Conflict of Interests Policy
In accordance with the requirements of the Financial Advisory and Intermediary Services Act 37 of 2002 ("FAIS"), and subsequent amendments to the General Code of Conduct, Investec Wealth & Investment ("W&I") is required to establish and communicate to clients its Conflicts Management Policy.

The purpose of such policy is to identify, avoid, and (where avoidance is not possible) mitigate and manage the conflict of interests that may arise when W&I and its Representatives provide investment services and advice to clients.

W&I is committed to ensuring that its business and relationships with clients are conducted in an ethical and equitable manner in accordance with good business practice and in a way that safeguards the interests of all stakeholders.

As such our Conflicts Management Policy contains mechanisms for the identification of conflict of interests and measures and procedures for the avoidance, disclosure and mitigation of such conflicts.

01 | What is meant by conflict of interests?

Conflict of interests are inherent in almost all aspects of economic activity.

In our context, a conflict could include any situation in which W&I or any of its Representatives have an actual or potential interest that may:

- influence the objective rendering of a financial service to a specific client or group of clients; or
- prevent them from rendering an unbiased and fair financial service to that client; or
- prevent them from acting in the best interests of that client.

These potential interests include, but are not limited to:

- financial interests
- ownership interests
- any relationship with a third party, including an associate or another Financial Services Provider.

02 | Where could conflict of interests occur?

Investec Wealth & Investment ("W&I") is a division of Investec Securities Proprietary Limited ("ISL"), itself a fully owned subsidiary of Investec Limited. ISL is an authorised user of the JSE Limited and A2X.

W&I is registered as an authorised Financial Services Provider (FSP number 15886) under FAIS and forms part of the Investec Group. As an international, specialist banking group that provides a diverse range of financial products and services to a select client base, potential conflict of interests can arise. As such the avoidance, and where avoidance is impossible, the mitigation and management of conflict of interests are inherent to the Investec business. Given the nature of Investec’s business, that simultaneously conducts investment research and advice, proprietary trading, portfolio management and corporate finance activities (including advising on mergers and acquisitions and underwriting and selling an offering of securities) conflict of interests management is paramount.

In particular, W&I is the natural distribution channel for products created by various divisions within Investec Bank such as the Private and Corporate and Investment Bank as well as subsidiaries such as Investec Life Limited and Investec Specialised Investments.
03 | What is required by W&I under FAIS legislation?

W&I is required to avoid and, where this is not possible, mitigate any conflict of interests between itself and its Representatives on the one hand and client(s) on the other hand.

More specifically:

- we will take all reasonable steps to prevent conflict of interests from giving rise to a material risk or damage to the interests of clients
- we have a written policy for identifying and managing conflict of interests
- we specify in the policy certain procedures and measures to ensure appropriate independence
- we require disclosure of any conflicts to the client if the arrangements under the policy are not adequate to prevent material risks of damage to a client
- in considering our policy in respect of duties to clients, we take account of any circumstances that we are or should be aware of, which may give rise to a conflict arising as a result of the structure and business activities of other Investec companies.

04 | How does W&I avoid or mitigate conflict of interests?

- We identify the type of conflicts that may arise in the course of providing advice and rendering services under our FAIS license.
- We identify where conflicts can be avoided and take natural steps to avoid these conflicts
- Where we cannot avoid the conflict, we mitigate and manage the conflict of interests to ensure there is no detriment to clients.

05 | What mechanisms does W&I have in place to ensure that all conflicts are identified?

- Investec Compliance maintains a Matrix Index of potential conflict of interests risks within ISL and W&I. This index is a subset of the wider Investec Index of potential conflict of interest matrix. The matrix is classified by conflict type, business area and conflicting business area together 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 additionally responsible for identifying potential conflict of interests. They 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, whether the conflict can be avoided and, if avoidance is not possible, how the conflict will be managed.

- All employees are required to disclose, both on employment and throughout the course of their employment, any interest outside of Investec’s employment that they are party to. No material conflict in this regard is allowed.
What conflicts have been identified and mitigated through these mechanisms?

- W&I, or its Representatives, could be unduly influenced by Gifts and Entertainment received, or could unduly influence clients through Gifts and Entertainment offered.
- W&I, or its Representatives, could be unduly influenced by incentives or inducements received from product suppliers, whether internal (i.e. Investec companies or divisions) or external (i.e. asset managers or other product suppliers in South Africa or abroad).
- Conflict of interests could arise as a result of Personal Account Dealing or Off-market (or non-market related) transactions for Employees.
- Conflict of interests could arise through a Representative’s conflicting Outside Business Interests.
- Conflict of interest could arise through an employee or Representative’s participation in deals or products alongside clients.
- Communications and marketing can give rise to conflict of interests through incorrect or inadequate disclosure.
- Investec could issue research or recommendations in a way that could induce clients to participate or enter into transactions to the benefit of Investec or companies in which Investec has an interest.
- Dealing errors, or misdeals, could be managed in a way that favours both the client and W&I’s interests.
- Remuneration or rewarding of employees could be based on criteria which does not encourage acting in the client’s best interests.
- Conflicting duties can arise in dealing, where W&I (for example) is:
  - acting as agent for both the buy and the sell side of a transaction
  - acting for clients and for Investec or parties related to Investec
  - acting for a client in preference to another client
  - dealing ahead of a client or proprietary Trade
- Activities that could fall within the definition of Market Abuse, including Market Manipulation, and Insider Trading, can also give rise to potential conflict of interests where W&I, or its Representatives, favour their interests over those of clients.

What happens when a conflict of interest that cannot be avoided has been identified?

Once it is established that a conflict has been identified as unavoidable, it is analysed to establish the reasons for such unavoidability. W&I Compliance will assess the conflict in detail including whether the conflicts are actual or perceived, what the value or potential exposure of the conflicts is and the potential reputational risk. W&I Compliance will then propose measures that appropriately and adequately mitigate and manage the conflict, together with the controls required. Once implemented, Compliance will document the measures approved by management and monitors the controls for effectiveness on an ongoing basis.

What processes, procedures and internal controls are in place to generally manage conflicts?

W&I has various internal controls to manage and mitigate Conflict of interests, including:

- The Investec Group’s Conflict of Interests Policy has been implemented to adequately manage and mitigate conflicts.
- Investec Group’s Market Abuse Policy has been implemented to prevent Market Abuse.
- The Chinese Walls and Wall Crossing Policy includes implementing information barriers to ringfence price sensitive information.
- Restrictive access control to certain areas including separate IT systems and IT folders.
- In addition, W&I follows the Investec Policies to manage and mitigate Conflict of interests that relate to Representatives, including:
- Personal Account Dealing Policy, which manages the conditions under which Representatives can trade for their own account (or accounts of their family members).
• Policy on Outside Business Interests, which manages the disclosure and approval of a Representatives outside business interest; and
• Gifts and Entertainment Policy, which manages the disclosure and approval of the giving and receiving of Gifts and Entertainment by a Representative.
• Employee participation policy, which manages any transaction(s) and/or co-investment with clients and staff and/or Investec.

09 | What are the consequences of non-compliance with the Management of Conflict of interests policy?

A Representative’s failure to comply with the above internal policies, including the Conflict of Interests Policy is regarded as an offence and will be fully investigated. Depending on the severity, such offence may result in disciplinary proceedings.

10 | What is in place to protect the client in circumstances where the conflict of interest cannot be avoided and managed through the above processes or procedures?

• In such cases, W&I, or the representative, will provide full clear disclosure of the conflict of interests to clients. In most circumstances, these disclosures are standard and will be included in a specific FAIS disclosures document that will be handed to you by your adviser or included in your Investment Proposal/Record of Advice.
• In addition, representatives are made aware of the consequences of non-compliance through regular training.

11 | How are advisers remunerated for services rendered to clients?

Representatives of W&I are all employees of Investec Limited, and as such, they receive remuneration packages made up of three components, namely base salary and benefits, variable annual performance bonuses and long-term share incentive plans. This is in accordance with the Remuneration Policy of the Investec Group, which is set out in detail in the Investec Integrated Annual Report. Remuneration is managed through the W&I Remuneration Committee and is determined by a number of factors, including qualitative and quantitative performance as well as team performance and the profitability of the division as a whole. Representatives are prohibited from receiving any other financial interest which could give rise to a conflict.

12 | What relationships does W&I have with 3rd parties and associates that could give rise to conflicts?

In order to meet our clients’ holistic investment objectives we may in certain instances and as required, offer portfolios, funds and investment product to you from the broader Investec Group (including Investec’s Corporate & Investment Bank, Investec Life Limited, Investec Private Bank and Investec Property Group) as well as external third party investment providers.

The full list of external third-party product suppliers can be accessed on our website, using the following link: https://www.investec.com/en_za/investment.html

The following organogram positions W&I in the broader Investec Group of companies and includes details of all relationships relevant to potential conflict of interests.
Our DLC structure and main operating subsidiaries as at 31 March 2020

During July 2002 Investec Group Limited (since renamed Investec Limited) implemented dual listed company (DLC) structure and listed its offshore business on the London Stock Exchange. In terms of our DLC structure, Investec Limited is the controlling company of our business in South Africa and Mauritius, and Investec pic is the controlling company of our non-Southern African business.