



**Thulani S Gcabashe**  
**Chairman**

25 September 2018

Dear Sirs/Mesdames

We refer to your letter dated 12 September 2018, which we have acknowledged. Thank you for your patience in awaiting a response to the concerns raised in your letter.

We note that your letter has been addressed to the Board of Directors of The Standard Bank of South Africa Limited (SBSA), in your capacity as a non-profit group, and that the letter has been written on behalf of Life after Coal Campaign.

As a good corporate citizen, SBSA has a social responsibility to the communities and environment in which we operate. We take our duties to civil society seriously, and welcome the engagements you have initiated on this important matter. We further acknowledge the significant role the Centre for Environmental Rights (CER) plays in realising the rights of communities and civil societies to a healthy environment, and are pleased to continue with these engagements, between yourselves and executive representatives of SBSA.

SBSA's board and, with its leave, its board committees, may freely delegate their powers to the CEO and other executives of SBSA. It has a free hand in doing so and nobody may prescribe to it how to do so. It is the sole prerogative of the board to determine what powers to delegate, whom to delegate them to and on what terms to do so. When a shareholder, customer or lobby group engages with the bank, it is entirely up to the bank to determine whether to respond and, if so, at what level to do so. An external party does not have any right to demand that its matter be brought before the board.

SBSA has, in accordance with Regulation 43 of the Companies Regulations of 2011, constituted a social and ethics committee. Its functions are in essence to perform an oversight role inter alia to monitor SBSA's activities, having regard to any relevant legislation, other legal requirements or "prevailing codes of best practice", with regard to a variety of matters including "the environment, health and public safety, including the impact of the company's activities and

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Standard Bank Group Limited (Reg.No. 1969/017128/06)

Directors: T S Gcabashe (Chairman) A Daehnke\* G J Fraser-Moleketi Hao Hu<sup>1</sup> (Deputy Chairman) G M B Kennealy B J Kruger\* K D Moroka J H Maree (Deputy Chairman) N N A Matyumza  
M L Oduor-Otieno<sup>2</sup> A C Parker A N A Peterside con<sup>3</sup> M J D Ruck P D Sullivan<sup>4</sup> S K Tshabalala\* (Chief Executive) JM Vice Lubin Wang<sup>1</sup>

Group Secretary: Z Stephen – 23/05/2018

\*Executive Director <sup>1</sup>Chinese <sup>2</sup>Kenyan <sup>3</sup>Nigerian <sup>4</sup>Australian

of its products or services". This committee receives a comprehensive report on stakeholder engagements on a quarterly basis, including those engagements with yourselves.

The King IV Code on Corporate Governance is undoubtedly one of the "*prevailing codes of best practice*" against which a listed public company must measure its performance. Of particular relevance, are the following:

- (a) Principle 3 - the governing body of an organisation must "*ensure that the organisation is and is seen to be a responsible corporate citizen*". One of the applications of this requirement is that the governing body must oversee and monitor, on an ongoing basis, "*how the consequences of the organisation's activities as outputs affect its status as a responsible corporate citizen*" in the areas of its own workplace, the economy, society and the environment; and
- (b) Principle 10 - the governing body must "*ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities.*" It must inter alia ensure "*that key management functions are ... headed by an individual with the necessary competence and authority*" and are "*adequately resourced*".

SBSA is thus of the view that the current engagements between yourselves and the representatives with whom you have met provides the correct forum in which these concerns are raised and discussed.

We can also assure you that SBSA has taken into account the contents of your letter, but in view of the confidentiality obligations that the bank owes to the parties with whom it concluded agreements, the bank is unable to share the outcome of its decisions with you.

We trust you find the above in order.

Yours sincerely

A handwritten signature in blue ink, consisting of a stylized initial 'S' followed by a cursive name, likely 'SBSA'.