

# Summary of Nedbank London's Conflicts of Interest Policy

## January 2018

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### 1. Introduction

Nedbank Limited, London Branch ("Nedbank London") conducts its business, internationally or otherwise, professionally, ethically, with integrity and in accordance with the laws and regulations of the countries in which it operates.

As a global financial services provider, Nedbank Limited ("Nedbank") shall take all appropriate steps to maintain and operate effective organisational and administrative arrangements to identify and manage actual and perceived conflicts of interest.

### 2. Identification of Conflicts of Interest

In identifying conflicts of interest that arise, or may arise, Nedbank takes into account whether itself or an employee:

- is likely to make a financial gain, or avoid a financial loss, at the expense of the client;
- has an interest in the outcome of a service provided to the client or of a transaction carried out on behalf of the client, which is distinct from the client's interest in that outcome;
- has 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; and/or
- receives or will receive from a person other than the client an inducement in relation to a service provided to the client, in the form of monies, goods or services, other than the standard commission or fee for that service.

The following is a non-exhaustive list of examples of potential conflicts of interest that may arise in relation to investment services provided by Nedbank.

Conflicts of interest may arise between clients of the firm where Nedbank:

- acts in a corporate financing arrangement for a client whilst also advising another firm targeting that client;
- provides advisory or financing services to a client on a transaction whilst at the same time providing finance to another client where the two clients have separate and/or competing interests;

- executes (or allocates) client orders for one client which may disadvantage another client; or
- acts in an advisory capacity or lending banker to an issuer of securities where those securities are the subject of services provided to other clients.

Conflicts of interest may arise between a client and Nedbank where Nedbank:

- trades in financial instruments with its clients against its proprietary book;
- executes orders in a financial instrument whilst at the same time having information about potential future orders in relation to that financial instrument;
- has information in relation to distressed assets and Nedbank deals proprietary positions in those assets;
- has an employee who trades for his/her personal account in a financial instrument in which a client has an interest; or
- accepts material gifts or entertainment (including non-monetary inducements) that may influence behaviour in a way that conflicts with the interests of the client.

### 3. Prevention and management of Conflicts of Interest

Where a conflict of interest has been identified, the following conflict management tools will be employed, namely:

- implementation of deal specific Chinese Walls;
- other additional information segregation methods following consideration of all of the facts available to relevant management;
- reliance on Policy of Independence;
- escalation to senior management who have responsibility for the strategy of Nedbank and an appreciation of the relationship and reputational risks that may arise;
- remuneration structures which are based on the results of the firm, business unit and individual performance on the employee;
- a Personal Account Dealing Policy which requires employees dealing in financial instruments to obtain prior approval from the Compliance Department;

- an ongoing requirement to disclose outside business interests; and
- a gifts and entertainment procedure which requires sign-off from the Compliance Department and senior management or, where deemed excessive, gifts and entertainment to be declined or donated for charitable purposes.

As a last resort, Nedbank may have to:

- decline to act;
- make a conflicts disclosure to the affected client; or
- seek client consent.

A Control Room (within the Nedbank Corporate and Investment Banking Compliance Department) is situated in our head office in South Africa to provide an advisory service, and in particular provides guidance and support on a range of Conflict of Interest issues across Nedbank Group. The Control Room's main function is to review and clear prospective and new business and deals, the publication of investment research and guard the integrity of Nedbank's Chinese Walls.

The London Compliance Department, which forms part of the wider Nedbank Corporate and Investment Banking Compliance Department, is responsible for training UK employees on the applicable rules in the recast Markets in Financial Instruments Directive (MiFID II), FCA Handbook and internal policies and procedures.

If you have any questions about this policy or our processes and controls, please contact your usual Nedbank contact or relationship manager.

Nedbank aims to maintain and operate effective arrangements in order act in the best interests of our clients, however, if you feel that we have not met these standards then please raise your concern by following Nedbank London's Complaints Management Procedure.