



PAN AFRICAN RESOURCES PLC

BOARD OF DIRECTORS CONFLICT OF INTEREST POLICY

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1. PURPOSE AND SCOPE

This Conflict of Interest Policy is designed to assist a Director of Pan African Resources PLC (Pan African) in identifying and dealing appropriately with situations that could present actual or potential conflicts of interest.

This policy needs to be read in conjunction with the following:

- Trading with price sensitive information policy
- Gift policy
- Anti-Bribery and Anti-Corruption policy
- King IV requirements pertaining to corporate governance and conflicts of interests
- Any other relevant Pan African policy or procedure, or law/regulation applicable to the Pan African Group.

2. DEFINITIONS

Term	Meaning
Pan African	Pan African Resources PLC and all the companies in the PAR Group
Conflict of Interest	Any circumstance described in paragraph 3 and 4 of this policy
Connected Person	Any relative of a Director and any trust of which such Director or relative is a beneficiary
Chairman	Chairman of the Pan African board of directors
Director	Any person serving as a Director on the Pan African board
Material Financial Interest	A direct or indirect financial interest or other interest of any kind, which, in view of all the circumstances, is substantial enough that it would, or reasonably could, affect a Director's or Connected Person's judgment with respect to transactions to which Pan African is a party and this includes all forms of compensation
Contract or Transaction	Any agreement, transaction or relationship involving the sale or purchase of goods, services, or rights of any kind, the providing or receipt of a loan or grant and the establishment of any other type of monetary or business relationship.

3. CONFLICT OF INTEREST DEFINED

- 3.1 A potential conflict can arise whenever the Director has an interest in, or connection with, an organisation or person (in the case of an employee or future employee) with which Pan African transacted or might transact with, or has an interest in an unrelated business that does not necessarily transact or intend transacting with Pan African, and where that interest is of such a nature that it might influence the independent judgement of the Director or detract the Director from devoting his/her required efforts towards the business of Pan African.
- 3.2 It should be understood that the conflicting interest referred to throughout this policy may be direct or indirect (the interest might be that of the Director, that of another person such as a Connected Person of the Director, or that of an organisation in which the Director or such other person has an interest).

- 3.3 It is not possible to enumerate all situations which could constitute a conflict. The fact of each situation will determine whether the interest in question is such as to bring it within the area of potential conflict.
- 3.4 Such facts would include the extent of materiality of business involved, the extent to which the Director could influence Pan African's decisions with respect to the transaction, and whether the interest is of such a nature that it might affect the objectivity or the business judgement of the Director.
- 3.5 In determining whether a Conflict of Interest is involved, there is no substitute for sound judgement based upon the particular facts involved in each case.
- 3.6 Common types of transactions where a Conflict of Interest may arise include, for example:
- the selection and use of consultants or other professional advisers
 - the selection or supervision of contractors, suppliers, or vendors, the sale of products, the purchase of materials, supplies and equipment
 - the investment and borrowing of funds
 - the appointment of employees who are Connected Persons
 - an interest in a business unrelated to the business of Pan African, but which said involvement could impact Pan African or the prospects of Pan African adversely in any way.
- 3.7 Compensation arrangements and employment contracts directly affecting the Director involved in obvious conflicts. In addition, when an opportunity, commonly referred to as a "corporate opportunity" to acquire property or to seize some financial or business advantage comes to the attention of a Director or as a result of his/her relationship to Pan African in a way that would permit its personal realisation, and is relevant to Pan African's present or prospective purposes or goals, the Director must first present the opportunity to Pan African.

For purposes of this policy, the following circumstances will be deemed to create Conflicts of Interest:

3.8 **Outside interests**

- A Contract or Transaction between Pan African and a Director or Connected Person.
- A Contract or Transaction between Pan African and an entity in which a Director or Connected Person has a Material Financial Interest or of which such person is a director, officer, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, conservator or other legal representative.

3.9 **Outside activities**

- A Director competing with Pan African in the rendering of services or in any other Contract or Transaction with a third party.
- A Director having a Material Financial Interest in or serving as a director, officer, employee, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, conservator or other legal representative of, or consultant to an entity or individual that competes with Pan African in the provision of services or in any other Contract or Transaction with a third party.

3.10 **Gifts, gratuities and entertainment**

- The giving or receipt of common courtesies, occasional meals or reasonable entertainment appropriate to the business relationship and associated with business discussions are regarded as consistent with sound business practice.
- A Director is to apply their reasonable judgement when accepting a gift, gratuity or entertainment.
- Gifts, gratuities or entertainment to **government officials** require greater circumspection and the

requirements of the Anti-Bribery and Corruption Act of the UK and other similar legislation must be complied with under such circumstances.

3.11 Loans

No loan will be made to a director, without the:

- requisite shareholder approval
- requisite approval in terms of an approved employee incentive scheme.

4. CONFIDENTIALITY

A Director will not disclose or use information relating to the business of Pan African for the personal profit or advantage of the Director or a Connected Person.

5. REGULAR DISCLOSURE

- Each Director when having knowledge of a Conflict of Interest or potential Conflict of Interest will disclose the Conflict of Interest to the Chairman.
- All Conflict of Interests must be recorded in the Pan African Conflict of Interest register supported by the Conflict of Interest declarations.
- A Director who has a Conflict of Interest to a matter that will be voted on at a Pan African board of directors meeting, would have to recuse themselves from voting.

6. REVIEW OF POLICY

This policy will be reviewed regularly by the Pan African board of directors.

7. POLICY APPROVAL

- 7.1 This Policy was recommended by the audit committee to the board of directors as reflected in the approved minutes of 10 September 2019.
- 7.2 This Policy was approved by the board of directors as reflected in the approved minutes of 10 September 2019.
- 7.3 The policy becomes effective from 10 September 2019 and is subject to annual review.

PAN AFRICAN BOARD OF DIRECTOR CONFLICT OF INTEREST DECLARATION

Name of business	Type of business	% financial interest	Function in business (director, co-owner, member, partner, etc.)	Person/entity holding the interest (e.g. myself/family member, connected)	Is entity or organisation a business partner of the Group?

Signed at _____ on this _____ day of _____ 20____.

Signature : _____

Name printed : _____