

FirstRand Limited
(Incorporated in the Republic of South Africa)
(Registration number 1966/010753/06)
JSE ordinary share code: FSR
Ordinary share ISIN: ZAE000066304
JSE B preference share code: FSRP
B preference share ISIN: ZAE000060141
NSX ordinary share code: FST
("FirstRand" or "the group")

FirstRand Bank Limited
(Incorporated in the Republic of South Africa)
(Registration number 1929/001225/06)
JSE company code interest rate issuer: FRII
JSE company code debt issuer: FRD
JSE company code ETF issuer: FRLE

VOLUNTARY ANNOUNCEMENT: INDEPENDENCE OF CHAIRMAN SUSTAINED AS PER THE PRUDENTIAL AUTHORITY DIRECTIVE 4/2018

On 5 October 2018 the SARB's Prudential Authority (PA) published Directive 4/2018 (the Directive), issued in terms of section 6(6) of the Banks Act 94 of 1990. The Directive deals with issues of sound corporate governance, in particular the appointment of directors and executive officers. With specific regard to the composition of the board of directors (the board), according to the Directive, any non-executive board member who has served for longer than nine years cannot be considered independent. Full implementation of the Directive is effective April 2020.

The group has started the process of implementing the Directive and believes it is important to update shareholders on the impact of this implementation on the future composition of the board.

The following current independent non-executive members of the board are impacted by the Directive.

- Mary Sinah Bomela; board tenure 7 years 9 months
- Nolulamo Nobambiswano Gwagwa; board tenure 15 years 4 months
- Ethel Gothatamodimo Matenge Sebesho; board tenure 8 years 11 months
- Amanda Tandiwe Nzimande; board tenure 11 years 4 months

In addition, FirstRand's chairman, William Rodger (Roger) Jardine, has been on the board for a period of 8 years 11 months.

With the objective of ensuring compliance with the Directive, balanced with ensuring the continuity and stability of the board, the group has undertaken an engagement process with the PA. Subsequent to that engagement, the following actions have been agreed by the board.

Ethel Gothatamodimo Matenge Sebesho and Nolulamo Nobambiswano Gwagwa will retire at the upcoming annual general meeting in 2019. Mary Sinah Bomela and Amanda Tandiwe Nzimande will retire at the annual general meeting in 2020.

Roger was appointed chairman in April 2018. This appointment followed a comprehensive engagement process between FirstRand and the PA at the time. Following the departure of Laurie Dippenaar and a number of other experienced board members in 2018, it was mutually recognised that the group's new chairman needed to be a long-standing, well respected and trusted member of the board, with the appropriate business and leadership skills. In addition, when Roger was appointed, he was requested by the PA to relinquish all other executive and non-executive positions outside of the group.

Given all of the above, the PA has exercised its regulatory discretion allowed under the Directive and granted dispensation that Roger's nine-year tenure will commence from when he was appointed chairman. This means that the FirstRand chairman remains classified as independent non-executive.

This dispensation was given on the basis that Roger will continue to be subjected to FirstRand's rigorous policies and procedures regarding the ongoing assessment of independence, conflict of interest declaration and board evaluations. In addition, the chair of the Directors' affairs and governance committee, who will always be an independent non-executive director, has been tasked with the responsibility and is accountable for ensuring that there is no conflict of interest on the part of the chairman in the performance of his duties.

The group believes it can appropriately manage the impending retirement of four experienced directors, given the 18-month time frame it is now working towards. The board is being carefully reconfigured to ensure stability and continuity and an appropriate mix of skills and shareholders will be updated in due course.

2 July 2019

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