

Conflicts Policy

Section 1 - Introduction

This document summarises the Investec Securities conflicts of interest policy. It sets out in broad terms the types of conflicts of interest that are relevant to clients of Investec Securities and the means of managing those conflicts. Investec Securities refers to: (i) Investec Bank plc; (ii) Investec Limited (iii) Investec Bank (Australia) Limited and (iv) Investec Securities (Pty) Ltd (South Africa) and (v) from time to time, in relation to any of the forgoing entities, the ultimate holding company of that entity, a subsidiary (or a subsidiary of a subsidiary) of that entity, a holding company of that entity or any other subsidiary of that holding company, and any affiliated entity of any such entities.

Investec Securities sets out to manage conflicts of interest fairly. To that end, Investec Securities maintains and operates arrangements which are designed to prevent any conflict of interest from giving rise to a material risk of damage to the interests of its clients.

Section 2 - Types of conflicts

- Investec Securities may act for clients who operate in the same sector (domestically or internationally). In general, we do not consider this to be a conflict which requires specific management unless the clients are seeking to acquire the same resource (for example, both are bidding for another company in that sector). If in these circumstances we considered that we could continue to act we are likely to disclose that potential conflict of interest and our proposed actions to manage the potential conflict of interest, or decline to act for one or both parties.
- Investec Securities may be advising a company where we also have a proprietary holding in that company. In these circumstances, there will be an effective information barrier between those advising the company and those responsible for managing the proprietary holding on our behalf and we will normally disclose the conflict to our client.
- Investec Securities may act for different clients, and itself, in purchasing a particular asset. Where there is a scarcity in that asset, we will allocate the asset in a way that provides fair treatment for clients.
- Investec Securities employees may act as directors of clients (domestically or internationally). Where they do so, we require them to act in accordance with their duties as directors and their role as employee. Where there is any conflict between those duties that conflict would either be disclosed or managed.
- Investec Securities employees may trade in the securities of a company on which Investec Securities may also publish research. Such trading is subject to Compliance and Management pre-approval process. Transactions in the securities of a company under research coverage are prohibited where the employee knows, or should reasonably be expected to know about the forthcoming publication of a research note, until after the public dissemination of that research note.
- Those with knowledge of a forthcoming research publication are prohibited from dealing ahead of its publication.
- Investec Securities may act as the lender to a company. Where it does so, it may also provide that company with corporate finance and other advice. Investec may also trade in the shares of that company with its customers and in the market. It may also handle client orders relating to securities issued by that company. These activities are undertaken by different business units.
- Investec Securities may issue research on a company. Investec Securities may also act as corporate finance advisor to, or offer funding to, that company, or deal in the shares of that company. Whilst our research is our analysts' independent assessment of the prospects of that company, we may not meet criteria of the Financial Conduct Authority in the UK to call that research "investment research".

Section 3 - Arrangements to Manage Conflicts

Investec Securities is an integrated bank with a portfolio of banking businesses. There are a number of potential conflicts of interest that specifically exist within banks because they act for companies and individuals that are seeking to engage in a variety of activities (e.g. raise money, lend, or provide advice). Investec Securities trains employees to identify potential conflicts that may arise, for example, in relation to a particular transaction.

Investec Securities uses effective information barriers as a means of managing potential or actual conflicts of interest. These information barriers prevent information passing from one part of our business to another. In general we use effective information barriers between the parts of our business that act for corporates/issuers, and the parts of our business that act for investors in those corporates. This means that, for example, when we are acting for a company planning a new issue of securities, that information will be withheld from those parts of our business who act for investors that might be acquiring shares in that company. Investors will be free to deal through our sales and trading teams as those teams will not have knowledge of the potential new issue.

Investec Securities is organised into a number of different business units and geographical locations, with appropriate information barriers in place between them. Where we create deal teams that straddle these business units or geographical locations, we assess the potential conflicts and take appropriate steps to manage them.

Where our organisational arrangements do not manage a conflict adequately, we operate an escalation policy to ensure that a conflict is properly assessed and managed by, for example, disclosure or declining to act.

Section 4 - Further Information

Conflicts are usually identified and managed through the following sequence of events:

- Business unit requesting a conflict check;
- Investec Securities Control Room carrying out a conflict check;
- Results are passed to business unit (if no conflict identified) or relevant compliance adviser (if conflict exists);
- Compliance advisers of conflicting areas jointly determine conflict management process; and
- Compliance advisers consult the Investec Securities Conflicts Officer where the conflict is of an unusual nature, conflict management process cannot be agreed between compliance advisers or where compliance advisers recommend that a business unit stands down from a potential transaction because of a conflict.

Section 5 - Printable Version

Further information on our conflicts management can be provided by the Investec Securities Compliance department in your region.

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