ORDINARY RESOLUTION

Section 65(3) of the Companies Act provides that "any two shareholders of a company:

> (a) may propose a resolution concerning any matter in respect of which they are each entitled to exercise voting rights; and
>
> (b) when proposing a resolution, may require that the resolution be submitted to shareholders for consideration-
>
> ….. (ii) at the next shareholders meeting…"

Paragraph 10.11 of the JSE Listing Requirements provides that an ordinary resolution is subject to a minimum notice period of 15 business days. In accordance with the above, the RAITH Foundation, together with Theophilous James Bennett Botha, has submitted the following resolution for consideration by Standard Bank Limited's (the Company's) shareholders at the Company's annual general meeting to be held on [24 May] 2019:

Brief explanatory note for the resolution

The Paris Agreement of 2015, agreed to by 197 parties, including South Africa[1], commits to holding the increase in the global average temperature "to well below 2˚C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5˚C above pre-industrial levels."[2]

The Intergovernmental Panel on Climate Change's most recent report announced that even the 2 degree limit in the Paris Agreement is insufficient to limit the worst impacts of climate change, and that "rapid, far-reaching changes" must be made to ensure that net emissions of carbon dioxide fall to 45% of 2010 levels by 2030, reaching "net zero" around 2050, to avoid disastrous levels of global warming.[3]

The World Economic Forum has determined that "the results of climate inaction are becoming increasingly clear", and ranks extreme weather events and the failure of climate-change mitigation and adaptation as the top two risks facing the world in 2019[4].

Banks' financing choices have a major role to play in promoting carbon reduction. Bank lending and investments make up a significant source of external capital for carbon intensive industries. Every Rand invested by South African banks in new fossil fuels increases climate risk, renders it harder to achieve a just transition to a low-carbon economy, and exposes the banks to reputational and financial risks.

The Financial Stability Board's Task Force on Climate-Related Financial Disclosures (TCFD) guidelines for reporting on climate risk establish recommendations for disclosing clear, comparable, and consistent information about the risks and opportunities presented by climate change. The Task Force points to the fact that "**banks are exposed to climate-related risks and opportunities through their lending and other financial intermediary activities as well as through their own operations**."[5]

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[1] South Africa ratified the Paris Agreement on 1 November 2016. See https://treaties.un.org/Pages/ViewDetails.aspx?src=TREATY&mtdsg_no=XXVII-7-d&chapter=27&clang=_en

[2] https://unfccc.int/process-and-meetings/the-paris-agreement/the-paris-agreement

[3] https://www.ipcc.ch/2018/10/08/summary-for-policymakers-of-ipcc-special-report-on-global-warming-of-1-5c-approved-by-governments/

[4] https://www.weforum.org/agenda/2019/01/these-are-the-biggest-risks-facing-our-world-in-2019/

[5] TCFD. Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures, p 23.

The TCFD recommendations are designed to facilitate the provision of adequate information to long-term investors on how organisations are preparing for a low-carbon economy. They find that "asset-specific credit or equity exposure to large fossil fuel producers or users could present risks that merit disclosure or discussion in a bank's financial filings" and that stakeholders "need to be able to distinguish among banks' exposures and risk profiles so that they can make informed financial decisions."

The Company reports that, from 2012 to 2017, 83% of its power project financing was for renewable energy compared to 17% for fossil fuel power projects.[6] However, the Company, which is a significant lender in GHG-intensive industries such as oil and gas production and coal mining, does not provide details of the amount and percentage of its carbon-related assets relative to total assets as recommended by the TCFD. Carbon-related assets include those in the energy sector, such as coal, oil and gas. It also does not adequately describe its climate-related risks in its lending and other intermediary roles.

Internationally, increasing numbers of banks have adopted policies to reduce carbon exposure in their loan and investment portfolios, including by ending or substantially reducing financing for new coal-fired power, coal mining, and oil and gas projects. Research from the Institute for Energy Economics and Financial Analysis, released on 27 February 2019, finds that over 100 major global financial institutions have introduced policies restricting coal funding[7]. Despite the Company's acknowledgement that climate change is a "leading risk for business and society"[8], Standard Bank does not have a have a publicly available statement on climate change. It has also not made publicly available any policy on financing specific fossil fuels such as coal, oil or gas.

It is therefore resolved that:

a. The Company should report to shareholders by end November 2019, at reasonable cost and omitting proprietary information, its assessment of the greenhouse gas emissions resulting from its financing portfolio and its exposure to climate change risk in its lending, investing and financing activities, including:
   i. The amount and percentage of carbon-related assets relative to total assets; and
   ii. A description of any significant concentrations of credit exposure to carbon-related assets;

   and

b. The Company should adopt and publicly disclose a policy on lending to coal-fired power projects and coal mining operations.

Percentage of Voting Rights Required

The minimum percentage of voting rights that is required for this Ordinary Resolution to be adopted is more than 50% (fifty percent) of the voting rights to be cast on the Ordinary Resolution.

[6] Standard Bank, ESG Report 2017, p. 7
[7] http://ieefa.org/ieefa-report-every-two-weeks-a-bank-insurer-or-lender-announces-new-coal-restrictions/
[8] Standard Bank, Report to Society 2017, p. 11