

Personal Account Trading Policy

2012

1. POLICY STATEMENT

Atlantic Asset Management (Proprietary) Limited (“Atlantic”) conducts its affairs in a prudent manner so as to ensure that there is little risk of Atlantic’s reputation being adversely impacted and to ensure that Atlantic and its employees are not prosecuted as a result of contravention relating to statutory, regulatory and supervisory requirements.

Atlantic requires that its employees shall not engage in practices or pursue private interests, which are in conflict with Atlantic’s interests.

An employee should not deal in any securities unless that employee fully understands all the risks associated with such a transaction.

2. REASON AND OBJECTIVES FOR PERSONAL ACCOUNT TRADING POLICY

The purpose of this document is to formally describe the personal account (PA) trading policy and accompanying procedures in order to eliminate any doubt that might exist concerning PA trading within Atlantic.

The PA Trading Policy is adopted by management in order to ensure that:

- ✓ Clients’ and shareholders’ interests are placed above those of Atlantic’s employees.
- ✓ Personal account trading activities are monitored and controlled.
- ✓ Employees maintain high standards of integrity and professionalism in the conduct of their PA trading activities.
- ✓ Employees are protected from the erroneous use of confidential information and unfounded allegations of insider trading and other misconduct.
- ✓ The reputation of Atlantic as an institution, which subscribes to the highest standards of ethics and corporate governance, is maintained and protected at all times.
- ✓ In our PA dealing activities, we do it with integrity, tenacity, collaboration, innovation and accountability.

3. WHO SHOULD KNOW THIS POLICY

This PA Trading Policy will be applicable to all employees of Atlantic and its subsidiaries and forms part of the conditions of employment of each employee.

4. RELATED INFORMATION

This Policy is based on the guidelines from the Financial Services Board.

5. EXCEPTIONS

All employees shall use an approved stockbroking company to execute any PA orders. The stockbroker shall be required to submit copies of all brokers notes issued to the relevant employee to the Compliance Officer and to acknowledge the Atlantic policy regarding sound business practice.

Dealings by the employee

An employee may be permitted to appoint operate a stockbroker account provided that:

- Permission is obtained from the Compliance Officer in writing;
- The employee provides the Compliance Officer with a copy of the mandate as well as any subsequent amendments to the mandate;
- Full disclosure of information of the external broker or portfolio manager is provided to the Compliance Officer;
- A letter of Authority for the Compliance Officer of Atlantic to obtain information from the broker, any licensed exchange or third party regarding the trades on behalf of the employee and a letter of indemnity, indemnifying that broker, licensed exchange or third party against any claim which the employee might have due to the disclosure of information to Atlantic;
- The broker or portfolio manager undertakes to abide by Atlantic's policy regarding sound business practice.

Foreign investments

Employees may be permitted to invest in foreign markets using an offshore broker provided that:

- Permission to do so is obtained from the Compliance Officer in writing;
- Full details of the account and mandate with the foreign broker are disclosed to the Compliance Officer;
- The foreign broker undertakes to provide the Compliance Officer with copies of all brokers notes;
- No South African securities may be purchased by the foreign broker on behalf of the employee;
- The foreign broker undertakes to abide by Atlantic's PA trading policy and Atlantic's policy regarding sound business practice where applicable;
- Full disclosure of information of the offshore broker or portfolio manager is provided to the Compliance Officer;
- A letter of Authority for the Compliance Officer of Atlantic to obtain information from the discretionary manager, any licensed exchange or third party regarding the trades on behalf of the employee and a letter of indemnity, indemnifying that discretionary manager, licensed exchange or third party against any claim which the employee might have due to the disclosure of information to Atlantic.

6. TRADING RESTRICTIONS

No employee of Atlantic, who is employed in a dealing capacity is allowed to trade for his/her personal account in the instruments/securities that he/she is employed to deal in. In this regard a distinction is drawn between “trading” and “investing”. For example, an equities trader may invest in equities, but may not trade in them. The distinction is a fine one, but in principle an “investment” for purposes hereof, would be a position, which you intend to hold for 6 months or longer. (Please note that this definition has no relevance for tax purposes.)

The following transactions are strictly forbidden:

- ✘ Transactions in any security which has been suspended.
- ✘ Transactions in any security embargoed by Atlantic (and its subsidiaries) (i.e. securities placed on the Restricted list).
- ✘ Transactions in a security in respect of which the employee (acting on behalf of Atlantic or any of its subsidiaries) is able to significantly influence the price.
- ✘ Transactions in securities offered in any placing by Atlantic (not including placings in which Atlantic or Sanlam Securities is acting as issuer or underwriter) before the expiry of the placing.
- ✘ Transactions in securities in respect of which the employee has inside information. For purposes hereof “inside information” has the same meaning as defined in the Insider Trading Act, 1998.
- ✘ Transactions for which insufficient funds are or will be available (in consequence of sales previously or contemporaneously affected).
- ✘ Front running. (Front running is a transaction concluded by an employee in anticipation of a large transaction in the same security concluded by Atlantic or any of its subsidiaries on its own behalf or on behalf of a client.)
- ✘ Short sales are only permitted if all the relevant rules, regulations and requirements of the JSE or any other relevant authority are complied with AND the employee has signed a Securities Lending agreement with an authorised institution.
- ✘ An employee involved in any research or viability study commissioned by a client of Atlantic (or any subsidiary), may not until 5 days after the study has been published to the client, or the expiry of such time as specified in the client mandate, trade in the securities of any company affected by the study.
- ✘ An employee with knowledge of a client’s interest in any company may not deal in any security of that company.

An employee may not trade:

- ✘ Speculatively;
- ✘ Beyond his/her financial means;
- ✘ For special settlement.

- ✘ Employees of Atlantic may not process or execute their own trades nor those of colleagues prior to finalising orders of Atlantic and its customers.
- ✘ If an employee receives an offer in a private placing of securities from a stockbroker, bank or other financial institution, such offer must be referred to the Managing Director of Atlantic, who will endeavour to secure the placement for Atlantic. No employee may accept such an offer for his personal account without the prior written consent of the managing director.
- ✘ Any profits on trades done in conflict with this policy will have to be surrendered to Atlantic.
- ✘ Employees will only be allowed to trade in securities on the Watchlist once they have written approval from the Compliance Officer or the person listed on the Watchlist as having authority to allow trades in the security in question.

7. DEFINITIONS

Connected person means:

- A spouse or partner;
- Minor children;
- Any person in a business or profit sharing relationship with the employee, including partners or members in an investment club;
- A trust in which the employee or any person mentioned in (i) or (ii) is a beneficiary and the employee is mainly responsible for making investment or trading decisions;
- A company in which the employee or any person mentioned in (i), (ii), (iii) or (iv) is a shareholder and the employee is mainly responsible for making investment or trading decisions;
- A pension fund (other than a pension fund managed by Atlantic or its subsidiaries) of which the employee or any person mentioned in (i), (ii) and (iii) is a beneficiary;
- Any other accounts where the employee has a direct or indirect benefit; or
- Any school body or other non profit making organisation in which an employee of Atlantic holds a position of considerable power and influence regarding the decisions of such a body to invest or trade in securities or other financial instruments.

Employee means:

- Any person employed by Atlantic;
- Any person dealing on behalf of Atlantic and its subsidiaries or its clients;
- Any person who is privy to confidential or proprietary information which could result in a conflict of interest if such information is used to his/her advantage;
- Any person on secondment or contract, and includes connected persons to the secondee or contractor, but does not include temporary staff who are employed for periods not exceeding 90 days. [Non-executive directors of Atlantic are not employees for the purpose of this policy.]
- Any connected person of an employee, provided that where the connected person makes investment or trading decisions totally independently of the employee, such connected person shall be deemed not to be an employee for purposes hereof.

Securities:

Refers to “financial products” as defined in Section 1(1) of the Financial Advisory and Intermediary Services Act, 2002 (Act No. 37 of 2002).

Speculative trading means:

A series or a pattern of trading activities undertaken by an employee, monitored in terms of frequency, nature of security traded and any other factor, which Atlantic considers to be inappropriate for the employee concerned. The person responsible for the employee whose trading activities are deemed to be speculative shall make the final judgment call on whether a particular series, trend or pattern of trading amounts to speculative trading as contemplated in this definition.

Trading means:

The buying and selling by or on behalf of an employee for his/her personal account or for the account of a connected person of any securities, as defined in 8.3, an application to subscribe for or purchase securities and the giving or taking of money in connection with options, or the giving of any instruction, inducement or information to any other person dealing for the employee’s benefit or for the benefit of a connected person.

Trade means:

The same as “trading”.

Panel of authorised signatories means:

- The managing director of Atlantic
- The compliance officer of Atlantic
- Anyone acting under proxy during the temporary absence of any of the above persons.

8. RESPONSIBILITIES

The responsibility profile is specified below:

Line management

Line management is responsible to ensure that their employees are not distracted spending more time on their own trades than their work. They are further responsible to monitor the employees’ positions and transactions.

Compliance

The Compliance Officer shall:

- Be responsible for the enforcement of Atlantic Personal Account trading rules;
- Keep proper records of all trades (with the exception of those undertaken by a discretionary manager);
- Submit a quarterly report of all personal account transactions to the Exco meeting;
- Report regularly to the Risk Management Committee;

- Provide the Board of Directors with quarterly reports on trends in PA trading activities.
- Be entitled, from time to time, to request information from any licensed exchange, external broker or other third party regarding the trades of Atlantic employees or officers.
- Acting in consultation with the Exco member responsible for any relevant employee have the power to close out trades entered into in contravention of these rules.

In the event that any third party suffers any loss or damage as a result of illegal trades carried out by an employee of Atlantic in contravention of these rules, Atlantic reserves the right to recover from the employee all losses and damages for which it is held to be liable to the third party claimant.

Any breach of these rules will be met with appropriate disciplinary action that might lead to a fine, warning or even dismissal of an employee whose conduct is found to be in breach of this policy.

General responsibility

Employees shall exercise due care in determining whether any intended transaction is in conflict with the interests of any client of Atlantic or with the interests of Atlantic or with these rules, and shall avoid any such conflict.

9. PROCEDURE

The following procedure shall be followed by all employees in order to conclude a PA transaction (unless the exceptions provided for in par 5 above applies):

9.1 An employee shall obtain written approval from his/her manager or from one of the persons on the panel of authorised signatories within 48 hours of entering into any transaction. The written approval must contain the following information:

- Expiry or review date;
- The type of security;
- The number of securities;
- The nature of the transaction (e.g. purchase or sale);
- Identity of the counter party for unlisted securities;
- Price range;
- Whether the employee intends to hold the security as an investment or intends to trade.

9.2 All employees (except those to whom the exceptions in par 5 apply) shall be required to furnish Atlantic with the following documents:

- Any identification documentation for the purposes of the Financial Intelligence Centre Act no 38 of 2001;

- A signed mandate with an undertaking to comply with all legal requirements, market practice and these rules. The mandate will also include a clause to the effect that the employee acknowledges that he/she is familiar with the provisions of the Insider Trading Act (Act 135 of 1998) and any other relevant legislation;
- A Letter of Authority, for Atlantic to obtain information from any licensed exchange, external broker or other third party regarding the trades of the employee and indemnifying the exchange, external broker or third party against any claim that the employee might have arising out of disclosure of information by the exchange, external broker or third party to Atlantic.
- A Letter of Authority and Indemnity from the employee in favour of Atlantic, authorising the Compliance Officer to close out any positions taken by the employee contrary to these rules (see 8.2.7).

9.3 Before executing any transaction the employee shall provide the following to Atlantic:

- A written request from the employee for the execution of the transaction (a request by e-mail will suffice);
- Within 48 hours of such request, an approval to trade signed by his/her Manager or by a member of the panel of signatories given in terms of 7.7. Atlantic will provide you with a computer generated approval form for this purpose.

9.4 Any approval granted under par 9.1 shall lapse after 3 business days from date of issue, if the written permission is not handed to Atlantic within that time limit.

9.5 The normal settlement procedures of the relevant exchanges shall be applicable. The employee will be liable for all fines due to late delivery of securities or cash.

9.6 Trades on behalf of external clients of Atlantic and proprietary trades of Atlantic shall be executed prior to the execution of any personal account trades.

9.7 Signed copies of all applications and authorisations shall be forwarded to the Compliance Officer of Atlantic for record keeping.

10. HOLDING PERIODS

The Guidelines for Personal Account Trading issued by the Registrar of Banks, discourage employees from taking speculative positions in securities. Atlantic supports these guidelines in principle. Employees are therefore encouraged to hold relevant securities for the following minimum periods:

10.1 Equities - minimum period of 30 days

10.2 Futures - minimum period of 10 days

10.3 Gilts - minimum period of 30 days

10.4 Derivatives (other than futures) and warrants - minimum period of 30 days.

A record of your monthly PA transactions will be forwarded to your line manager who shall review your transactions. If the line manager is of the view that your transactions are speculative or that you are over exposing yourself to risk or you are too active in the market he/she may instruct the Compliance Officer to take appropriate action to rectify the situation.

THUS NOTED and SIGNED at _____ on this the _____ day of _____, in the presence of the undersigned witnesses:

AS WITNESSES:

1. _____

2. _____

Employee