods, services, information or money in whatever form provided or obtained from third parties in terms of an official contract with Grobank.

Harassment is unwanted conduct, which has the purpose or effect of either violating the employee’s dignity, or creating an intimidating, hostile, degrading, humiliating or offensive environment for them.

The definition, taken from the Protection of Harassment Act, means directly or indirectly engaging in conduct that the perpetrator knows or ought to know:

- (a) Causes harm or inspires the reasonable belief that harm may be caused to the employee or a related person by unreasonably:
 - I. Following, watching, pursuing or accosting of the employee or a related person, or loitering outside of or near the building or place where the employee or a related person resides, works, carries on business, studies or happens to be;
 - II. Engaging in verbal, electronic or any other communication aimed at the employee or a related person, by any means, whether conversation ensues or not; or
 - III. Sending, delivering or causing the delivery of letters, telegrams, packages, facsimiles, electronic mail or other objects to the employee or a related person or leaving them where they will be found by, given to or brought to the attention of, the employee or a related person;

- (b) Amounts to sexual harassment of the employee or a related person which includes unwelcome sexual advances;

Harassment definition (the following section is extracted from the CCMA guidelines and we included it in the definition to show as examples of what harassment could be) also includes:

- (a) Bullying;
- (b) Spreading malicious rumours, or insulting someone, particularly on gender, race or disability grounds;
- (c) Ridiculing or degrading someone, picking on them or setting them up to fail;
- (d) Exclusion or victimisation;
- (e) Unfair treatment, for example, based on race, gender, sexual orientation, pregnancy, age, disability, religion, HIV status, etc.;
- (f) Overbearing supervision or other misuses of power or position;
- (g) Making threats/comments about job security without foundation;
- (h) Deliberately undermining a competent employee by overloading and constant criticism; and
- (i) Preventing individuals progressing by intentionally blocking promotion or training opportunities.

Human rights mean the moral principles that prescribe certain standards of human behaviour that are regularly protected as legal rights in national and international law.

Integrity is one of the fundamental values that employers seek in the employees that they hire. **Professional integrity** refers to an employee who willingly "adopts" and consistently applies the knowledge, skills, and values of a chosen profession. Integrity may be the most appropriate word used to describe the person who willingly and consistently acts in accordance with social standards or moral values of society, who lives his or her values in relationships with co-workers, customers, and stakeholders.

Intellectual property and proprietary information. **Intellectual property** (IP) is a term for any intangible asset -- something proprietary that doesn't exist as a physical object but has value, while **Proprietary information**, also known as a trade secret, is information a company wishes to keep confidential. It also applies to any other information over which the Bank has control. Examples can include secret formulas, processes, and methods used in production, patents, trademarks, copyrights, research and trade secrets.

Management refers to an employee to whom other employee(s) report.

The term “**nepotism / cronyism**” as used in this policy is defined as undue favour between two related employees.

Outside Interest: An activity where an employee engages in any non-standard Bank business includes the term “outside employment”.

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

The term ‘**related individual or person**’ as used in this, Code is defined by the following relationships:

- By blood: parent, child, grandparent, grandchild, brother, sister, half-brother, half-sister, uncle, aunt, nephew, niece, first cousin;
- By marriage: husband, wife, fiancé/e, stepparent, stepchild, stepsiblings, brother-in-law, sister-in-law, father-in-law, mother-in-law, son-in-law, and daughter-in-law; and
- Other relationship: a current or former relationship (including common-law marriages), occurring outside the work setting, that would make it difficult for the individual who is responsible for making a decision or recommendation to be objective, or that would create the appearance that such individual could not be objective. Examples include, but are not limited to, personal relationships, friendships and business relationships.

South African Constitution means the Supreme law of South Africa, which deems to set out the Bill of Rights and the relationship of various government structures to each other

Supplier: Includes existing and potential vendors, contractors, sourcing partners, service providers, distributors, and consultants who supply goods or services to the bank, as well as any other third parties who may in future become vendors of goods or services to the bank. These suppliers subscribe to the **Supplier Code of Conduct**, which is based on this Code. A copy is available on Grobank’s website (www.grobank.co.za).

Third parties associated with the bank include but are not limited to clients, vendors, suppliers, business partners, and stakeholders e.g. a panel of attorneys, recruitment agencies, travel agents, brokers etc.

Work means the rendering of a service for which the person receives remuneration in cash or kind.