

**Ms Zola Stephen**

Group Secretary

Standard Bank Group Limited

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Copied to:

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**Mr Sim Tshabalala**

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23 April 2021

Dear Ms Stephen

**NON-BINDING ADVISORY CLIMATE RESOLUTION FOR TABLING AT STANDARD BANK'S 27 MAY AGM**

1. Standard Bank shareholders Aeon Investment Management, Abax Investments, Visio Fund Management (Pty) Ltd and Just Share NPC hereby file the attached non-binding, advisory shareholder resolution for tabling at Standard Bank's 27 May AGM.
2. This letter sets out some further information about the resolution itself, as well as about the legal opinion that Just Share has received regarding shareholder rights to file climate-related shareholder resolutions.

**The resolution: a non-binding advisory vote on disclosure of Standard Bank's Paris-aligned strategy and targets**

3. You will see that the attached resolution recommends and requests that Standard Bank include, in its reporting to shareholders for the year ending 31 December 2021, its plans, if any, to set and publish a strategy, and short, medium-, and long-term targets, to reduce its exposure to fossil fuel assets on a timeline aligned with the goals of the Paris Agreement (the "Paris goals"). This resolution is a non-binding advisory resolution.
4. Although paragraph 10.11 of Schedule 10 of the JSE's Listing Requirements only requires 15 working days' notice for ordinary resolutions, we would have liked to provide Standard Bank with more time to consider the resolution, and were surprised to see from the 31 March Notice of AGM that the AGM had been scheduled for 27 May, despite previous indications (including on Moneyweb's site) that Standard Bank's AGM would be on 29 June.
5. We appreciate that there may be some administrative inconveniences occasioned by including the resolution in the Notice of AGM, given that the Notice has already been sent, some eight weeks ahead of the AGM. We trust, however, that any administrative challenges can be

addressed, and would not prevent shareholders from having the opportunity to consider this resolution.

### Shareholders' right to file climate-related resolutions

6. Subsequent to the refusal by Standard Bank to table the shareholder-proposed climate resolution that Just Share NPC and the RAITH Foundation filed in 2020, Just Share has received a legal opinion, from Advocates Tembeka Ngcukaitobi SC and Chris McConnachie, on shareholder rights to file climate resolutions.
7. The opinion considers, *inter alia*, the legal correctness of the reasons provided by Standard Bank (and by Sasol) for refusing to table climate-related shareholder resolutions.
8. In relevant part, the opinion concludes that:
  - 8.1 The Companies Act, 71 of 2008, in section 7, specifies that the Act must be interpreted in a manner that promotes compliance with the Bill of Rights, and in accordance with a number of other purposes of the Act, including encouraging transparency and high standards of corporate governance.
  - 8.2 Climate change is a serious human rights issue, which poses particularly severe risks to South Africa's ability to develop in a sustainable and inclusive manner.
  - 8.3 The aims of promoting transparency, sound corporate governance, and balancing the rights of shareholders and directors would all be best promoted by allowing shareholders to call for further information, particularly on climate change and environmental, social, and governance (ESG) issues.
  - 8.4 The international movement towards greater corporate disclosure of greenhouse gas (GHG) emissions, climate risk, and strategies and targets for decarbonisation, shows that disclosure is viewed as a necessary requirement, both to protect human rights, and to safeguard shareholders' investments.
  - 8.5 Barring shareholders from proposing any resolutions on climate change and ESG matters would not best promote the Bill of Rights or the section 7 purposes of the Companies Act, and would be out of step with the company laws in other comparable common law countries.
  - 8.6 Directors do not have a unilateral discretion to refuse to table shareholder-proposed resolutions on content-based grounds.
  - 8.7 If there are disagreements over the validity of a resolution, those disagreements should arguably be aired at the shareholders' meeting and put to a vote. At the very least, directors should go to court to seek an order blocking the resolutions.

- 8.8 The courts are likely to find that shareholders are entitled to file binding resolutions relating to disclosure on climate change matters.
9. Nevertheless, in order to allay any fears that the co-filers are attempting to direct Standard Bank to take any particular course of action, we confirm that the attached resolution is filed as a non-binding advisory resolution.
10. In these circumstances, we look forward to your confirmation, by Friday 30 April, that the resolution will be tabled at the 27 May AGM.
11. Please let us know if you have any questions; otherwise we look forward to hearing from you by 30 April.

Yours faithfully

**Asief Mohamed**  
Chief Investment Officer  
Aeon Investment Management

**Anthony Sedgwick**  
Chief Executive Officer  
Abax Investments

**Patrice Moyal**  
Director / CEO  
Visio Fund Management (Pty Ltd)



**Tracey Davies**  
Executive Director  
Just Share NPC

