

## 1.0 PURPOSE

The Code of Corporate Governance Practices for Issuers of Securities to the Public 2015 (CMA Code) requires that the Board put in place a policy to manage conflict of interest. The purpose of this policy is therefore to meet the requirements of the CMA Code and in so doing protect HFCB Group, its Directors, and staff members from the appearance of any impropriety. This policy requires that Directors and staff members put the interests of HFCB Group Plc (HFCB Group) and its Shareholders ahead of the interests of themselves or their family or their friends.

Directors have a fiduciary duty, to act in the best interests of HFCB Group and its Shareholders in accordance with the Company's Articles of Association, the Companies Law, the CMA Code, the Banking Act and other applicable laws. Accordingly, Directors are required to complete annually a declaration of interest form. Staff are not required to make an annual declaration but are nonetheless covered by this policy.

This policy is intended to avoid situations where conflicts may arise which can:

- inhibit free discussion
- result in decisions or actions that are not in the best interests of HFCB Group and the public at large
- risk the impression that the Directors or Staff of HFCB Group have acted improperly

## 2.0 CONFLICT OF INTEREST

The CMA Code defines "*Conflict of Interest*" to mean "*a situation that has the potential to undermine the impartiality of a person because of the possibility of a clash between the person's self-interest and professional interest or public interest*".

A conflict of interest may arise where:

- the objectives of HFCB Group and the interests or loyalties of the Directors or staff members may not coincide or could clash.
- a Director or staff member's personal or family interests and/or loyalties conflict with those of HFCB Group.
- there is a potential direct financial gain or benefit to the Director or staff member.
- there is a potential indirect financial gain by way of a connected person. A connected person is defined as a Director's or staff member's spouse, child, parent, grandparent, grandchild, sibling or any person in a relationship with a Director, or any company or business controlled or managed by a Director or staff member.
- there is potential for a non-financial gain, such as preferential treatment or service which may give rise to a conflict or an apparent conflict of interest.

## 3.0 DUTY TO DISCLOSE

Directors and staff members must disclose the existence of any interest, which may be relevant to the individual's role in the HFCB Group, at the earliest opportunity. This obligation arises regardless of whether HFCB Group requests a declaration of interest or not. Likewise, in the event of a conflict arising during the course of a meeting, Directors and staff members must notify the Chair of the meeting that a potential conflict of interest exists.

A declaration of interests form should be completed as follows:

- Directors - on appointment and updated each year, or when any changes occur, using the attached Form A;
- Staff – on employment and thereafter only if a potential conflict of interest arises, using the attached Form A.

Annually, the Company Secretary will distribute to each Director, their most recent declaration and register of interests held on file for review and will seek confirmation of any changes that may have occurred in the past 12 months. This notwithstanding, it is the individual Director's responsibility to notify any changes during the year, within at least fourteen (14) days of becoming aware of the interest.

If a Director or staff is not sure what to declare, or whether the declaration should be updated, they should err on the side of caution. For confidential guidance, Directors and staff members should contact the Group Managing Director HFCB Group, the Managing Director HFCB or the Executive Directors for the respective Subsidiaries.

## 4.0 RECORD OF INTERESTS

Interests shall be recorded on the register of interests which will be maintained by the Company Secretary. The register shall be accessible by the Chairman of the Board, all Directors and all Executive Directors.

Staff concerned that an individual might not have raised a potential conflict of interest should similarly seek guidance and refer to the HF Whistleblowing policy, which can be found on the Company website.

## 5.0 PROCEDURE FOR ADDRESSING A CONFLICT OF INTEREST

For Directors, decisions on a conflict of interest arising in a meeting shall be made by vote, with a simple majority required. The meeting still needs to be quorate with the interested individual not being counted. The interested Director may not vote, and the Chair shall have discretion to determine whether the individual may take part in the discussion on that item.

All decisions under conflict of interest shall be recorded and reported in the minutes of the meeting. The report shall record:

- the nature and extent of the conflict
- an outline of the discussion
- actions taken to manage the conflict
- whether the excluded person will benefit from the agreed decision

Where a Director does benefit from the decision made, it must be reported in the annual report and accounts.

## 6.0 VIOLATIONS OF THE CONFLICTS OF INTEREST POLICY

If there is reasonable cause to believe that a Director or staff member has failed to disclose an actual or possible conflict of interest, the individual shall be informed of the basis for such belief and shall be given the opportunity to explain the alleged failure to disclose.

Having heard the individual's response, and following any further investigation if deemed necessary, it shall be determined whether the individual has failed to disclose an actual or possible conflict of interest and the appropriate disciplinary and corrective action shall be taken.

### FORM A

#### Declaration of Interests

Name of Director /Staff Member: \_\_\_\_\_

#### I confirm that:

- I have received and read a copy of the conflicts of interest policy;
- I understand and agree to comply with its requirements;
- I understand that HFCB Group Plc is a publicly quoted Company and Directors and Staff have a responsibility to act in the public interest.

#### I hereby declare that:

- I have no pecuniary or other personal interest, direct or indirect, in any matter that raises or may raise a conflict with my duties as a Director/Staff of HFCB Group Plc.
- I have pecuniary or other personal interest, direct or indirect, in certain matter that raises or may raise a conflict with my duties as a Director/Staff of HFCB Group Plc. The particulars of such matter are stated below:

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I also acknowledge that I shall make another declaration to state any change in any matter contained in this declaration within 14 days after the change occurs and shall provide further information on the particulars contained in this declaration if so required by HFCB Group Plc.

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_ / \_\_\_\_ / \_\_\_\_

- Note:
- (a) Please put a "✓" in the appropriate box
  - (b) Please continue on supplementary sheet if necessary