



Market Conduct Policy (including Conflicts of Interest)

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Out of the Ordinary[®]



Glossary

Term / Abbreviation	Explanation
DMA	Directorate of Market Abuse
FSB	Financial Services Board
Investec	Investec Limited (including all subsidiaries)
JSE	JSE Limited or the Stock Exchange
JSE SD	JSE Surveillance Division
PA Dealing	Personal Account Dealing
SENS	Stock Exchange News Service
SSA	Securities Services Act, 2004



Introduction

In the market all participants are expected to behave in a way that enforces both their and other participants, fair treatment. These expected behaviours are referred to as “market conduct” or “best market practice” by market participants. Over time certain market conduct has been drafted into legislation resulting in some best market practices also being legal requirements.

Market conduct is accordingly made up of best practice market conduct, which deals with the management of conflicts of interest through internal policies like gifts and entertainment, personal account dealing and the disclosure of outside interests, and legislated market conduct which deals with the management of market abuse through legal guidelines on market manipulation, insider trading and market rumours.

1. Best practice market conduct – Conflict of interests

Policy Statement

Investec is committed to ensuring that all business is conducted in accordance with good business practice and ethical standards. This involves managing all conflicts of interest which compromise, or appear to compromise, their ability to carry out their responsibilities to clients.

To this end Investec conducts business in an ethical and equitable manner and in a way that safeguards the interests of all stakeholders to minimise and manage all real or potential conflicts of interests.

A “conflict of interest” describes a situation where two or more interests are legitimately present and competing or conflicting. This undermines the principle that all players in the market should have equal opportunity and status.

As an international, specialist banking group that provides a diverse range of financial products and services to a select client base, conflicts of interest are inherent to the Investec business. This inherence of conflicts is apparent given the nature of Investec’s business, and that it simultaneously conducts the activities of investment research and advice, proprietary trading, portfolio management and corporate finance business (including advising on mergers and acquisitions and underwriting and selling an offering of securities).

Although it is not incumbent on an organisation to avoid conflicts, as a financial institution and good corporate citizen Investec has both regulatory and fiduciary obligations to ensure that all conflicts of interest to which it is party are identified timeously, mitigated where possible, and appropriately managed.



In financial institutions conflicts of interest typically fall into one of the following 4 categories:

Firm vs. Client		
Client vs. Client		
Employee vs. Firm		
Employee vs. Client		

It is an accepted principle that where a financial institution has a conflict of interest between itself and its client, or between one client and another client, the financial institution must act with due regard to the interests of each client and manage the conflict of interest fairly. Investec employees are required to act in the best interests of the Group and its clients at all times.

This policy sets out the mechanisms in place at Investec to ensure fair market conduct, and to identify, mitigate and manage the conflicts of interest to which Investec is a party.

1.1. Identification of conflicts

To adequately manage conflicts of interest Investec must identify all relevant conflicts timeously. Investec employs two different mechanisms to ensure that all conflicts are identified:

- Group Compliance maintains a Matrix Index of potential conflict risks at Investec, taking into consideration all business areas and income streams. The Index is a matrix of conflicts classified by conflict type, business area and conflicting business area with documented controls. The index is updated with all new conflicts identified, and to ensure completeness is reviewed on an annual basis;
- All employees, including compliance officers and management, are responsible for identifying specific instances of conflict and are required to notify their business unit compliance officer (or Group Compliance) of any conflicts they become aware of. Business unit compliance officers will escalate the conflict to Group Compliance to assess the implications of the conflict and how the conflict should be managed.

In determining whether there is a conflict of interest in a set of factual circumstances Group Compliance will consider the factual circumstances and determine whether Investec or the employee:

- Are likely to make a financial gain, or avoid a financial loss, at the expense of the Client;
- Have an interest in the outcome of a service provided to a Client, or a transaction carried out on behalf of the Client, which is distinct from the Client's interest in that outcome;
- Have a financial or other incentive to favour the interest of a Client or group of Clients over the interests of another Client;
- Carries on the same business as the Client;
- Receives (or will receive) from a person other than the Client an inducement in relation to a service provided to the Client other than the standard commission or fee for that service.



1.2. Management of conflicts

Once a conflict of interest has been identified it needs to be appropriately and adequately managed.

Group Compliance assess each conflict, including whether the conflict is actual or perceived, what the value of the conflict or exposure is and the potential reputational risk. Compliance and management then agree on the controls that need to be put in place to manage the conflict, including the introduction of Chinese Walls, implementation of policies and the like.

Specific instances of conflict may require management intervention in addition to the documented controls already in place. These can include escalation to a management forum, like ERRF, for a decision on how the conflict should be managed.

There is no single approach to dealing with conflicts. Each case is dealt with according to the nature of the conflict and the potential harm. When a conflict arises in the course of a transaction or business dealings, the following general principles are applied:

- Financial services should be provided in a manner that will not advance the interests of one client unfairly over the interests of another client;
- Clients should be treated fairly and Investec should manage conflicts between the interests of various clients (including existing or potential clients and investors);
- Conflicts should be managed in the best interests of clients;
- Investec should ensure that clients are appropriately informed about any conflicts of interest that may affect the provision of financial services to them; and
- Disclosure of conflicts of interest to clients should be timely (i.e. occur before/when the service is provided), adequate and clearly communicated.

The controls listed in section 3 below are some of the more common forms of conflicts mitigation and management.

Compliance maintains records of all conflicts of interests identified and their resolution, including the persons involved and the controls used. This information is included in reports to management.

The failure to adequately manage conflicts of interest results in more than a technical or procedural breach; it is a matter of ethics or a newspaper headline waiting to be written – a reputational risk.



2. Legislated market conduct – Market abuse

Policy Statement

A secure and stable market is fundamental to the economic stability of a country. The regulation of market abuse is a necessary requirement to provide market participants with the relevant protections. Employees are required to comply with the market abuse policy and to ensure that they do not commit the offences of insider trading, market manipulation or spreading rumours.

Market Abuse is the collective term given to the following practices:

- Directly, or indirectly, using information that is not available to the rest of the market – Insider trading; or
- Trading in a way that manipulates the market – Market manipulation; or
- Disclosing false or misleading statements – Spreading rumours;

when the practices are followed to affect the price of shares so that the perpetrator can either make a profit or avoid a loss. These practices are prohibited in terms of the Securities Services Act (“SSA”).

The following is a précis of the Market Abuse policy. See **Schedule 1** for the detailed Market Abuse policy.

2.1. Insider trading

Insider trading describes circumstances where an individual who has price sensitive information deals in a related security or financial instrument before the information is made available to the rest of the market. In this way the trader is placing themselves in a better position than the rest of the market, which is both in conflict with best market practice and the crime of insider trading. The different trading offences include an insider that deals in securities for their own account or for another person; an insider who discloses inside information to another person and an insider who encourages and causes another person to deal or discourages or stops another person from dealing in securities.

Directors, officers, and employees of the Investec Group are often privy to price sensitive information about Investec or clients and counterparties. Trading on the back of this information, or encouraging another to do so, is insider trading.

For information to fall within the ambit of ‘insider information’ the information must be specific or precise, non-public, obtained or learned from an insider and if made public would be likely to have a material effect on the price or value of any securities or financial instruments.

2.2. Market manipulation and rumours

The offence of market manipulation includes the manipulation of security prices, and the creation of an artificial appearance of market activity.

Rumours include promises or forecasts (including omissions) about securities, or the past or future performance of a listed company, which at the time and in the circumstances are false, misleading or deceptive in respect of any material fact. Rumours can encourage investors to invest in a company’s securities at a price that they would not if the true facts were known. The dissemination of rumours can be extremely destabilizing in volatile markets and Investec does not advocate or tolerate the origination or proliferation of rumours.

In essence, market manipulation and false statements undermine the integrity of and public confidence in the market and prevent the market from being fair and equitable.

2.3. Consequences

The criminal penalty for insider trading includes a fine or imprisonment. The regulator may also claim civil damages amounting to three times the calculated ‘gain’ or ‘loss avoided’. Allegations of insider trading will also result in reputational damage which will affect an employee’s career as well as the perception of Investec in the market.

Employees suspected of market abuse are additionally subject to Investec’s internal disciplinary investigations which may result in dismissal.



3. Controls

The following controls are the processes adopted at Investec to manage and mitigate conflicts of interests and to avoid market abuse.

Certain business areas are more likely to encounter conflicts of interest because of the nature of their business activities. These business areas have implemented additional practices and policies to manage and mitigate the conflicts. They include Investec Securities Limited, Investec Capital Markets, Investec Asset Management, Corporate Finance and Investec Principal Investments. Employees of these business areas have an obligation to familiarise themselves with all the practices and policies that apply to the business area they are employed by, and to comply with them.

Employees that fail to comply with either the Group or the divisional practices and policies, or who disregards the respective mechanisms and procedures, may be subject to Investec disciplinary procedures. In addition failure to comply with certain of the policies can result in both civil and criminal penalties for the employee.

3.1. Group business practices

As Investec employees we are required to act in the best interests of the Group and its clients at all times. These practices are intended to guide you to ensure that your actions and attitudes reflect the Group's values and philosophies.

3.1.1. Confidentiality

Employees have access to, and are entrusted with, confidential information in respect of both the Group and its clients. This information includes Group and client dealings, transactions, and trade secrets, and although the information may not qualify as "price sensitive" it remains confidential information. It follows that employees cannot divulge this information outside of the normal course of their employment, and that the information cannot be used for either personal or familial gain. Employees should be discreet with information, specifically price sensitive information, and not discuss it in public places where it can be overheard such as elevators, restaurants, taxis and airplanes. Also note that information should be treated as confidential even in the normal course of employment.

3.1.2. Representing the Group

You are not permitted to commit or bind the group to transactions or business practices which have not been authorised by Group Risk Management and/or the relevant forum authorised to approve the transaction.

3.2. Mechanism - Information barriers

Various business areas in Investec have access to price sensitive information in the companies that they deal with. In certain areas this is an inherent part of what the business area does (i.e. Corporate Finance, Private Equity, Research). To prevent this information passing to other areas in the Group information barriers are in place throughout Investec. These information barriers are typically referred to as 'Chinese walls'.

The correct treatment of inside information is addressed in Section 2 above and the Market Abuse Policy.

3.2.1. Chinese Walls

The term 'Chinese Wall' describes the permanent mechanism that is imposed to separate one part of the business from another, and so avoid the possibility that price-sensitive information becomes available to a division that should not have access to it. Typically such information is made available to the Corporate Finance department under a confidentiality agreement, and must be kept undisclosed from other divisions, particularly the trading, sales and research divisions.

The purpose and function of Chinese Walls is to:

- Minimise or eliminate the possibility of conflicts of interest arising;
- Secure confidential information within a specific business area and to avoid potential market abuse;



- Enable staff to continue with their daily business unhindered by any corporate activity or transactions taking place in other areas of the organisation;
- Comply with regulation governing conflicts of interest and market abuse;
- Protect employees from inadvertent breaches of legislation and market conduct rules;
- Minimise the risk of actions against the Group for failure to disclose information available to the business to clients and shareholders in accordance with its fiduciary responsibilities.

The following measures constitute the Chinese Walls and are in place to manage the flow of information between separate areas:

- Restrictive access control to certain areas;
- Separate IT systems and IT folders (I:\ drives);
- IT access control policy;
- Clean desk policy

3.2.2.Wall crossing procedure

Whenever it becomes necessary to exchange information across a Chinese Wall the following procedure, known as the 'Wall crossing' procedure, must be adhered to:

- The Operation Manager or Compliance Officer of the relevant division must give permission for an individual to be given confidential information which takes them over a Chinese Wall, and effectively makes them an insider;
- When giving permission the relevant person will consider the implications of the wall crossing, including the potential on the individual's revenue producing activities, e.g. a Research Analyst that is taken over the wall on a Corporate Finance transaction is prohibited from writing research on the affected company while the information they are privy to is inside information;
- Individuals should be taken over the wall on a strictly 'need to know' basis;
- individuals should only be exposed to confidential information for the shortest possible time;
- Details of the individuals who have been permitted to become insiders must be recorded in an Insider Register maintained by the business area that initiates the wall crossing;
- The Insider Register must be forwarded to Group Compliance simultaneously with the wall crossing, and on every occasion that a new individual is added;
- Group Compliance will issue a memorandum to the individuals concerned outlining the implications of possessing the confidential information in question;
- If an employee gains possession of confidential information from an external source, the employee must immediately notify their Operational Manager or Compliance Officer so that an Insider Register can be created.

3.3. Mechanism - Disclosure

Full disclosure is one method of dealing with a potential conflict of interest before it arises. Although disclosure serves to mitigate the conflict of interests it is neither the only nor the most effective method of doing so.

Disclosure of the conflict should be made if it will minimise the impact of a conflict. To be effective it must be clear and concise to enable the recipient to fully understand its relevance. For example, disclosing remuneration, commission or other incentives payable to Investec or its employees which might influence the nature of the services to be provided.

Employees must seek advice and guidance from Group Compliance prior to disclosing an existing or potential conflict of interest.

3.4. Policies and procedures

Investec has implemented certain policies and procedures to manage and mitigate employee conflicts of interest with Investec and/or Investec's clients. These include the:

- 3.4.1 Personal Account Dealing Policy
- 3.4.2 Policy on outside business interests;
- 3.4.3 Gifts and entertainment policy.



All employees are required to familiarise themselves with these policies and to comply with the relevant procedures.

3.4.1 Personal Account Dealing policy

Policy Statement

Investec recognises the interests of employees in conducting dealings for their personal accounts while recognising the inherent risks outlined by the regulators and potential conflicts of interest that may arise with both Investec and its clients. Accordingly PA Dealing will be permitted only where it is conducted in accordance with the rules and procedures set out below. Employees are also expected to conduct themselves within the Investec values framework.

The following is a précis of the Personal Account Dealing policy. See **Schedule 2** for the detailed Personal Account Dealing Policy.

Personal Account (PA) Dealing describes the non-discretionary trading, purchases and sales, of all listed and unlisted shares undertaken by an employee of Investec for their own account or for the account of a connected person if the employee controls, materially influences, and/or has sole discretion to operate the connected party account.

Employee = directors, permanent and temporary staff and contractors;

Connected person = spouse, co-habitee, parent, child, sibling, close relative, dependent of the employee, company, close corporation, trust, investment club or other entity which the employee controls, materially influences and/or has sole discretion to operate or is a beneficiary of.

PA dealing by employees exposes Investec and its employees to the perception of various market abuses such as insider trading, misuse of privileged information and allegations that the employees have an inherent conflict of interest. The PA dealing rules form part of every Investec employee's contract of employment.

All employees are required to sign a PA Dealing Undertaking, on which they are required to declare whether they have any accounts with either Investec Securities Limited, or any other stockbrokers, and in terms of which they undertake to comply with the PA Dealing rules. If the employee declares that they do have such accounts, Group Compliance will subsequently contact them to request that they complete a PA Dealing Declaration which requires employees to provide Group Compliance with the account details and additional documentation. Employees are required to ensure that the information disclosed on their PA Dealing Declaration remains accurate and up to date by performing a review, at least annually, of the information disclosed. Any changes should be noted on the PA Dealing Addendum and submitted to Group Compliance.

Investec has PA Dealing rules to:

- Ensure that Investec and its employees are protected from the sanction which may result from the misuse of privileged or confidential information;
- Avoid potential conflicts of interests between employees, Investec and its clients;
- Ensure and demonstrate to the regulators that the personal account dealing of the employees at Investec complies with applicable laws, regulations and good practice;
- Ensure that personal account dealings do not infringe on the normal activities and responsibilities of employees;
- Monitor personal account dealings that may potentially cause financial embarrassment to the employee and to the reputation of Investec.

3.4.2 Policy on outside business interests

Policy Statement

Employees are expected to devote their loyalty and working hours to their business function at Investec and to disclose any conflict of interest that may arise. Investec requires employees not to engage in any private pursuit or personal interests in conflict, or potential conflict, with the interests of Investec.



If an employee has an interest in an outside company, they may be inclined or motivated to act in the interest of that company rather than in the interests of Investec or its clients.

3.4.2.1 Definition of 'outside business interests'

An outside business interest includes (but is not limited to) any of the following:

- A material beneficial shareholding by the employee in a company's securities;
- A material beneficial holding by the employee of any asset class (e.g. mineral or mining rights, commercial property) or contract, (e.g. commercial lease) in which any member of the Group actively engages as part of their normal business activities;
- A material beneficial holding, by the employee or their connected person, in any entity that competes or is deemed to compete with the business interests of any member of the Group;
- A material beneficial holding by the employee in any entity that supplies goods and services to any member of the Group;
- Any other material interest or holding of the employee that competes or is deemed to compete with the business interests of any member of the Group;
- The appointment of an employee as a director (executive or non-executive) or trustee to any of the entities referred to above;
- The appointment of an employee as a director (executive or non-executive) of any listed company;
- A direct, or indirect, personal interest or benefit from any transaction to which a member of the Group is also party.

For the purposes of this section a 'material' interest is defined as a beneficial holding or interest of 25% or more.

3.4.2.2 Duty to disclose outside business interests

To manage this conflict all employees are required to disclose all of their outside business interests, including significant shareholdings and directorships in companies to both their manager and Group Compliance. Employees of business units are additionally required to notify, and obtain approval for the outside business interest from, their Divisional Compliance Officer.

Employees are expected to disclose these interests on employment, by completing the Outside Business Interests Form available on the Group Compliance intranet in the market conduct section and to update their manager and Divisional and Group Compliance on the initiation of any new outside business interests during the course of their employment.

For example: An employee that is a director of a company should recuse themselves from a Credit or Deal Forum in which a deal affecting the company in question is discussed.

All potential appointments as a director or a trustee falling within the ambit of the policy must be approved by management and Group Compliance. This requirement does not apply to appointments to office on club committees, property management companies for a domestic residence, welfare organisations or bodies of a similar non-profit nature.

Executive and non executive directors are additionally required to disclose their outside interests to the SARB and to manage any conflict of interest. This may include, for example:

- Declaring any instances where the respective interests conflict at board meetings; and
- Recusing themselves from meetings where the respective interests are discussed.



3.4.3 Gifts and entertainment (PRECCA) policy

Policy Statement

Investec acknowledges that gifts and entertainment form part of common business practice, however acknowledges the actual or perceived conflict of interests that can be created through gifts or entertainment. Employees are required to disclose all gifts and entertainment received. Should such gifts and entertainment have a value greater than R2000 employees are required to obtain both management and Group Compliance approval prior to accepting the gift or entertainment.

The following is a précis of the Gifts and Entertainment policy. See **Schedule 3** for the detailed Gifts and Entertainment policy.

Any gift, entertainment or other benefit received by Investec employees can create an actual or perceived conflict of interest. Employees must ensure that they do not accept or receive any gift or entertainment that could give rise to such a conflict.

To manage any potential conflict of interests employees are required to disclose all gifts, entertainment or benefits received to their divisional compliance officer, regardless of their value. All gifts and entertainment that exceeds R2000 in value must be pre-approved by the supervisor/manager and Group Compliance.

Gifts and entertainment provided by Investec to clients require senior management, marketing and divisional compliance oversight to ensure fair treatment of clients and management of any conflict of interests

The Gifts and Entertainment disclosure form is available on the Group Compliance intranet in the Market Conduct section.



4. Schedule of detailed policies and procedures

Schedule 1: Market abuse policy Contents

1. **Insider trading**
 - 1.1. Insider trading definitions
 - 1.2. Inside information
 - 1.3. Defences
 - 1.4. Managing access to inside information
2. **Market manipulation – prohibited practices**
3. **False statements including rumours**
4. **Detection, prosecution and penalties**

1. Insider trading

The term “insider trading” describes circumstances where an individual, who has price sensitive information, deals in a related security or financial instrument before the information is made available to the rest of the market.

Insider trading creates conflicts of interest. The individual is abusing their knowledge and so placing themselves in a better position than the rest of the market, which is in conflict with the concept of market fairness. An employee that commits insider trading is additionally placing themselves in a better position than Investec and / or Investec’s clients, so creating a conflict of interests between themselves and Investec and / or Investec’s clients.

There are 4 different insider trading offences to cover the different ways in which an individual could potentially abuse price sensitive information:

- An insider that **deals** in **securities** for their own account;
- An insider that **deals** in **securities** for another person;
- An insider who **discloses** inside information to another person; and
- An insider who **encourages or causes** another person to deal OR discourages or stops another person from dealing in securities.

1.1. Insider trading definitions

The following definitions are used when determining whether an individual’s behaviour constitutes an insider trading offence.

1.1.1. Deals

An individual does not need to trade directly for themselves, they can trade indirectly through an agent or broker. An individual must know that the information is inside information and that they have received it from an insider.

1.1.2. Securities

Listed securities or financial instruments (“securities”) to which the inside information relates or any other securities which are likely to be affected by it.

1.1.3. Discloses

An individual who discloses inside information (other than in the proper course of their employment, office or profession) will be guilty of an offence.

1.1.4. Encourages or causes

An insider may not trade themselves, but through their words or actions encourages or causes another person to trade, or discourages or stops them from trading. It is sufficient if the insider knows, or has reasonable grounds to believe, that the person who is encouraged would in fact deal.



1.2. Inside information

As a general guideline, if an individual receives information from an insider and makes an investment decision that they would not otherwise have made at the time, they have committed an insider trading offence. Inside information is accordingly frequently referred to as **material non public information**.

To qualify as “Inside information” the information must meet all of the following 4 requirements:

- **Specific or precise;**
- **Non public;**
- Obtained or learned as an **insider;** and
- If made public would be likely to have a **material** effect on the price or value of any securities or financial instruments.

1.2.1. Specific or precise

Whether information is specific or precise is determined on a case by case basis. What may constitute specific information in certain circumstances may not in all circumstances. General comments about the market conditions or company results (i.e. this has been a really good year) are not sufficiently precise to qualify. However if a similar comment is accompanied by a comparison to market expectations or the previous year’s results it may well be sufficiently precise to qualify (i.e. this year’s results will be well ahead of last year’s despite negative market sentiment).

1.2.2. Non public

In the following circumstances information is regarded as having been made public:

- Information published in accordance with the rules of the relevant regulated market for the purpose of informing clients and their professional advisors (e.g. SENS announcement on the JSE website www.jse.co.za);
- Information contained in records which by virtue of any enactment are open to inspection by the public (e.g. Company records available from the Registrar of Companies);
- Information that can be readily acquired by those likely to deal in any listed securities:
 - to which the information relates; or
 - of an issuer to which the information relates (e.g. those generally in the market); and
- Information that is derived from information which has been made public.

Information will still be regarded as having been made public even if:

- It can be acquired only by persons exercising diligence or observation, or having expertise;
- It is communicated only on payment of a fee (i.e. Reuters or Bloomberg); or
- It is only published outside the Republic.

1.2.3. Insider

“Insider” refers to individuals that have inside information because:

- (i) They are a director, employee or shareholder of an issuer of securities listed on a regulated market to which the inside information relates;

The “status test” is used to determine whether an individual will be considered an insider merely through having the status of a director, employee or shareholder. The information must come to the insider directly as a result of their status and for no other reason.

- (ii) They have access to the information by virtue of their employment, office or profession;

The “access test” is used to determine whether an individual will be considered an insider. It excludes shareholders, but it is a wider class of insider in that it includes not only directors and employees referred to above but also other individuals who may have access to the information. Accordingly auditors, lawyers or corporate advisors who obtain inside information relating to an issuer only because they are employed in



connection with a transaction involving the issuer will be access insiders by virtue of their professional association. Likewise, SARS inspectors or FSB investigators who obtain information through the course of an application or an enquiry will also be access insiders by virtue of their office.

- (iii) They directly or indirectly learn the information from an individual referred to above.

This individual can also be referred to as a “tippee”. A tippee has to know that the direct or indirect source of the information is an insider. It should be noted that “knowledge” could be implied from the circumstances (i.e.) in the given circumstances the reasonable would have known that the person was an insider and that willful blindness (shutting your eyes to the obvious or failing to ask obvious questions) will also apply.

All individuals referred to in (i) and (ii) above are required to treat inside information with the necessary diligence and care to ensure that it is not communicated to anyone that is not entitled to it. This includes exercising care in discussions with other directors, employees and shareholders, and specifically in discussions with family members and other 3rd parties.

To become an insider referred to in (iii) above an individual does not need to have a formal conversation with an insider, it is sufficient if they overhear the information discussed in a lift or restaurant or in any unguarded social setting.

1.2.4. Material

Information is considered material if:

- The reasonable investor considers it as significant when making an investment decision; or
- It is reasonably certain to have a substantial impact on the market price of a company’s securities.

Inside information is not limited to financial data. Various other types of information could have a material affect on the price or value of securities including information about changes in the executive through appointments, resignations or retirements; acquisition or loss of major contracts; labour disputes or strikes; new product or product malfunction information; Competition Commission investigations or rulings; lawsuits and defaults or liquidations.

1.3. Defences

There are various defences that can be raised if a person is accused of insider trading, depending on which insider trading offence the person is accused of. They include (but are not limited to):

- The person only became an insider after they had given the instruction to deal;
- The person disclosed the information because it was necessary for the proper performance of their employment, and at the same time disclosed that the information was inside information; and
- The person was acting on specific instructions from a client (except where the inside information was disclosed to them by that client).

1.4. Managing access to inside information

The following measures are necessary to control access to, and the flow of, inside information:

- Discussions of inside information should be conducted in meeting rooms or private places, and only with appropriate people that need to be informed of the information. Avoid discussions in public places, like the canteen or airport, where there is a risk of being overheard.
- Limit the physical or electronic distribution of documents containing inside information to appropriate people that need to be informed of the information.
- Maintain a ‘clean desk’ approach, ensure that documents containing inside information are locked away overnight and where possible do not remove sensitive documentation from the office.
- Store electronic copies of documents containing inside information on a secure drive where they cannot be accessed by anyone that should not have access to the inside information.
- If electronic copies of documents containing inside information are stored on a portable device like a laptop or memory stick, ensure that the device is encrypted and / or password controlled.



2. Market manipulation – prohibited trading practices

Market manipulation distorts the price of securities and creates an artificial appearance of market activity. In this way it undermines the integrity of, and accordingly the public confidence in, the market. It also prevents the market being fair and equitable.

The offence of market manipulation includes the manipulation of security prices (up or down) as well as creating a false impression of the volumes of trading in a security.

In terms of the SSA, no person may – either for their own account or on behalf of another person, directly or indirectly use or knowingly participate in the use of any manipulative, improper, false or deceptive practice of trading in a security listed on the market in a way that creates (or might create) either:

- An artificial price for that security; or
- A false or deceptive appearance of the trading activity in that security.

3. False statements (including rumours)

False, misleading or deceptive statements, promises and forecasts (including rumours) can encourage investors to invest in a company's securities at a price that they would not if the true facts were known. In this way false statements can also undermine the integrity of, and public confidence in, the market.

False statements are not limited to those on the company's finances. Misleading or deceptive statements about products, orders and executive management could also influence the share price of the company.

In terms of the SSA no person may (directly or indirectly) make or publish a statement, promise or forecast about the securities, or the past or future performance, of a listed company which:

- At the time and in the circumstances is false, misleading or deceptive in respect of any material fact; or
- At the time and in the circumstances is an omission of a material fact and as such makes the statement false, misleading or deceptive.

When representing the group to external persons and/or clients employees must ensure that all information shared is not confidential and is factually correct and not a rumour. The dissemination of rumours can be extremely destabilizing in volatile markets and Investec does not advocate or tolerate the origination or proliferation of rumours.

An employee that makes a false, misleading or deceptive statement (including originating or proliferating rumours) about equity securities or about the past or future performance of a listed company can be guilty of market abuse. The market abuse offence carries civil and criminal penalties in addition to Investec's disciplinary procedures.

4. Detection, prosecution and penalties

The Surveillance Department of the JSE, assisted by sophisticated systems, detects market abuse by monitoring trading volumes and price movements in all securities. They additionally review all trading in a listed security around SENS announcements made that substantially affect the price of a security. All suspicious activity detected is referred to the Directorate of Market Abuse (DMA) at the FSB for further investigation.

The DMA has extensive powers of interrogation and can search and seize related telephone recordings and documentation to investigate suspected instances of market abuse. The DMA are entitled to access information from both the issuer of the security and the firm that executed the trades. The DMA then decide whether to institute legal proceedings and which proceedings to institute.

The DMA can institute enforcement action through the Enforcement Committee. The Committee makes their decision based on a review of the documentary evidence available. They occasionally call for witnesses to give evidence under oath at an interrogation room at the FSB. They can impose unlimited administrative penalties on an offender.

For insider trading offences the DMA can institute civil proceedings in the name of the FSB. A person found guilty of the civil offence of insider trading is liable for the profit they made, or the loss they avoided, as well as a punitive penalty of up to 3 times that amount. These funds can be redistributed to investors that have been affected by the illegal transactions, after the legal and investigation costs of the FSB have been deducted.

The DMA can also hand a case over to the prosecuting authorities for consideration, and the prosecuting authorities can institute criminal proceedings. A person convicted of the criminal offence of market abuse (including



insider trading, market manipulation and false statements) is liable for a fine not exceeding R50 million and / or imprisonment not exceeding 10 years.

Employees suspected of market abuse are additionally subject to Investec's internal disciplinary investigations. Even if their conduct does not warrant further penalties from the authorities, it may be sufficient to constitute a disciplinary offence resulting in dismissal.



Schedule 2: Personal Account Dealing policy Contents

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1. Glossary

Term	Definition / Meaning
Addendum	PA Dealing addendum on which employees must record any additional PA Dealing accounts opened after their employment (available on the intranet)
Affected security	<p>Including</p> <p>All of the following instruments whether listed on a local or foreign exchange</p> <p>Any listed or unlisted equity securities including ordinary and preference shares and any derivatives thereof (for example warrants, instalment shares, single stock futures, CFDs)</p> <p>Any listed or unlisted debt securities including debentures, debenture stock, loan stock, bonds, certificates of deposit, commercial paper and any other instruments creating or acknowledging indebtedness and any derivatives thereof</p> <p>Any listed or unlisted financial instrument entitling the holder to subscribe for equity and debt securities and any derivatives thereof (for example rights or nil paid letters)</p> <p>Any certificates representing equity and debt securities, and any derivative thereof, which confer property rights in or over the investment (for example American depository receipts or global depository receipts, listed or structured notes)</p> <p>Any new listings of equity securities (new or existing companies)</p> <p>Any private and public placing of new or existing equity securities (new or existing companies)</p> <p>Any other financial instrument creating rights or profit/losses by result of such instrument being referenced to fluctuations in the value or price of any securities, or basket of securities falling within any of the instruments listed above, or index, or interest rate or other factor designated for that purpose in the contract (for example contracts for differences, equity swaps, spread betting, single stock futures (SSFs)), listed on an exchange or over the counter</p> <p>Any other instrument traded on an exchange (subject to the exclusions below).</p> <p>Excluding</p> <p>Regulated local or offshore collective investment schemes (including local or foreign Exchange Traded Funds ('ETFs') but excluding single stock futures (SSFs) on those ETFs), unit trusts or mutual funds, locally or offshore, managed in terms of a formally documented full discretionary mandate on a solely discretionary basis on behalf of the employee</p> <p>Foreign currency, according to rules and limits prescribed by the relevant exchange control regulations, orders and rules issued by the Minister of Finance from time to time (for example travel and offshore allowances)</p> <p>Currency futures</p> <p>Call or fixed deposits, bankers acceptances, treasury bills, commercial paper and negotiable certificates of deposit</p> <p>Life insurance or endowment policies managed by an unconnected third party on a solely discretionary basis on behalf of the employee</p> <p>Any other security specifically exempted by Group Compliance.</p>
Contract for difference (CFD)	Contract for difference with the purpose, intended or not, to secure a profit or avoid a loss by reference to fluctuations in the value or price of any security (debt or equity including derivatives thereof), index, interest rate or other factor designated for that purpose in the contract.
Connected person	<p>Any natural or legal person connected to an employee including</p> <p>A spouse, parent, child, sibling or any other close relative of the employee</p> <p>A co-habitee or any other dependent of the employee</p>



	<p>A trust which an employee</p> <ul style="list-style-type: none"> ▪ Controls, materially influences, and/or has sole discretion to operate or ▪ Is a direct or indirect vested beneficiary of <p>A deceased estate which an employee</p> <ul style="list-style-type: none"> ▪ Controls, materially influences and/or has sole discretion to operate <p>An unlisted company, close corporation, partnership, investment club, syndicate or other venture which an employee</p> <ul style="list-style-type: none"> ▪ Controls, materially influences and/or has sole discretion to operate ▪ Has a direct or indirect beneficial interest in <p>A pension fund (other than an Investec Ltd Pension Fund) of which an employee is a beneficiary</p> <p>Any other client account which an employee (other than in the ordinary course of their employment)</p> <ul style="list-style-type: none"> ▪ Controls, materially influences and/or has sole discretion to operate or ▪ Has a direct or indirect beneficial interest in <p>Any other client account that has been given preferential brokerage rates and/or management fees (excluding charity accounts) by virtue of a direct or indirect relationship with an employee</p> <p>Any other person acting in collusion with or for the direct or indirect benefit of an employee.</p>
Control or material influence	An employee makes the investment decisions on behalf of a connected party, or there is no independent evidence that the connected party made the decisions themselves (written instructions or recorded telephone calls) and/or the employee places the trading instructions on behalf of the connected party (other than through the ordinary course of their employment)
Dealing	<p>Any acquisition or disposal of, or agreement to acquire or dispose of, any affected security</p> <p>The grant, acceptance, acquisition, disposal, exercise or discharge of any option (call, put or both) or other right or obligation, present or future, conditional or unconditional to acquire or dispose of affected securities, or any interest in affected securities</p> <p>Making any formal or informal offer to deal in an affected security</p> <p>For rights issues / offers in an affected security</p> <ul style="list-style-type: none"> • Taking up any rights • Exercising conversion or subscription rights • Cession of any rights <p>Dealing in an affected security under offer, including a take-over, tender or other offer which is made to the public or all (or substantially all) of the holders of the affected investment concerned.</p>
Declaration	PA Dealing Declaration on which employees must record all PA Dealing accounts on their employment (available on the intranet)
Derivatives	Any financial instrument or contract that creates rights and obligations and that derives its value from the price or value, or the value of which may vary depending on a change in the price or value, of some other particular product or thing. Examples are options, warrants, contracts for difference, futures (including currency futures).
Discretionary	All decisions are made by an independent investment manager without consulting with, or referring to, the employee. The employee has no influence over the account.
Employee	Any person employed by Investec Ltd including executive directors, temporary employees (employed for more than five days) and consultants.



	Any person working for Investec Ltd, notwithstanding that they may be subject to PA Dealing rules in another jurisdiction.
ETF	Exchange Traded Fund
FSA	Financial Services Authority (UK)
FSB	Financial Services Board
Futures	Rights under a contract for the sale of any security (debt or equity including derivatives thereof), index, interest rate or property of any other description under which delivery is to be made at a future date and at a price agreed on when the contract is made.
IPOs	Both public and private placings of new or existing equity securities in new or existing companies, in other words both primary and secondary offers.
ISL	Investec Securities Limited
ISO	Investec Securities Online
Non-discretionary	All decisions are made by the account holder (the employee) and are merely executed by the broker
Option	A contract which gives the holder the right, but not the obligation, to buy (or sell) a specific amount of a specific financial instrument at a specific price (the exercise price) during or at the end of a specific period
PA Dealing	Personal Account Dealing
PDMR	Persons Discharging Managerial Responsibilities, defined as members of Investec's Global Operations Forum
Request form	PA Dealing Request Form on which employees must request approval of PA Dealing trades (available on the intranet)
SARB	South African Reserve Bank
SSFs	Single Stock Futures
The rules	Personal Account Dealing rules
Undertaking	PA Dealing Undertaking on which employees indicate whether they have PA Dealing accounts, signed on their employment (available on the intranet)
Warrant	An instrument issued by a company which gives the holder the right, but not the obligation, to subscribe for a specific number of shares in the company at a specific price (called the exercise price) during a specific period.



2. Policy statement

The South African Reserve Bank (SARB) and the Financial Services Board (FSB) have noted the inherent risks posed by Personal Account (PA) Dealing including trading based on inside information and apparent conflicts of interest. To address their concerns the SARB and the FSB have set out industry guidelines according to which financial institutions are expected to manage PA Dealing.

The board of Investec Ltd recognises the interests of employees in conducting dealings for their personal accounts while recognising the inherent risks outlined by the regulators and potential conflicts of interest that may arise with both Investec and its clients. Accordingly PA Dealing will be permitted only where it is conducted in accordance with the rules and procedures set out below. Employees are also expected to conduct themselves within the Investec values framework.

The PA Dealing Rules (the rules) are contained in “Becoming Acquainted with Investec” (BAWI) and as such form part of every employee’s contract of employment. Failure to comply with these rules is a serious misconduct which could result in disciplinary action against the employee including termination of employment.

Although the Group Policy is the minimum standard, certain divisions have additional PA Dealing rules that are more onerous than the Group Policy, notably Investec Asset Management and Investec Securities Limited. It is the employee’s duty to familiarise themselves with the rules applicable to them.

Failure to comply with the PA Dealing rules also exposes employees to the risk of contravening legislation governing market abuse and insider trading. As such, failure to comply with these rules could result in disciplinary action by a regulatory body which could impose sanctions against the employee, as well as criminal and/or civil prosecution of the employee.

Although the intention of the rules is to set out in full the position in relation to PA Dealing, it is possible that not every potential situation is covered. Given the serious consequences of non compliance, and ultimately for their own protection, employees should consult divisional or Group Compliance if they are in any doubt about their position.



3. To whom do the rules apply?

The rules apply to any dealing in affected securities by an employee

- For their own account
- For the account of a connected person, if the employee controls, materially influences, and/or has sole discretion to operate the connected party account.

An employee will be deemed not to have a control or material influence where any one or all of the decisions to deal are taken without consultation with, or other involvement of, the employee or has been delegated to a full discretionary fund manager and the decision forms part of a documented and approved investment mandate and strategy.

The table below illustrates examples of circumstances where the employee will be deemed to exercise control or material influence over a connected party's account. Please note that these are illustrative examples rather than a complete list.

Examples	Deemed under the control or material influence of the employee	Not deemed under the control or material influence of the employee
<p>Employee living with parent Employee discusses purchase of 1000 ABC over dinner. The next day the employee places the purchase instruction for 1000 ABC on the parents' account</p>	X	
<p>Employee living with parent The next day the parent purchases 1000 ABC online or through another broker or employee</p>		X
<p>Employee's family member places trading instructions through the employee The employee can evidence instructions from the family member to trade prior to placing the trade in the system, either in writing or through a telephone call on a recorded line</p>		X
<p>An employee's family member places trading instructions through the employee The employee cannot evidence an instruction from the family member prior to placing the trade in the system</p>	X	
<p>An employee operates an account for An investment club that they participate in or A trust for which they are a trustee or A company or close corporation for which they are a director or member Where the employee is involved in making the investment decision and is solely responsible for placing the trading instruction</p>	X	



<p>An employee operates an account for An investment club that they participate in or A trust for which they are a trustee or A company or close corporation for which they are a director or member Where the investment decisions are not taken solely by such employee and the employee places the trade on the instruction from the other participants and the employee can evidence instructions from the other participants to trade prior to placing the trade in the system either in writing or through a telephone call on a recorded line</p>		X
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If you are in doubt as to your personal circumstances, consult Divisional or Group Compliance.



4. To what type of instruments do the rules apply?

The rules apply to all dealings in an affected security. For the purpose of these rules, 'affected security' includes

- a. All of the following instruments regardless of whether they are listed on a local or foreign exchange
- b. Any listed or unlisted equity securities including ordinary and preference shares and any derivatives thereof (for example warrants, instalment shares, single stock futures, CFDs)
- c. Any listed or unlisted debt securities including debentures, debenture stock, loan stock, bonds, certificates of deposit, commercial paper and any other instruments creating or acknowledging indebtedness and any derivatives
- d. Any listed or unlisted financial instrument entitling the holder to subscribe for equity and debt securities and any derivatives thereof (for example rights or nil paid letters)
- e. Any certificates representing equity and debt securities, and any derivatives thereof, which confer property rights in or over the investment (for example American depository receipts or global depository receipts, listed or structured notes)
- f. Any new listings of equity securities (in new or existing companies)
- g. Any private and public placing of new or existing equity securities (in new or existing companies)
- h. Any other financial instrument creating rights or profit/losses by result of such instrument being referenced to fluctuations in the value or price of any securities, or basket of securities falling within any of the instruments listed above, or index, or interest rate or other factor designated for that purpose in the contract (for example contracts for differences, equity swaps, spread betting) listed on an exchange or over the counter
- i. Any other instrument traded on an exchange (subject to the exclusions below)

An 'affected security' excludes

- a. Regulated local or offshore collective investment schemes (including local or foreign Exchange Traded Funds ('ETFs') but excluding Single Stock Futures on those ETFs), unit trusts or mutual funds, local or offshore, managed in terms of a formally documented full discretionary mandate on a solely discretionary basis on behalf of the employee
- b. Foreign currency, according to rules and limits prescribed by the relevant exchange control regulations, orders and rules issued by the Minister of Finance from time to time (for example travel and offshore allowances)
- c. Currency futures
- d. Call or fixed deposits, bankers acceptances, treasury bills, commercial paper and negotiable certificates of deposit
- e. Life insurance or endowment policies managed by an unconnected third party on a solely discretionary basis on behalf of the employee
- f. Any other security specifically exempted by Group Compliance.

5. To what type of accounts do the rules apply?

The rules apply to an employee's account (and the accounts of a connected party if the employee controls, materially influences, and/or has sole discretion to operate the connected party accounts) that are managed in terms of a **non-discretionary mandate**. Accordingly, any **discretionary investment account** managed by an independent investment manager, where transactions are conducted without consulting the employee, is not subject to these rules. For more detail see section 2 above.



6. What are the Personal Account Dealing rules?

6.1 Requirement to complete a PA Dealing undertaking

All employees are required to sign a PA Dealing Undertaking, on which they are required to declare whether they have any accounts with either Investec Securities Limited, or any other stockbrokers, and in terms of which they undertake to comply with the PA Dealing rules. The PA Dealing Undertaking is included in the employment pack for all new employees and is available on the Group Compliance intranet in the Market Conduct section.

If the employee declares that they have accounts, Group Compliance will subsequently contact them to request that they complete a PA Dealing Declaration, also available on the Group Compliance intranet in the Market Conduct section, which requires employees to provide Group Compliance with the account details and additional documentation.

In the PA Dealing Declaration employees are required to accurately disclose full details of the following stock broking accounts:

- 6.1.1 Any ISL account opened in their name
- 6.1.2 Any ISL account opened in the name of their connected parties that they control, materially influence, and/or have sole discretion to operate (whether in terms of a discretionary mandate or Power of Attorney)
- 6.1.3 Any discretionary, non-discretionary and limited discretionary 3rd party broker accounts opened in their name
- 6.1.4 Any non-discretionary and limited discretionary 3rd party broker accounts opened in the name of their connected parties that they control, materially influence, and/or have sole discretion to operate (whether in terms of a discretionary mandate or Power of Attorney)

Employees are required to ensure that the information disclosed on their PA Dealing Declaration remains accurate and up to date by performing a review, at least annually, of the information disclosed. Any changes should be noted on the PA Dealing Addendum available on the Group Compliance intranet in the Market Conduct section, and submitted to Group Compliance.

6.2 Use of Investec Securities Limited (ISL)

All employees (subject to the exceptions noted below) are required to execute all personal account transactions through ISL. All trades will be subject to the standard market business terms and conditions, including prior approval and account opening procedures. ISL offers employees and certain connected parties a discounted employee brokerage rate.

Employees are prohibited from transacting through an external broker, or using an online trading platform provided by an external broker, unless permission has been granted by Group Compliance. Permission can be requested on either the PA Dealing Declaration or the PA Dealing Addendum and approval is subject to the nature of the account and receipt of the necessary documentation.

Discretionary External Broker accounts will be approved subject to receipt of a copy of the employee's mandate with the external broker OR a letter/e-mail from the broker confirming that the account is managed on a discretionary basis.

In exceptional circumstances Group Compliance may, in their sole discretion, grant permission for an employee to have non-discretionary and/or limited discretionary external broker accounts. Each situation will be considered on its merits. When requesting permission for a non-discretionary and/or limited discretionary external broker account, employees are required to submit a copy of their mandate with the external broker to Group Compliance. In addition, Group Compliance will contact the broker on behalf of the employee and request confirmation from the broker that they will forward copies of all broker notes and copy statements to Group Compliance. If the non-discretionary account is an online share trading account and the employee doesn't have a mandate they should instead submit a statement of the account to Group Compliance on a monthly basis. When granting permission, Group Compliance will consider the following:

- That ISL does not offer a trading service in the affected security
- That the employee's connected party is the broker and is subject to PA Dealing rules at their institution requiring the employee to trade through the connected party's institution.



Where permission has been granted for a non-discretionary and/or limited discretionary external broker account all rules (including holding periods) continue to apply. Transactions may only be conducted with the external broker provided that

- Prior permission is obtained from both management and Group Compliance for each trade;
- The external broker forwards copies of all contract notes, confirmations and statements directly to Group Compliance.

Group Compliance may require an employee to close an external broker account if, in the sole opinion of Group Compliance, the information supplied is insufficient to enable the account to be properly monitored.

6.3 Use of Investec Securities Online (ISO)

Employees (subject to the exceptions noted below) are required to trade using ISO.

An employee trading through ISO is not required to complete a PA Dealing request form, obtain their manager's sign off or obtain permission to trade from Group Compliance. ISO systematically contains the necessary compliance controls and precludes staff from trading on restricted stocks, before the 30 day period and without cash cover.

Access to ISO will be provided on request by ISL after completion of all required documentation. Employees need to ensure their PA Dealing Declaration and/or Addendum includes their ISL account number and is forwarded to Group Compliance so their account can be activated on ISO. This needs to take place for every additional account an employee adds to their ISO profile.

Certain employees that trade on the equities market, and those with exposure to inside information, are required to obtain management approval prior to every trade. These include employees of Corporate Finance, Direct Investments, Research Analysts and traders on the Equity Desk in Capital Markets. As such these employees are not able to trade using ISO and are required to follow the manual approval process.

Any other employee that trades outside ISO for any trade is also required to use the **manual approval process**. To complete the manual approval process employees must follow these steps

- To complete a PA Dealing request form, available on the Group Compliance intranet in the Market Conduct section.
- Submit the request form to their relevant manager or divisional head for authorisation. In certain circumstances, however, Group Compliance may approve a trade in the absence of this approval.
- Submit the authorised request form to Group Compliance for permission to trade. Such permission will apply for 24 hours only and will be immediately withdrawn should the security become restricted prior to execution.

Employees are also required to use the manual approval process for the following transactions

- When applying for a private or public placing of new or existing equity securities (in new or existing companies)
- When applying for listed or unlisted international stocks
- When selling shares acquired under the Staff Share Scheme within the 30 day holding period
- When selling SSFs that have gone through an automatic roll with a new contract issued within the last 30 days. This will only be permitted where the total period the contract has been held is greater than 30 days. The employee is required to advise Group Compliance of the date of purchase of the contract
- When trading under a corporate action where, by virtue of the corporate action, the shares to be traded have not been held for 30 days.

6.4 Mandatory 30 day holding period

All PA Dealing should be undertaken for investment, and not speculative, purposes. As such, all affected securities must be held for a minimum of 30 days from allocation date or purchase date respectively. The frequency of transactions should also not exceed that which is reasonable for the management of a portfolio (taking into consideration the size of the portfolio and prevailing market conditions). For the avoidance of doubt, derivatives with a residual maturity of less than 30 days may not be purchased.

In the event that market movements during the mandatory holding period are, in the sole opinion of Group Compliance, materially prejudicial, the transaction may be exited earlier. This is subject to prior written approval being obtained from Group Compliance.



6.5 Settlement rules – cash and scrip cover

Purchases of shares are to be supported by 100% cash cover prior to trade, unless alternative arrangements have been agreed with ISL. Sales of shares are to be supported by the delivery of dematerialised shares prior to trade, unless alternative arrangements have been agreed with ISL.

Employee or connected person accounts will be run as ‘controlled accounts’ in terms of the JSE rules and directives. As such purchases or sales not supported by cash or scrip by the close of business on the following business day will be closed immediately thereafter, with any gain being forfeited and any resulting loss (inclusive of dealing charges) being for the account of the employee.

6.6 Dealing restrictions

6.6.1 Restricted list

Given the nature of Investec Ltd’s business, circumstances may arise where an employee’s trade in certain affected securities could, in the opinion of senior management and Group Compliance, give rise to market abuse, conflicts of interest or the perception of unethical behaviour.

Group Compliance maintains various restricted lists to manage potential conflicts of interests around certain types of business activities and to restrict trading activity in affected securities which may cause reputational damage.

The public restricted list includes the subject companies of research reports issued by the research department of ISL. They are placed on the restricted list for 48 hours following the issue of a recommendation change. This list also includes companies that are subject to a publicly announced blackout period pursuant to any corporate finance, investment banking or other activity undertaken by a member of Investec Ltd on behalf of the issuer as well as companies on Investec plc’s restricted list. This list can be viewed on the Intranet (Restricted List) in the Market Conduct section.

Where the activity undertaken by a member of Investec Ltd on behalf of the issuer is not yet publicly announced the companies are maintained on a private restricted list (or quiet list) by Group Compliance. This list comprises inside information and is not available to employees.

The activities of Investec plc are further subject to restrictions set out by the FSA Disclosure and Transparency Rules and the Regulatory Takeover Panel disclosure requirements. As Investec Ltd and all its subsidiaries and other related parties (including employees) are deemed to be connected parties to Investec plc, restrictions on any stocks that apply to Investec plc will apply equally to Investec Ltd and employees. Accordingly, both ISL and Group Compliance must review and authorise any transaction in these restricted stocks prior to the execution thereof to ensure these additional regulatory obligations are adhered to at all times.

6.6.2 Investec closed period

Employees may not trade in affected securities in Investec Ltd or Investec plc ahead of the publication of Investec’s half year and annual financial results. For the purposes of this section ‘affected securities’ exclude preference shares.

These periods are referred to as the Investec closed periods and are calculated as follows

- the reporting date of the annual financial results (in other words 31 March). The closed period remains in force until two days (working days) after the publication of the results, approximately 15 May
- the reporting date of the half year financial results (in other words 30 September). The closed period remains in force until two days (working days) after the publication of the results, approximately 15 November.

As such the closed periods are approximately from 31 March until +/- 17 May and from 30 September until +/- 17 November each year, allowing consideration for weekends and public holidays.

Employees are required to ensure that they do not have any pending employee trades in affected securities in Investec Ltd and Investec plc in the trading system at the initiation of the closed period. Any such trades will



be closed out (forced close) at the start of the closed period. This is to avoid trades meeting the required conditions for trade and taking place during the closed period.

6.6.3 Public and private placements (IPOs)

The terminology IPO is colloquially used to refer to both public and private placings of primary and secondary offers of securities of a company.

Employees may not participate on a non-discretionary basis in any placing of affected securities in which a member of Investec Ltd participates as a subscriber, underwriter or advisor to the issuer.

In certain exceptional circumstances Group Compliance may, in their sole discretion, permit employees to participate in IPOs on a non-discretionary basis. A request will only be considered under the following conditions

- The Investec Ltd division participating in the placement obtains the prior approval of Group Compliance to open the placing to employees
- The employee obtains prior permission from Group Compliance to participate
- ISL confirms that the IPO process has been implemented
- The employee is required to hold the affected security for a minimum of 30 days from the closing date as reflected in the relevant prospectus.

Employees may participate in public offerings where a member of Investec Ltd is involved, subject to the following

- Prior approval is obtained from Group Compliance (usually given as a blanket approval)
- A member of Investec Ltd is not responsible for administering the allocation
- The employee is required to hold the affected security for a minimum period of 30 days from the closing date as reflected in the relevant prospectus.

Where an employee beneficially holds an unlisted security as the subject of an initial public or private offering, the employee may transact in the security on the listing date. This, provided the employee has beneficially held the unlisted security for a minimum period of 30 calendar days prior to the date of listing or from the first date of 'when-issued' or 'grey market trading'.

Group Compliance has the sole discretion to prohibit employees from trading in certain instruments.

6.6.4 Dealing while aware of conflicts of interests

Employees may not engage in a situation where they know their personal interest conflicts in any way with the interest of the Investec Group or any of its clients. No employee should be entitled to subscribe to any activity or transaction that may unduly influence their responsibility to the Group.

6.7 Rules for certain employees

6.7.1 General

Employees in particular roles have greater access to sensitive or confidential information and are subject to additional PA Dealing Rules. In order to avoid conflicts of interest, these employees may be required to divest their holding or may be precluded from transacting in an affected security.

As a general rule, if an employee is involved in a transaction (or proposed transaction) with any division of the Investec Group involving specific securities, they are not allowed to trade in such securities for their personal account. In most instances such an employee would be an insider.

The following employees are subject to special rules applicable to their specific roles:

- Dealers and salespersons;
- Employees in the research department of ISL (including research analysts);
- Corporate Finance and Investment Banking employees;
- Capital Markets including Structured Finance (ICM);
- ISL brokers.



Employees in these roles are required to familiarise themselves with their relevant divisional compliance manuals which contain further detail.

6.7.2 Directors and PDMR's

There are additional requirements applicable to:

- Directors of Investec plc, Investec Limited;
- Directors of a major subsidiary of Investec Limited, as per JSE Listings rules - Investec Bank Limited (IBL);
- Persons Discharging Managerial Responsibilities ("PDMRs") – defined as members of Investec's Global Operations Forum;
- Persons connected with either of the above categories – as defined in the Glossary above.

Obtaining permission to deal – Executive directors and PDMRs

Prior written approval to deal must be sought and obtained from:

- The PDMR's Line Manager; **and**
- Compliance; **and**
- Chairman of the Boards of Investec plc and Limited or, in the event that the Chairman is not available, the Senior Independent non-executive Director (Sir Chips Keswick or Sam Abrahams) or in the event of a Director of IBL wanting to deal, the Chairman of IBL.

Obtaining permission to deal – Non-executive Directors

Prior written approval to deal must be sought and obtained from:

- Chairman of the Boards of Investec plc and Limited or, in the event that the Chairman is not available the Senior independent non-executive Director (Sir Chips Keswick).

For these purposes the definition of dealing is extended to include the pledging or using as security of the securities of Investec Ltd or Investec plc, or the releasing of such securities pledged or used as security.

For more information on Director and PDMR dealings in Investec securities, and the disclosure thereof, please obtain a copy of the policy from Company Secretarial.

6.8 Rules for affected securities acquired under the Staff Share Scheme

When dealing with an affected security acquired under the terms of a Staff Share Scheme operated by Investec Ltd, employees are not required to obtain prior approval from their divisional head and Group Compliance when

- Accepting an award of securities, grant of options or grant of rights (or other interest) made under the scheme
- Exercising an option or right, or converting a convertible security
- Transferring shares from one account to another where there is no change in the beneficial ownership of the shares (any change in beneficial ownership is classified as a sale and is not exempt)
- Electing to sell all or part of their entitlement on the date of maturity (or other limited time period notified by the Staff Share Scheme trustee).

However, where an employee has accepted an award of shares or an exercise or conversion has occurred, the subsequent sale of those shares (whether held by a nominee of the scheme or otherwise) is subject to the normal dealing requirements set out in these rules.

No acceptance, exercise, transfer or election to sell may take place during an Investec closed period as defined in paragraph 6.2 above unless permission is given by Group Compliance.

When an employee elects to take up their option, and as a result receives shares from the staff share scheme, the 30 day holding period does not apply and employees are entitled to sell the shares immediately on receipt thereof. This is because the employee receives the shares through the transfer of a pre-existing right, the option in their name which they have held for longer than 30 days. Employees are required to use the manual approval process for these sales.

7. Prohibited practices – what employees are not permitted to do



These prohibited practices apply to employees. They also apply to connected person accounts where the connected employee executes the trade on behalf of the connected party and cannot evidence an independent instruction from the connected party.

7.1 Dealing ahead of a client order, proprietary trade or research report

Where an employee is aware, or could reasonably be expected to be aware, that Investec has accepted or is likely to accept a client or proprietary order, the employee is prohibited from dealing in advance of or parallel to such order, or in any other manner by which a benefit may arise due to any anticipated price change caused by that order.

An employee may also not transact in any affected securities that they know, or could reasonably be expected to know, will be the subject of a research recommendation.

Employee and connected person's orders may not be executed as part of a client or proprietary order and may not be transacted through any client suspense, client allocation or any other error or fungible holding account.

7.2 Dealing contrary to client's interests

It is an overriding principle that employees must avoid any conflict of their own interests with those of clients. Accordingly, employees must not deal in any affected security at a time or in a manner which the employee knows, or could reasonably be expected to know, may have a direct adverse effect on the particular interests of clients of Investec Ltd.

7.3 Short selling

A sale order cannot be placed unless the affected securities to be sold are dematerialised (uncertificated). If no securities are available on the account in dematerialised form (uncertificated), you are not allowed to place a sell order unless

- a further transaction has been concluded which provides for an equivalent amount of dematerialised securities being available for settlement on the same settlement date or
- a satisfactory borrowing arrangement has been confirmed and is in place which provides for an equivalent amount of dematerialised securities being available for settlement on settlement day.

All short positions created are required to be held for a minimum period of 30 days.

7.4 Market abuse including insider trading

Employees in possession of material non-public information on any affected security are prohibited from buying or selling such affected securities or engaging in any other activity (including passing on such information to others) to take advantage of such information, whether done for a personal account or in the course of their employment.

Employees may not engage in any of the following activities in relation to restricted securities

- Proprietary trading
- PA Dealing
- Distribution of research material on the company
- Offering advice on the company to any fund or client of the Investec Group
- Speaking to the press about the company
- Soliciting business in the company's securities

A more detailed summary of the relevant insider dealing legislation is contained in the Group Compliance manual, under guidelines on insider trading, which prescribes minimum procedures for managing inside information.

7.5 Underwriting

Employees may not act as an underwriter or sub-underwriter in an affected security if any member of Investec Ltd is acting in that capacity, or if the employee knows that a member of Investec Ltd will be offered a participation, underwriting or sub-underwriting contract in that security.

7.6 Transactions with group clients



Employee or connected person orders may not be transacted together with orders for Investec Ltd clients, unless prior permission from the client has been obtained. This information must additionally be disclosed on the applicable PA Dealing request form.

Should an employee or connected person deal off market with an Investec Ltd client full disclosure must be made to the client. This information must also additionally be disclosed on the applicable PA Dealing request form.

7.7 Restriction on procuring other persons

Employees who are precluded from entering into a personal account transaction must not (except in the proper course of their employment)

- Procure any other person to enter into such a transaction
- Communicate any information or opinion to any other person if the employee knows, or reasonably ought to know, that the person will, as a result, enter into such a transaction or counsel or procure some other person to do so.

8. Role of Group Compliance

Group Compliance may, at any time, to avoid any actual or perceived conflict of interest

- Restrict dealing in any affected security
- Decline to give permission to deal when it is requested
- Suspend or delay an order
- Cancel or close any personal account transaction.

There may be circumstances after a personal account transaction has occurred where Group Compliance or senior management may subsequently judge the particular transaction to be inappropriate, even though it was executed in accordance with these rules and procedures. Where permission to deal had been granted, the transaction will be reversed at no cost to the employee i.e. any loss will be for the account of Investec Ltd with any profit that may arise from the reversal being forfeited.

In the event that a transaction was not conducted in accordance with these rules or where, in the opinion of the relevant divisional head (or a person authorised by the divisional head), the employee was aware or should reasonably have been expected to be aware of a conflict of interest, the transaction will be reversed. The cost of the reversal being conducted will be at the expense of the employee i.e. any loss will be for the account of the employee, with any profit that may arise from the reversal being forfeited.

8.1 Monitoring

All personal account transactions undertaken by employees or connected persons will be monitored by Group Compliance for compliance with these rules.

8.2 External information

In the event that Group Compliance has reasonable grounds to believe that transactions are being undertaken in contravention of these rules, Group Compliance may, with the prior permission of the Chief Executive Officer, make such requests of external parties, including exchange surveillance departments, as may be necessary.



Schedule 3: Gifts and entertainment policy

Gifts and entertainment can be used to induce an employee to behave in a way that they would not usually behave and can create an actual or perceived conflict of interest. To manage and mitigate the perceived or actual conflicts of interest that arise as a result of gifts and entertainment, employees are required to comply with the procedures set out below.

This policy is not able to cover all situations or circumstances where actual or perceived corruption or conflicts of interests this could arise. When in doubt as to whether the giving or receiving of any gift, entertainment or other benefit is appropriate employees are required to consult with Group Compliance.

The Gifts and Entertainment form available on the Group Compliance intranet in the Market Conduct section.

1. Gifts and entertainment received by employees

In the course of business relationships gifts are usually given for commercial purposes and are intended to express gratitude or creating a feeling of obligation in the recipient. Small, modest gifts (i.e. business related meals, bottles of liquor, tickets to a sporting or social event or company clothing) may be accepted. All gifts of this nature should be reported to divisional compliance officers, who maintain a register of gifts.

However large, expensive gifts (i.e. expensive or lavish meals, jewellery, sponsored holidays or flight tickets) may create an actual or perceived conflict of interest. Accordingly employees must disclose all gifts and entertainment that exceeds R2000 to both their manager and Group Compliance prior to the event or on receipt of the item. Where prior approval is not possible or practical (i.e. outside office hours) the gift or entertainment may be accepted provided it is declared to Group Compliance as soon as possible.

These requirements apply equivalently to a series of gifts or entertainment where, although no single instance exceeds R2000, the total value of the benefit received does exceed R2000.

Group Compliance will assess whether the gift or entertainment creates an unacceptable conflict of interests, and will determine whether the gift or entertainment can be accepted. In this determination consideration will also be given to the timing of the gift or entertainment, which should be after the conclusion of a transaction or service and not in contemplation thereof. If the gift or entertainment is inappropriate, the employee will be instructed to return the gift or decline the entertainment on the basis that acceptance of the gift or entertainment is prohibited by Group Policy.

If refusal of the gift may cause offence the gift may be accepted. Group Compliance and Senior Management reserve the right to direct any gift received by an employee to a registered charity to manage the conflict of interests created by the gift.

Business related meals and entertainment are excluded as they are deemed necessary and useful to promote or enhance business relationships. When determining whether meals or entertainment are business related management and Group Compliance will consider the following:

- The purpose or reason for the meal or entertainment;
- Who will host the event and whether they will be in attendance;
- Whether the employee is or feels under any obligation to accept;
- Whether the employee will be or will feel obliged to return the favour;
- Whether the employee will feel compromised after the event.

Where meals or entertainment are provided on a regular basis the employee invited to attend should be rotated. Group Compliance and Senior Management reserve the right to request that employees make a personal contribution in respect of the corporate entertainment or hospitality received (i.e. hotel accommodation or travel costs).

Cash and stock gifts are strictly forbidden. If an employee is left a legacy or inheritance by a client of Investec they must advise Group Compliance.

Employees are also strictly prohibited from, directly or indirectly, soliciting gifts, meals, entertainment or any other benefit from any client either for the benefit of themselves or for the benefit of other employees.

Employees are personally responsible for ensuring that all appropriate tax declarations are made.



A record of all gifts and entertainment received is maintained in a register by Group Compliance.

2. Gifts and entertainment supplied by Investec

Each business area is responsible for ensuring that the gifts and entertainment supplied are managed appropriately. This responsibility is shared between the senior management, marketing and compliance teams within the respective areas. To meet this responsibility these teams must ensure all of the following:

- Fair treatment of clients;
- Gifts and entertainment cannot be construed as an inducement;
- Gifts and entertainment do not give rise to any actual or potential conflicts of interest.

3. PRECCA

In terms of the Prevention of Corruption and Corrupt Activities Act, 2004 (PRECCA) it is an offence for any person to, directly or indirectly:

- Accept or agree or offer to accept any gratification from any other person (whether for the benefit of themselves or for the benefit of another person); or
- Give or agree or offer to give to any other person any gratification (whether for the benefit of that other person or for the benefit of another person).

As such any gift, entertainment or other inducement given or received must be of a value and frequency that would not give rise to any actual or perceived corruption. Every employee must be beyond challenge or reproach when performing their duties and should not allow themselves to be placed in a position where their judgement, integrity or independence can be or is perceived to be unduly influenced.

An employee may not accept any inducement where the intention, or perceived intention, of the offer is to bribe or obligate the recipient into performing or not performing certain actions. Any employee receiving the offer of a bribe must immediately advise Group Compliance and record the circumstances surrounding the bribe, the amount or nature of the bribe and as far as possible the exact words of the person offering the bribe.