Summary of Conflicts of Interest policy

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Standard Bank (Mauritius) Limited

Summary of Conflicts of Interest Policy

The Conflicts of Interest Policy (the "Policy") forms part of the Bank's Conflicts of Interest management framework.

The Policy is aimed at ensuring that the Bank (and its employees) complies with the applicable statutory and regulatory obligations by ensuring that all reasonable steps have been taken to prevent or fairly manage potential conflicts of interest and thereby mitigate the effect that such conflicts could have on the Bank's clients as well as the Bank itself.

The Policy reflects the minimum requirements that need to be adhered to in order to ensure that all reasonable steps are taken to prevent conflicts of interest from constituting or giving rise to a material risk of damage to the interests of its clients.

The Policy furthermore serves to ensure that there are processes, procedures and mechanisms in place to identify, prevent or manage conflicts of interest so as to:

- Ensure the fair treatment of clients;
- Maintain a sound financial environment;
- Ensure that conflicts of interest are managed fairly;
- Prevent the misuse of Need to Know information; and
- Protect the good reputation of the Group and the industry as a whole.

Types of Conflicts of Interest

A conflict of interest may arise where:

- The interests of the Bank and a client of the Bank either directly conflict or are incompatible with one another. This is known as a Bank / client conflict.
- The personal interests of an employee or other agent of the Bank conflict or are incompatible with those of a client of the Bank. This is known as Bank employee / client conflict.
- The personal interests of an employee or other agent of the Bank conflict or are incompatible with those of the Bank. This is known as Bank employee / Bank conflict.
- The interests of two or more clients of the Bank are either directly in conflict or are incompatible with one another. This is known as client / client conflict.
- In terms of the Bank structure and reporting lines, information flows between the various entities, its parent company and / or other subsidiaries and can lead to the emergence of similar conflicts of interest. This is known as a Group conflict.
  In identifying the types of conflicts of interest that may arise, employees must take into consideration whether they, the Bank or a relevant person (directly or indirectly) linked by control to the Bank:
  - Is likely to make a financial gain, or avoid a financial loss, at the expense of the client;
  - Acts on behalf of the client in a manner which is distinct from the client's interest in that outcome;
  - Carries on the same business as the client; or
  - Has a financial or other incentive to favour the interest of a client or group of clients over the interests of another client.

Managing Conflicts of Interest

Having identified a potential conflict of interest, the Bank must operate arrangements and procedures designed to prevent conflicts of interest from resulting in material risk of damage to the interests of its Clients.

Detailed below are the types of controls and measures that can be implemented to ensure that conflicts of interest are prevented or effectively managed and mitigated (the list is not exhaustive):

- Effective procedures to prevent or control the flow of information i.e. also known as Chinese Walls;
- Supervisory arrangements aimed at ensuring the fair management of conflicts of interest;
- Disclosing to the client the conflict of interest in a fair, clear and non-misleading manner in order to enable the client to make an informed decision;
- Recusal (from transactions or activities) of employees who are conflicted;
- The removal of any direct link between the remuneration of employees principally engaged in one activity and the remuneration of, or revenues generated by, employees principally engaged in another activity where a conflict of interest may arise in relation to those activities;
- Measures that serves to prevent or limit an employee from exercising inappropriate influence over the way in which another employee carries out investment or ancillary services or activities;
- Measures to prevent or control the simultaneous or sequential involvement of an employee in separate investment or ancillary services or activities where such involvement may impair the proper management of conflicts of interest; and
- The Bank has developed specific measures to manage, resolve and avoid potential conflicts of interest in relation to certain types of transactions undertaken by the Bank. The transaction specific conflicts clearance process is managed by the Compliance Control Room at our Group Head Office (subject matter expert on conflicts of interest) in consultation with the relevant Business Unit Heads and the Business Compliance function.

There may be some situations where it may not be possible, or appropriate, for the Bank to act on behalf of a Client. In such situations, the Bank must decline to act.

This policy is reviewed on a biennial basis and is approved by the Board Audit Committee.