

**Momentum Group
Conflict of Interest Policy
for Directors**

Contents

1. INTRODUCTION	3
2. OBJECTIVE OF THIS POLICY.....	3
3. SCOPE OF THIS POLICY	3
4. DEFINING CONFLICT OF INTEREST	3
5. DEALING WITH CONFLICT OF INTEREST	4
5.1. Directors' duties.....	4
5.2. Procedures for record keeping	5
6. WHAT DOESN'T CONSTITUTE A CONFLICT.....	5
7. NON-COMPLIANCE.....	6
8. POLICY REVIEW.....	6
9. DEFINITIONS AND ABBREVIATIONS	6
10. DOCUMENT CONTROL	9

1. INTRODUCTION

Momentum Group Limited and Momentum Metropolitan Life Limited (“MML”) are Johannesburg Stock Exchange (“JSE”) listed entities, on the equity and debt listings boards, respectively and are herein together with their subsidiaries, collectively referred to as the “Momentum Group” or “the Group”. The Momentum Group is a values-based organisation and will, at all times, ensure that all our professional relationships mirror our personal integrity, respect for human dignity and the rights of others, honesty and a commitment to do what is right, fair, reasonable and lawful.

The Group’s view is that there is no substitute for good judgment and personal integrity, and to assist in living the philosophy of this Policy in different situations that may arise, it is important for the Group Directors to abide by the principles contained herein.

2. OBJECTIVE OF THIS POLICY

This Policy sets the standards to govern situations of Conflict of Interest and prevention of such instances. It further provides the procedures for making declarations of interests and recording such as per the legislative requirements and governance practices.

3. SCOPE OF THIS POLICY

This Policy applies to all Directors and members appointed to the boards, board committees and other governance forums of the Momentum Group. The use of the term “Momentum Group” or “the Group” throughout this document refers collectively to all of these entities and forums.

This policy does not substitute the Group Conflict of Interest Policy, Policy on Disclosure of Dealings in MMH Securities, the Group Board Charters or Conflict of Interest policies issued by the Regulators to which the MMH Group must abide.

Where an action that may constitute a Conflict of Interest is in conflict or is addressed within any of the other abovementioned prescriptive policies or the Common Law of South Africa, the directors should comply with the most onerous requirements in terms of Conflict of Interest. Furthermore, the persons’ common sense and ethic shall prevail.

4. DEFINING CONFLICT OF INTEREST

A Conflict of Interest refers to a personal financial or non-financial interest that actually or potentially impairs a person’s objectivity or ability to act independently, or which creates an unfair advantage for the individual, or in favour of an associate or related person. Therefore, a conflict of interest is a situation in which a person is in a position to derive personal benefit from actions or decisions made in their official capacity or that of the capacity of a related person or associate to them.

The three general types of conflicts of interest are as follows:

- 4.1 Actual conflicts that arise in situations where financial or other personal or professional considerations compromise individuals’ objectivity, judgment, integrity, and/or ability to fulfil their legitimate responsibilities to the organisation.
- 4.2 Apparent (or perceived) conflicts that are existing situations or relationships that reasonably could appear to other parties to involve a conflict of interest.
- 4.3 Potential conflicts that refer to situations that do not necessarily constitute or appear to constitute a conflict of interest, but where there is a reasonable possibility of an actual or apparent conflict of interest coming into play in the near future.

The perception of conflict is influenced by whether an independent observer might question whether the person’s actions were influenced by potential or actual personal gain.

5. DEALING WITH CONFLICT OF INTEREST

Conflicts of Interests should be proactively managed as per the JSE Listings Requirements, JSE Debt Listings Requirements, Companies Act, King IV™ and in terms of any other relevant laws and regulations. Accordingly, directors and other company officials are required to act in an acceptable manner in relation to Conflicts of Interest.

5.1. Directors' duties

A director has the fiduciary duty to act in good faith and in the best interest of the company it serves. Furthermore, any Director has the responsibility not use their directorship to gain advantage for themselves or for any other person other than the entity and its stakeholders. Directors have a duty to avoid a Conflict of Interests and must take steps to avoid a Conflict of Interest from arising. Therefore, the Director is bound to put the interests of the Company before their own personal interests and exercise the care that a reasonable prudent person in a similar position would use under similar circumstances. The following serves as guidelines for directors when faced with a Conflict of Interest:

5.1.1. Determining a personal financial interest

A director's own or his/her related party's personal financial interest must be:

- a. personal to the director or related party;
- b. Direct - this means that the matter under consideration will result in financial benefits flowing directly to the director or related party;
- c. of consequence to the director or might affect the director's impartiality;
- d. financial or monetary or economic or be capable of being valued in monetary terms.

5.1.2. Directors duty to know that a related party has an interest

The definition of knowledge is wide and goes beyond actual knowledge, it deems a director to have knowledge if he or she was in a position in which he or she *reasonably ought to have* –

- a. had actual knowledge, even if he did not;
- b. investigated the matter to an extent that would have provided the person with actual knowledge; and
- c. taken other measures which, if taken, could reasonably be expected to have provided the person with actual knowledge of the matter.

The onus of proof is on the director to prove on a balance of probabilities that he/she did the necessary investigations in order to identify possible conflicting interests of a related party but also disclosed these as required by law or in terms of the policies of the Company.

5.1.3. The Director should disclose the Conflict of Interest –

- a. The director should submit a written declaration of all financial, economic, and other interest held by the Director and associates/related parties at least annually or when significant changes occur. An annual Declaration of Conflict of Interests template is attached hereto as **Annexure A**.
- b. At the beginning of each meeting, any conflicts on matters on the meeting agenda must be declared.
 - i. The director has a statutory obligation to submit a written declaration of a Conflict of Interest prior to the matter being considered in the meeting when the director or a related person or associate has a Conflict of Interest. Submission has to be made to the Company or meeting secretary. The disclosure should indicate the nature and extent of the Conflict of Interest.

Annexure B serves as the template for the Declaration of Interest in relation to an agenda item for a meeting.

- ii. The director is required to disclose any material information relating to a matter to be considered by the Board which is known to the director. This is also applicable in relation to any personal financial interest acquired by a director in an agreement or other matter in which the company has a material interest.
 - iii. The director may disclose any observations or pertinent insights relating to the matter, if requested to do so by fellow directors. However, the director should be mindful of his/her duty of confidentiality to the company in respect of which he/she is declaring the Conflict of Interest.
 - iv. The director should leave the meeting and remain absent during the deliberations relating to the Conflict of Interest.
 - However, it is within the discretion of the other directors whether the conflicted director may remain in the meeting during discussion of the conflicted matter based on its materiality.
 - The recusal of the director will not have an impact on the quorum of the meeting as he or she will be considered present for quorum purposes, but for voting purposes, will be considered absent.
- 5.1.4 The director remains prohibited from making, participating in the making, influencing, or attempting to influence any decision in relation to that particular matter. The director will not be allowed to vote on the conflicted matter.
- 5.1.5 The conflicted director may not execute any document on behalf of the entity in relation to the matter.
- 5.1.6 In the event of uncertainty whether a matter will constitute a Conflict of Interest, the director should obtain legal advice and/ or consult with Group Company Secretariat.

5.2. Procedure for record keeping

The company or meeting secretary must assist in relation to the following:

- 5.2.1 Ensure compliance with these legislative and governance principles.
- 5.2.2 If required, advise the Chairman and directors of the procedures in relation to Conflicts of Interests.
- 5.2.3 Ensure compliance with these legislative and governance principles.
- 5.2.4 If required, advise the Chairman and directors of the procedures in relation to Conflicts of Interests.
- 5.2.5 Record the disclosure/s of Conflict of Interest/s made during the meeting in the minutes of the meeting.
- 5.2.6 Ensure submissions of Declaration of Conflict of Interest are safeguarded and retained as per legislative practices.

6. WHAT DOESN'T CONSTITUTE CONFLICT

The conflict of interest principles are **not** applicable when:

- 6.1. The decision may generally affect all the directors of the company in their capacity as directors, or
- 6.2. A class of persons, despite the fact that the director is one member of that class or persons. This will be the case unless the only members of the class are the director or persons related/associated to the Director.

7. NON-COMPLIANCE

A Director who fails to act in accordance with this Policy or actively omits to avoid a Conflict of Interest may be held liable for breach of fiduciary duties.

Where the company or meeting secretaries fail to execute their duties regarding Conflicts of Interests, they will inevitably be seen as complacent with such behaviour.

8. POLICY REVIEW

This policy is to be reviewed annually by the Group Company Secretariat Function.

9. DEFINITIONS AND ABBREVIATIONS

Associate

1. Director's immediate family (spouse/life partners, parents, and minor children under 18) and/or:
2. The trustees of any trust of which the director or any of the director's immediate family is a beneficiary or discretionary subject or any trust which the director or immediate family, can:
 - i. Control 35% or more of the votes; or
 - ii. Appoint 35% or more of the trustees; or
 - iii. Appoint or change 35% or more of the beneficiaries

This excludes occupational pension schemes and employee share schemes that do not confer benefits on the individual/their immediate family.
3. Any company in whose equity securities the director or their associates (considered together) are directly or indirectly beneficially interested or have a conditional, contingent, or future entitlement to become beneficially interested in, and are able:
 - i. To exercise or control the exercise of 35% or more of the votes.
 - ii. To appoint or remove directors holding 35% or more of voting rights; or
 - iii. Exercise or control the exercise of 35% or more votes at the board meeting; and or
 - iv. Any close corporation in which the individual director and/ or their family members are interested in more than 35% of the members' interest; and or
 - v. Any associate of a company (including a trust) as defined under associate in relation to a company (i.e. an associate of a company is an associate of that director).

	<p>4. where more than one director of the same listed company is directly or indirectly beneficially interested in the equity securities of another company, then the interests of those directors and their associates will be aggregated when determining whether such a company is an associate of any one director of such listed company.</p>
Board	Board of directors of the Momentum Group entities
Company	Any entity within the Momentum Group of companies
Control	<p>A Related/inter-related person controls a juristic person, or its business, if—</p> <ol style="list-style-type: none"> 1. In the case of a juristic person that is a company— <ol style="list-style-type: none"> i. that juristic person is a subsidiary of that first person ii. that first person together with any related or inter-related person, is- <ol style="list-style-type: none"> a. directly or indirectly able to exercise or control the exercise of a majority of the voting rights associated with securities of that company, whether pursuant to a shareholder agreement or otherwise; or b. has the right to appoint or elect, or control the appointment or election of, Directors of that company who control a majority of the votes at a meeting of the Board. iii. In the case of a juristic person that is a close corporation, that first person 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. iv. In the case of a juristic person that is a trust, that first person has the ability to control the majority of the votes of the trustees or to appoint the majority of the trustees, or to appoint or change the majority of the beneficiaries of the trust. v. That first person has the ability to materially influence the policy of the juristic person in a manner comparable to a person who, in ordinary commercial practice, would be able to exercise an element of control referred to in this definition.
Companies Act	Companies Act No.71 of 2008 and its regulations (as amended from time to time)
Director	A director includes an alternate director, a prescribed officer; and a person who is a member of a committee of the Board of the Group, irrespective of whether the person is also a member of the Momentum Group or its subsidiaries' Board.
JSE Debt Listings Requirements	The Debt Listings Requirements, issued by the JSE, which govern new applications and continuing obligations applicable to issuers of debt securities
JSE Listings Requirements	Johannesburg Stock Exchange Listings Requirements (as amended from time to time)
King IV™	King IV Report on Corporate Governance for South Africa 2016

Personal Financial Interest	<p>A direct material interest of a person, of a financial, monetary or economic nature, or to which a monetary value may be attributed, but does not include any interest held by a person in a unit trust or collective investment scheme, unless that person has direct control over the investment decisions of that fund or investment scheme</p> <p>Financial interests also include cash, cash equivalent or voucher, gift, service, advantage, benefit, discount, travel, hospitality, sponsorship, accommodation or incentive</p>
Major subsidiary	<p>A subsidiary that represents 25% or more of total assets or revenue of the consolidated group based on the latest published financial results</p>
Materiality	<p>Significance in the circumstances of a particular matter, to a degree that is of consequence in determining the matter or might reasonably affect a person's judgment or decision making in the matter.</p>
Non-financial	<ol style="list-style-type: none"> 1. This can include a range of personal and/or professional relationships with organisations and individuals, including membership of governmental, non-governmental, advocacy or lobbying organisations, or serving as an expert consultant. 2. Donations or sponsorships to entities of bodies that the director of related party or associate are involved with. 3. Receiving of token gifts and hospitality of a material nature from suppliers, counterparties, issuers, and intermediaries.
Related/ Inter-related Person	<ol style="list-style-type: none"> 1. An individual is related to a director and/or other related person if they— <ol style="list-style-type: none"> i. are married, or live together in a relationship similar to a marriage; or ii. are separated by no more than two degrees of natural or adopted consanguinity or affinity. iii. an individual is related to a juristic person if the individual directly or indirectly controls the juristic person. 2. A juristic person is related to another juristic person if— <ol style="list-style-type: none"> i. either of them directly or indirectly controls the other, or the business of the other; ii. either is a subsidiary of the other; or a person directly or indirectly controls each of them, or the business of each of them. 3. A second juristic person of which the director or the related director is a director, member, prescribed officer or committee member. 4. A material shareholder of the juristic person. 5. For the purpose of this definition, a director includes a person that is, or within the 12 months preceding the date of the transaction, was not a director, but in accordance with whose directions or instructions the directors are or were accustomed to act. 6. Any person that is, or within the 12 months preceding the date of the transaction, was a director of the company or its holding company.

	<ol style="list-style-type: none"> 7. Any adviser to the company that has, or within the 12 months preceding the date of the transaction, had a beneficial interest, whether direct or indirect, in the listed company or any of its associates 8. Any person that is, or within the 12 months preceding the date of the transaction, was a principal executive officer of the Company, by whatever position he may be, or may have been, designated and whether or not he is, or was, a Director 9. The asset manager or management company of a property entity, including anyone whose assets they manage or administer 10. The controlling shareholder of the persons in the aforementioned paragraphs or an associate of the persons mentioned above
Subsidiary	<p>A company is a subsidiary of another juristic person if that juristic person, one or more other subsidiaries of that juristic person, or one or more nominees of that juristic person or any of its subsidiaries, alone or in any combination:</p> <ol style="list-style-type: none"> 1. is or are directly or indirectly able to exercise, or control the exercise of, a majority of the general voting rights associated with issued securities of that company, whether pursuant to a shareholder agreement or otherwise; or 2. has or have 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 3. a wholly owned subsidiary of another juristic person if all of the general voting rights associated with issued securities of the company are held or controlled, alone or in any combination, by persons contemplated in this section.

10. DOCUMENT CONTROL

10.1. Key Document Summary

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