



INVESTEC PROPERTY LIMITED

Conflicts of Interest Policy

To apply from the date of listing of Investec Australia Property Fund on ASX

1 About this Policy

1.1 Policy statement

This Policy provides an overview of the framework adopted by IPL for managing conflicts of interest where it is acting as RE of IAPF.

IAPF is a registered managed investment scheme which has its primary listing on the JSE and dual primary listing on the ASX. IPL has adopted this Policy to more fully address conflicts management in the context of IAPF's additional listing on ASX.

This Policy sets out key regulatory considerations under Australian law as well as guidance on IPL's processes. In particular, it addresses the requirements of ASIC's Regulatory Guide 181, Licensing: Managing Conflicts of Interest.

It draws together IPL's policies for the different aspects of conflicts management, and should be read together with its two annexures, being the current IPL related party policy and the more general conflicts of interest policy adopted by Investec which focuses on Investec's broader operations in Australia and applies all staff engaged by Investec. This Policy prevails to the extent of any inconsistency with those other group policies, in so far as they apply to IAPF.

This Policy incorporates requirements imposed by applicable law. Failure to observe them is not only a breach of Investec policy that may lead to disciplinary action up to and including dismissal, but may also constitute a breach of law that could give rise to criminal, civil or administrative sanction by applicable authorities.

1.2 Defined terms

Act	Corporations Act 2001
AFS licence	Australian financial services licence
ASIC	Australian Securities & Investments Commission
ASX	ASX Limited or Australian Securities Exchange, as the context requires
Compliance	Compliance function of Investec
Director	Director of IPL
IAPF	Investec Australia Property Fund
IPL	Investec Property Limited
Investec	Investec group of companies including Investec Bank plc in relation to Australian operations where applicable, Investec Holdings Australia Limited and its subsidiaries and Investec Property Holdings Australia Pty Limited and its subsidiaries
Investec staff	Employees, directors, contractors and consultants who are engaged by Investec and who have access to its systems and premises (regardless of whether they utilise that access)
JSE	JSE Limited or Johannesburg Stock Exchange, as the context requires
RE	Responsible entity
Sponsor	Investec Bank Limited

1.3 Application of this Policy

This Policy applies to all Investec staff who are involved in the operation, management and administration of IAPF. It is made available and communicated to all relevant Investec staff through the IAPF website at www.iapf.com.au.

1.4 Ownership and review

This Policy is owned by Compliance and will be reviewed annually.

2 Key Regulatory Considerations

As the holder of an AFS licence, IPL must comply with section 912A(1)(aa) of the Act, which requires it to have in place adequate arrangements for the management of conflicts of interest which may arise in the provision of financial services as part of its business.

ASIC Regulatory Guide 181 (Licensing: managing conflicts of interest) defines conflicts of interest as:

“Circumstances where some or all of the interests of people (clients) to whom a licensee (or its representatives) provides financial services are inconsistent with, or diverge from, some or all of the interests of the licensee or its representatives. This includes actual, apparent and potential conflicts of interest”.

RG 181 states that conflicts must be managed through a combination of internal controls and disclosures. If some conflicts cannot be adequately managed in this way, IPL must avoid the conflict or refrain from providing the affected financial service.

The steps to manage conflicts are:

- identify the conflict;
- record the conflict in the conflicts register;
- evaluate the conflict; and
- take appropriate steps to manage or, if necessary, avoid the conflict.

In addition to conflicts of different interests, there may also be conflicts of duty and interest. For example, circumstances may also arise in the operation of IAPF where IPL’s own interests are in conflict with the interests of IAPF unitholders. In this case, section 601FC(1)(c) of the Act requires IPL to prefer the interests of IAPF unitholders to the interests of IPL’s shareholders.

There is also a requirement under ASIC Class Order [CO 13/1409] for IPL as RE of IAPF, and each party to which IPL delegates the holding of scheme property of IAPF, to manage certain conflicts that may arise between the interests of investment decision-makers and the role of those responsible for custody of assets.

3 Identifying and Evaluating a Conflict of Interest

The types of conflicts that may arise include:

- related party transactions – in which case IPL and relevant personnel must comply with IPL’s related party policy, noting that investment management of IAPF is conducted by a special purpose company (Investec Property Management Pty Limited) under a unitholder approved agreement, and that only a majority of the non-Investec associated, non-executive independent Directors approve the provision of property management services in respect of new properties;
- conflicts which may arise as a result of the substantial ownership of units in IAPF by Investec companies, including the Sponsor and Investec Property Fund Limited, a South African REIT, or as a result of advisory or sponsor functions of Investec companies in relation to IAPF. A conflict may arise from these structures if, for example, one or more of a unitholder, advisor or sponsor had a different view of the strategy for IAPF than what other unitholder think appropriate;
- allocation of a property investment opportunity between IAPF and clients of Investec or other funds which Investec may in future operate or manage;
- a prospective tenant has two similar properties to choose from, both owned or managed by IPL;

- assets are transferred between IAPF and clients or funds managed by IPL;
- a Director has an Investec directorship other than with IPL or is otherwise wearing different “hats”;
- the sharing of information which may be price sensitive – in which case IPL and relevant personnel must comply with the Investec conflicts of interest policy;
- operational errors, where loss is caused to IAPF investors and remediation is required; and
- investment by IAPF in an asset in which Investec or a Director has an interest.

No written rules can anticipate every possible conflict situation. Investec staff must employ common sense and good judgment in responding to situations and in recognising when to seek assistance.

Conflicts may be identified by:

- declarations of interest from Directors, officers, employees or consultants;
- staff bringing the conflict to the attention of management;
- in the course of analysis of transactions in an approval process;
- in the course of ongoing management of property and investment portfolios; or
- through a due diligence process.

Once a conflict has been identified, it must be evaluated to determine the way in which it is to be managed, or if it must be avoided (see section 5 for more details).

4 Maintaining the Conflicts Register

All categories of conflicts identified in accordance with this Policy, including potential conflicts, are to be recorded by Compliance in the IPL Conflicts of Interest Register with a corresponding conflicts record in the Voyeur portal.

The IPL conflicts register will be updated whenever a new conflict of interest is identified. Compliance will review the relevant sections of the IPL conflicts register quarterly, as required by IAPF’s compliance plan.

5 Managing Conflicts of Interest

There are three basic mechanisms to manage a conflict, namely controlling, avoiding and disclosing. The appropriate mechanism to manage a conflict will depend on the circumstances and nature of any given conflict. Disclosure should be used as a last resort.

Compliance will determine whether it will be sufficient to disclose the conflict and seek consent, whether it should be managed by implementing separate teams, information barriers and other mechanisms such as confidentiality protocols, or if it is so serious that it must be avoided by refraining from or deferring the transaction.

It is the responsibility of all Investec staff involved in the operation, management and administration of IAPF to ensure that any identified conflicts are appropriately managed. In particular, the fund manager of IAPF is responsible for ensuring the appropriate management of day to day conflicts in connection with IAPF.

All employees working on a transaction must consider any conflicts that may arise as a result of IPL’s role in the transaction or as a result of their personal involvement on the transaction. In considering this, employees should consider not just broader Investec relationships but also matters relating to them as individuals such as personal relationships, financial interests or other outside interests.

In relation to conflicts that may arise between the interests of investment decision-makers for IAPF and the role of those responsible for custody of assets (including assets held by trustees of sub trusts of IAPF) IPL has in place:

- written agreements with those trustees setting minimum standards for holding of scheme property of IAPF; and
- separation of roles and reporting lines to ensure that staff responsible for custodial functions (including the company secretary of IPL) are not inappropriately influenced in the performance of those functions, including the verification of title to assets, by personnel with an investment decision-making role,

and in that regard this policy applies, as relevant, to each trustee of the sub trusts of IAPF.

Where a conflict is identified that cannot be avoided or managed through existing conflict management arrangements, the conflict must be escalated in accordance with section 6 of this Policy.

6 Escalation of Conflict Issues

Where Investec staff identify a matter, business proposition or process which gives or may give rise to a conflict of interest that may not be currently managed by the established conflicts management framework, this should be escalated to Compliance. Such conflicts may be related to general business or to a specific deal or transaction. Compliance will determine whether a matter requires escalation to the chief risk officer of Investec.