



CIB Transactional Conflicts Management Procedure

Supporting Document to the Private Side Compliance Standard
INTERNAL ONLY

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CIB Transactional Conflicts Management Procedure

1. Introduction

As a multi-service financial institution, the Corporate and Investment Bank (CIB) will encounter potential and actual conflicts of interest across CIB in the course of engaging with existing and potential clients. Accordingly, and in line with regulatory requirements, CIB has procedures in place to identify conflicts of interest and to minimize, manage or prevent such conflicts of interest.

Failure to fulfil the CIB's obligations to identify and manage conflicts may result in damage to CIB's reputation and client relationships, loss of revenue, litigation, regulatory censures and other adverse effects to CIB and its employees.

A conflict of interest is where Absa Group or business units within Absa Group, or any of its employees or contingent workers, have business or personal interest which compete with interests of any one (or more) of a client, Absa Group or a business unit within Absa Group.

In accordance with regulatory obligations, it is CIB's policy that we will manage conflicts fairly and that we will implement policies, standards and procedures to identify and manage any conflicts or potential conflicts. This includes putting in place controls to manage the flow of Non-Public information and/or Material Non Public Information (MNPI) or Inside information. The proper handling and use of Non-Public-Information and/or MNPI is fundamental to meeting our regulatory obligations, which includes maintaining market integrity and avoiding all forms of market abuse. In this way we seek to avoid the risk of material damage to the interests of our clients.

This document outlines certain procedures to be followed by businesses on the "private side" of CIB, as defined in, and in accordance with, the Information Barrier Standard which addresses CIB's information barriers."

You must read this Procedure in conjunction with the Conflicts of Interest Policy, Information Barrier Standard and Private Side Compliance Standard. In particular, as sharing of confidential information can easily give rise to conflicts of interest, employees must adhere to the "Need to Know" principle as set out in the Information Barrier Standard.

Conflicts of interest are mostly identified via the conflict clearance process. This process is coordinated by the Compliance Control Room team ("the Control Room") in Johannesburg, which is part of CIB's Compliance department. All private side transactional activity is subject to conflict clearance, unless otherwise advised by the Control Room.

The Control Room reviews potential transactions in the context of other private side activity, CIB's lending exposure, certain public side activities (such as debt and equity trading), and employee affiliations. The review considers information in CIB's systems at the time of the conflict check request.

Where a conflict review identifies public side activity (as defined in the Information Barrier Standard) that potentially affects private side activity, the matter will be escalated to senior management on the public side and the private side of CIB for resolution.

2. Impacted Businesses

The below business lines are in scope of these procedures.

- M&A: all advisory assignments;

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- Restructuring advisory roles & special committees;
 - ECM: IPOs, equity issuances (including rights issues, convertibles, exchangeable and follow-on offerings), block trades, corporate broking roles, equity sponsor roles and strategic equity derivatives;
 - DCM: all roles in investment grade and non-investment grade bond offerings, inaugural medium-term note and commercial paper programmes, liability management, securitisations, ratings advisory, enterprise risk management and debt sponsor roles;
 - New lending relationships, new lending lines with existing clients;
 - Structured Trade and Commodity Finance (STCF): new lending relationships, new lending lines with existing clients;
 - Client Solution Group: deal contingent activity (unless associated with a previously conflict cleared advisory assignment);
 - CPF: All activity subject to the standing exceptions below;
 - Cross Product: All acquisition-related financing.
 - Situations where the CIB may seek to provide services or financing to a client engaged in a competitive process or bid situation;
 - All situations where Absa Business Support has been asked to join a steering committee or co-ordinator committee of the lender group
 - Corporate Development: All Corporate Development deals including investments and divestments. Corporate Development deals are not subject to the Business Selection process

This list is not exhaustive and for all transactions you must consider whether there may be a potential or actual conflict of interest. If you have any questions, please contact the Compliance department immediately.

In addition,

If you become aware of a transactional conflict of interest you must seek advice from the Control Room team. The following are non-exhaustive examples of potential conflicts which must be notified to the Control Room team Via the email group: "CIB Africa Compliance Control Room - xraCIBAfricaComplian@absa.africa" before committing CIB to the transaction:

- Any instance where you are in possession of confidential information on a client whose business or assets are subject to an acquisition and where you are also contemplating providing financing to a potential acquirer of the same business or assets;
- Any instance where you are contemplating providing financing to more than one potential client with respect to the same target business or assets, except for financing view being provided on a 'house view' basis only; and
- Any instance where you may have a personal conflict of interest due to an existing investment or outside affiliation with a company that is party to a transaction you are working on.

Control Room works with the CIB's's senior management and relevant deal team members to review existing or potential conflicts in the situations noted above in order to avoid, where possible, or manage such conflicts appropriately through measures such as deal team separation, disclosure and/or client consent.

Standing exception include:

- New lending (new clients) or lending to existing clients in the TxB space is out of scope. This does not apply to MNPI.
- Client Solutions Group: non-strategic flow business;
- CPF: Vanilla lending transactions with existing private companies (no listed securities) unless there has been a change in beneficial ownership and unless the activity falls within the impacted business activities as set out above;

3. Business Selection

As outlined in the Absa Transactional Conflicts of Interest and Business Selection Requirements procedures, certain transactions will require Business Selection approval. Details of such potential transactions are sent to senior management to identify issues that may not be captured during the review performed by the Control Room.

The Business Selection process is initiated by the Control Room concurrently with the conflict clearance process. The Control Room manages the business approvals and, in the event of a conflict, will liaise with Accountable Bankers and with other areas of CIB to agree decisions. The Business Selection committee also coordinates with the Control Room to resolve or implement measures to manage conflicts where possible.

Conflict clearance and Business Selection approval, including any conditions thereto, will be communicated to the requesting parties by the Control Room. It is the responsibility of the deal team and, particularly, the accountable banker to act in accordance with any conditions contained in the clearance, including requirements to revert for further approvals where a preliminary clearance has been granted.

Preliminary clearance may be granted, with or without approval to sign a confidentiality agreement and/or take confidential information, where Business Selection is not completed. Only after receiving full commitment clearance may a team accept a mandate, either verbally or in writing.

All acquisition financing requests, are subject to the "Business Selection" process. This process is run in parallel to the conflicts clearance process to ensure balanced business decisions are reached, taking into account related opportunities, which stakeholders elsewhere in CIB may be considering or actually pursuing. Business Selection considerations include client relationship risk associated with supporting various parties in an anticipated competitive situation, reputation risk associated with hostile bids, and whether the role may impede Absa's involvement in supporting other client activity within CIB. This process also serves as an additional check to ascertain whether certain relevant senior management in CIB are aware of any conflict issues not recorded in the Control Room application (CoRA).

4. Timing of Conflict Clearance

You must request conflict clearance for any of the transaction types **covered by** these procedures at the earliest opportunity and:

- before signing a non-disclosure agreement or confidentiality agreement;
- Upon receiving confidential information, particularly pursuant to a reverse enquiry from a client, which could conflict the employee receiving such information or CIB generally from taking another assignment. In such cases, all efforts should be made to strictly limit the amount and type of confidential information received from a client to that which is necessary for conflict check purposes
- before any commitment to support a client is made, whether verbal or in writing (including support letters for acquisition financing purposes); and
- when there is a material change to the transaction that has been subject to an earlier conflict check – for examples, where an additional deal principal(s) is added to the transaction or where clearance has previously been given in respect of a 'house view' and the deal is not progressing to 'deal trees'.

Individuals must receive confirmation of conflict clearance from the Control Room team before proceeding with any actions such as progressing the proposed transaction or receiving or sharing material, non-public information.

Any request from a client for **financing exclusivity** must be expressly communicated to the Control Room team at the time of conflict check submission. CIB will seek to maintain non-exclusive financing where possible, particularly in the context of auction processes. When financing exclusivity is requested, explicit approval is required from the Control Room team, who will co-ordinate the required sign-offs with Business Selection, before any commitment is made to the client in this regard. When requesting conflict clearance, or if you subsequently become aware of any **exclusivity** provisions imposed in a non-disclosure agreement or confidentiality arrangement in a competitive auction process by the Target Company and/or seller, these need to be notified to the Control Room team.

In addition to the minimum requirements, you are encouraged to initiate a conflict check in any instance where you think it would be helpful to run such a check, such as when it could impact how or whether a prospective client should be approached. That said, unless there is a known conflict, general, unsolicited marketing activity, based on public information, does not require a conflict check.

M&A related pitches, including all acquisition financing, should be conflict cleared prior to pitching for a mandate; this includes reverse enquiries from clients in connection with a specific target and/or invitations to attend a beauty parade. Conflict clearance should also be sought and received prior to responding to a Request For Proposal. Upon receipt of a reverse enquiry, which may constitute MNPI, please discuss with the Control Room team prior to disseminating the information either within the coverage team or the product group. Receipt of MNPI may impact CIB's ability to execute markets-related transactions, such as block trades and strategic equity derivative transactions, particularly if information flow is not tightly controlled. It should be noted that wall-crossing requests will not typically be approved until a conflict check request has been submitted and clearance has been granted.

5. How to submit a Conflict Check

The requirement to obtain conflict clearance applies irrespective of whether the entities involved in the transaction are public or privately held, and whether the transaction has been announced.

CIB's conflicts management processes are coordinated by the Control Room team. Where possible, and unless otherwise agreed with Control Room management, all conflict check requests must be submitted for clearance through CoRA. The link to submit a conflict check through CoRA can be found here:

<https://compliancecontrolroom.absa.africa>

Clients should be advised that the timeframe required to complete a conflict check is 24-48 hours. This is a guideline only and clearance may take longer, particularly if a potential conflict is identified. If an accelerated response is required, contact the Control Room and, where appropriate, a member of the Business Selection team with the rationale for the acceleration, copying the accountable banker on the deal team to confirm his/her support.

6. Information Required in the Conflict Check

The following information must be submitted as part of any conflict check:

- Full legal names of all deal principals, including parent companies, major shareholders (>15% equity interest) and any subsidiaries or related parties to which the transaction could be considered material;
- Transaction type, product(s) and CIB's role(s);
- Names of all deal team members, including appropriate product, industry, legal, credit and regional coverage personnel;
- Expected timing of the transaction;
- Deal size and estimated fees;
- Whether the transaction is friendly or potentially hostile (if applicable); and
- Use of proceeds (if applicable).

The Control Room may require additional details for its review. Prompt submission of complete and accurate information will minimize delays to the clearance process. It should be noted that the 24-48 hour timeframe for a conflict check response does not begin until all required information has been supplied to the Control Room.

7. Confidentiality Obligations

All confidentiality agreements and engagement letters must be reviewed by the Legal department. Specific approval from the Control Room, in conjunction with Business Selection where appropriate, is also required if the agreement contains any provisions that may have broader implications for CIB, including:

- Exclusivity provisions, whether in relation to the deal team, the business unit and/or the Group. Any exclusivity agreement will be escalated to senior management for approval; and
- Standstill or non-compete provisions of any kind that limit the Group's ability to trade, acquire, or assist others in their acquisition of a counterparty's securities

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- Deal teams must comply with confidentiality obligations under CIB's Information Barrier Standard. In addition, if CIB has signed a confidentiality agreement, or another agreement with a client which imposes particular obligations in connection with the handling of confidential information, it is the responsibility of the Accountable Banker to ensure that the deal team is aware of and complies with those obligations.
 - To further protect client confidentiality, an appropriate project name must be assigned to the transaction. Project names are designed to protect the confidentiality and identity of the client, transaction and other transaction parties and therefore should not be obvious or easy to decipher - e.g., project names should not be selected on the basis that the name begins with the same letter, or be readily associated with the client name or business.
 - Access to deal folders and documents is restricted to those individuals staffed on the corresponding project in CoRA as an existing deal team member. If an individual is not part of the deal team as specified in the CoRA, then deal folder access must not be granted.

8. Conflicts at the Individual Level: Managing Information Flow

- Executing a confidentiality agreement and/or receiving client confidential information may create conflicts of interest for the deal team, persons in receipt of the information and CIB until: (i) the expiration of any confidentiality agreement; (ii) a formal release is received from the client; or (iii) the information becomes stale or broadly disseminated in the public domain.
- As individuals as well as companies can be the subject of conflicts of interest, care should be taken when adding bankers to a deal team or making them aware of a potential transaction, as they may already have a personal conflict (such as an outside business interest in one of the parties to the deal) or be part of an existing deal team for a conflicting opportunity. A transaction-specific Information Barrier (i.e., an information barrier around a specific team for the lifetime of a deal) may be used to manage a conflict of interest. Information Barriers within Banking are typically operated with the knowledge and consent of the transaction parties involved. If a transaction-specific Chinese Wall memo has been issued to a deal team, that deal team and, particularly, the accountable banker is required to pre-clear any changes to its staffing with Compliance prior to involving additional team members and/or updating Salesforce.
- For the avoidance of doubt, if an individual is aware that he/she is in possession of non-public information from a company involved in a deal (in any other capacity than that of client), that individual is obliged to raise this with the Control Room prior to engaging with or joining the deal team. This is particularly important if the entity in question is an acquisition target and CIB is seeking a **role on the buy-side**.

9. Transactions Requiring and Information Barrier

Transactions may require transaction-specific Information Barriers to be put in place for the purpose of managing potential conflicts between deal teams and to prevent the inappropriate sharing of information. The Control Room team will determine if a transaction-specific Information Barrier is required for transactions. As set out above, all deal team members additions need to be notified to the Control Room.

Any additions or deletions of deal team members to a transaction that is subject to an Information Barriers require pre-approval from Control Room

10. Multiple Roles in a Single Transaction

A. Sellside Advisory & Buyside Financing

When CIB has a role advising a client on a disposal, that client's consent and specific approvals from CIB senior management and Compliance are required if CIB also wishes to provide buy-side financing for the transaction. This

extends to staple financing and selected bidder financing, as well as deal contingent swaps/risk management activity on behalf of a buyer. In any such scenario, guidance should be sought from the Control Room, which will escalate accordingly.

B. Multiple Buyside Roles

In a competitive buy-side process where CIB has no sell-side role, unless exclusivity has been granted, CIB operates on the basis that it is free to finance multiple bidders subject to deal team separation. It is the obligation of CIB to ensure that clients impacted by this position are aware of and accept these principles.

When CIB intends to work with a number of competing bidders in the context of a potential acquisition, a financing "houseview" may be established and may be followed by "deal trees" later in the process. During the early stages of a potential acquisition, CIB may produce a financing houseview that is based upon information in the public domain or available to prospective purchasers (e.g., an Information Memorandum). CIB may share this houseview with multiple clients.

The need for, and timing of, the creation of deal trees is determined on a case-by-case basis but typically takes place post first round bids. Deal trees must be established before receiving any material proprietary information (e.g., intended bid levels) from a client. IBD senior management determines how many deal trees will be established. Each deal tree will require its own project and conflict check to be submitted via CoRA. Control Room will work with IBD senior management to ensure that each deal tree is staffed appropriately and will erect transaction-specific Information Barriers. Senior personnel who oversee deal trees will be treated as "above-the-wall" for strategy and monitoring purposes. If such individuals have direct interaction with clients, their above-the-wall status must be disclosed. All clients involved in the transaction should be advised that CIB may be seeking a role in the transaction with one or more competing bidders.

11. Deal updates and further conflicts clearance requirements

It is the responsibility of the deal team and, particularly, the accountable banker to inform the Control Room of all material developments to a transaction's progress, including the status, timing and staffing. The requirement applies irrespective of whether the entities involved in the transaction are public or privately held.

Certain material transaction developments may require further Conflicts Management and Business Selection review, potentially including the submission of a separate conflict check request. It is the responsibility of the deal team and, particularly, the accountable banker to advise the Control Room of such developments, which include but are not limited to:

- change to or addition of deal principal(s), for example:
- addition of consortium bidders; or
- addition of an SPV to be used to make an acquisition; or
- change to or addition of product(s), for example:
- Equity capital raising to fund an acquisition when debt finance was previously cleared; or
- Addition of a staple financing (each deal tree will also require a separate conflict check); or
- change to or additional role for CIB; or
- any request for exclusivity; or
- cases where a transaction was approved as "friendly," but subsequently changes such that it may become "hostile".

Conflict clearance for a specific transaction does not guarantee clearance on any other transactions for the same client, whether related or unrelated. If in doubt, contact the Control Room.

12. Deal Specific Insider list requirements

CIB maintains and manages deal teams and insider lists in order to manage the flow of Non-Public Information ('confidential information') and/or MNPI, manage actual or potential conflicts of interest, and to prevent misuse of information. The proper handling and use of Non-Public Information and/or MNPI is fundamental to meeting regulatory obligations. Certain laws and regulations require Absa to maintain an Insider List in relation to a particular piece of Inside Information and update it promptly and on an ongoing basis. Absa maintains a deal specific Insider List in relation to a particular deal or project where Inside Information is held, drawn up on a deal-by-deal, or event-by-event basis (as opposed to a client-by-client basis).

An Insider List must include at least the following information:

- The project name;
- The identity of any person having access to Inside Information, i.e. employee number;
- The reason for including that person in the Insider List;
- The date and time at which that person obtained access to Inside Information;
- The date on which the Insider List was drawn up; and
- The date the deal closed.

The deal specific insider list is made up of the following types of insiders:

- Core insiders - Employees who have had direct access to Inside Information, on a regular or intermittent basis, regarding the specific deal or event for the purpose of actively working on the specific deal or event, including the Deal Team and wall-crossed individuals.
- Super Insiders – Insiders who are not directly working on the specific deal or relevant event but have visibility or an overview of the processes and the nature of the Inside Information concerned, including senior management, Legal and certain business committees.
- Peripheral Insiders – Support staff who may have the ability to access Inside Information on an intermittent or partial basis by virtue of their role, including the Control Room.
- Third party insiders – An external party including, but not limited to, clients, prospective clients and co-advisors to whom Absa has provided Inside Information in relation to a specific deal or event.

Regulatory Requests

The Control Room (and/or, in certain jurisdictions, the relevant Regulatory Relations or Compliance, in consultation with the relevant Accountable Banker, is responsible for coordinating a response to a regulatory request and obtaining the requisite personal information recorded with the People Function. Employees must promptly notify the Control Room upon receipt of a regulatory request for an Insider List and/or Chronology of Events and must not respond to any regulatory enquiry directly.

Absa will generally only supply an Insider List directly to a regulator in response to a specific regulatory request addressed to Absa

Absa is required to provide the Insider List to a regulator as soon as possible upon request and this may be required within 48 hours. Absa will often be subject to legal or regulatory requirements to provide personal information in relation to individuals on the Insider List. In such cases, personal data will be shared in accordance with applicable data privacy laws.

A regulatory request for an Insider List will often be accompanied by a request for a Chronology of Events.

In relation to a specific deal or event where Inside Information is held, the Accountable Banker is responsible for ensuring a record of key discussions where an employee was involved is maintained, including dates and times, names of attendees and the nature of discussions. The Chronology of Events should be provided to the Control Room upon request. The Accountable Banker must review and confirm the accuracy of the Chronology of Events on record.

Third Party Requests

A third party or client may request Absa to maintain and supply an Insider List in relation to Absa's interaction with them, for example, as part of the engagement letter in advance of receiving any Inside Information. All requests made in terms of a contractual document to provide a third party with an Insider List must be referred to the Legal and specific requests to provide an Insider List and/or Chronology of Events must be referred to Control Room. Absa will generally only supply an Insider List directly to a regulator in response to a specific regulatory request addressed to Absa. Employees must not respond to any requests to provide an Insider List and/or Chronology of Events directly without consulting Legal or the Compliance Control Room, as applicable.

13. Approval of Wall Crossing Requests

The Accountable Banker must confirm with the Control Room whether a wall crossing request is necessary, the appropriate timing of such request, and that required procedures are followed before any public side individual is wall crossed. The Accountable Banker should approve any request to involve a public-side individual before any member of the deal team approaches the Control Room to initiate the request and obtain its approval. The Accountable Banker cannot delegate responsibility for approving a wall-crossing request.

The Accountable Banker must be mindful that wall crossings should only be considered as a last resort.

Wall crossing places restrictions on the public-side individual that may impact his/her ability to undertake his/her day-to-day functions.

The expectation is that wall crossings will be short-term, should impact as few public side individuals as possible, and as close as possible to announcement of the transaction or publication of the information. The Control Room will assess whether a wall crossing request is appropriate and, if so, will contact the Wall Crossing Business Approver and business Compliance Approver for his/her approval. Wall crossing requests may take time to consider depending on the type of request and the location of the persons and approvers concerned.

The following points must also be considered:

- *Conflicts Clearance:* In general, wall crossings are not approved where a CIB transaction is pending conflicts clearance.
- *Absa Clusters:* Information barriers exist between CIB and other Absa clusters. The Accountable Banker must ensure that the Control Room is contacted prior to any communication of material, non-public information to an individual in another Absa cluster.
- *Crossing Back:* The Accountable Banker should also notify the Control Room as soon as the wall-crossed individual can be crossed back.

14. Restricted List Requirements

The Restricted List is designed to restrict certain activities to manage reputational risk primarily arising from actual, apparent or perceived conflicts of interest, and comply with restrictions of a legal or regulatory nature. The Restricted List comprises a list of issuers and their associated financial instruments which are subject to restrictions including the prohibition of certain activities, such as trading, research and written commentary. Restrictions may be imposed for a variety of reasons but will generally be applied in circumstances where Absa is mandated, or has a reasonable prospect of mandate on a specific transaction, and the transaction has been publicly announced or has become a matter of public record.

Requirements in relation to compliance with restrictions set out in the Restricted List are designed to help employees understand their roles and responsibilities and to ensure that conflicts of interests are identified, appropriately managed or mitigated. This section should be read together with related Compliance standards and procedures, or supplementary Compliance guidance, which may take into consideration any variations that apply due to local laws and regulations or organisational structures.

Reporting Material Events in relation to Restricted List Transactions

Restricted List Transactions are transactions which may result in an addition or deletion to the Restricted List, and include situations where CIB being mandated as:

- Underwriter, purchaser or agent, or syndicate member in relation to a securities offering;

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- An advisor (including providing a fairness opinion) in relation to a merger or acquisition;
 - An Equity Sponsor to a transaction; and
 - A connected advisor in a Takeover Panel transaction.

where the transaction has been publicly announced or has become a matter of public record.

It is the responsibility of the deal team and, particularly, the accountable banker to report Material Events in relation to Restricted List Transactions to the Control Room, which include but are not limited to:

- Receipt of a verbal or formal mandate;
- Pitching on a publicly announced transaction;
- Advance notice of any public announcement of a Restricted List Transaction (or as soon as possible upon the Accountable Banker becoming aware);
- A change in Absa's role (e.g. from Financing to Advisory);
- The transaction has moved from friendly to hostile or competitive;
- Additional counterparties are involved in the transaction;
- A change in the deal timetable, such as pricing or stabilisation periods;
- A change in the status of the transaction such as whether the deal has been delayed, withdrawn or terminated;
- Expected closing;
- Completion of the transaction and
- A directive made by the Takeover Panel

Communications of Restrictions

CoRA: The Restricted List is accessible on the Control Room system landing page – CoRA and will be considered as the definitive list of Restrictions. No other iterations of the restricted list should be relied upon.

Alerts: The Control Room will communicate additions, deletions and amendments to the Restricted List via the Restricted List alert emails. The business areas must evaluate whether Restricted List alert emails for their Business is an appropriate control. Where it has been determined that it is an appropriate control, then the Chief Controls Office and Chief Operations Office of the relevant business areas must ensure all employees that may be impacted by the Restricted List are included on the relevant distributions lists for Restricted List alerts.

Communications regarding Restrictions are internal only and the Restricted List must not be sent externally without written pre-approval from the Control Room.

Identifying applicable restrictions

Employees must ensure that they understand the restrictions applicable to their Business Areas and the activity they are seeking to conduct.

The restricted list will as a general rule apply to the following areas:

- Research (FICC and Equity)
- ~~Sales and Trading (Fixed Income, Debt, Credit, ETF, Bonds and Equities – cash and derivative)~~ Sales and Trading (Fixed Income, structured trading, passive product and Equities).

Employees must not undertake any Restricted Activities in respect of Issuers or Financial Instruments which are subject to restrictions unless the Restricted List expressly permits the activity or the exemption has been granted by the Control Room.

Restricted List Controls

Business areas must have appropriate controls in place (including controls in relation to systems, together with the necessary desk procedures, as applicable) to ensure that Material Events in relation to Restricted List Transactions are reported to the Control Room and the Restricted List is adhered to. Employees are responsible for understanding and adhering to the Restricted List and their obligations under Private Side Compliance Standard. Business areas must consult the relevant Chief Controls Office team for further guidance on appropriate controls.

- **Preventative Control:** Employees must perform a check of the Restricted List prior to conducting Restricted Activities to ensure adherence to the Restricted List. Any instances where the Restricted List guidance was not complied with must be escalated to the Control Room.
- **Detective Control:** Electronic Communication Surveillance is conducted on certain Restricted Activities against the Restricted List. Any issues identified are escalated to the Control Room for review and investigation.

Restriction Categories and Supplementary Matrices

Restrictions vary depending on the activity type, the business performing the activity and the asset class. Several categorisations are used to identify different classes of Restrictions and the reasons for restricting an Issuer.

Generally trading, research and written commentary activity on a Restricted Issuer is prohibited unless permitted by the Restricted List or subject to Compliance exemption. Each equity and debt asset class of each Issuer on the Restricted List is considered separately and may have its own Restrictions. *Refer to the restriction activities in Annexure B for restriction activities for more guidance.*

15. Adverse Media Pre-Screening and Onboarding

It is the responsibility of the Accountable Banker to ensure that adverse media pre-screening requirements are satisfied

- prior to any client commitment on any transaction/deal/project; and/or
- prior to any letters of support/intent/ expression of interest for the following types of transactions:
 - a. Government Tenders;
 - b. Government department/SOE/SOC (which includes Politically Exposed Persons); and
 - c. Sensitive or sustainable sectors (including but not limited to Coal, Oil and Gas), ESG components, in particular environment impact

Screening must be conducted on the primary entity, executive directors, direct shareholders more than 10% (if available) as well as Ultimate Beneficial Owner or Controller, as applicable.

The screening is conducted through the Client On-boarding teams and is requested via the Activity Tracker.

Please refer to the following link: <https://zapsdcmapp1834.corp.dsarena.com/>

Adverse news should be escalated to CIB Compliance and Financial Crime with a motivating rationale why the business unit are comfortable to proceed. Please refer to the [Anti-Money Laundering Customer Due Diligence Standard](#) for further guidance on Adverse Media.

It is also the responsibility of the Accountable Banker to ensure that the necessary onboarding requirements as per the Anti-Money Laundering Customer Due Diligence Standard are met.

If any proposed transaction presents an unusual degree of potential risk or which might have an adverse impact on CIB's brand or reputation it must be reviewed and approved by the Transaction Review Committee before CIB commits itself, from either a legal or a relationship perspective, to any such transaction.

16. Related Documentation:

Conflicts of Interest Group-Wide Policy
Private Side Compliance Standard

Absa Transactional Conflicts of Interest and Business Selection Requirements Procedures
Information Barrier Standard

17. RECORD OF VERSION CONTROL / UPDATES

Date	Author / Source	Change
DD/MM/CCYY	Silvana Battani	New Supporting document uploaded Version 1.0

Annexure B

For a summary of the restricted activities refer to the below table. A detailed matrix can be obtained from the Control Room on request.

Deal Type	Restriction			Risk	Principle
	Trading	Written Commentary	Research		
Material Equity Offering / Pre-Pricing / Regulatory	Customer Facilitation is permitted	Factual on the Issuer and the Transaction on a reverse enquiry basis (Eligible Accounts) Research published post restriction can be forwarded without annotation: <ul style="list-style-type: none"> • first paragraph investment summary • link to the whole note 	Depending on Safe Harbour(SH) available, guidance is Ordinary course on the issuer and Brief Fact only on the deal If SH is not available no standalone notes, brief fact only on issuer and deal	Written Commentary, Alpha Capture and Research - Regulatory Risk (Securities Act 1934) and Legal Risk Trading - Reputational Risk	No directed selling efforts permitted under US regulation No influencing price or success of transaction
Material Equity Offering / Post Pricing / Allocated / Regulatory	No trading restrictions	Ordinary course commentary on the issuer, provided there is no mention of the transaction Research published post restriction can be forwarded with or without annotation. (Eligible Accounts) Syndicate approved comms	Depending on SH available, guidance is Ordinary course on the issuer and Brief Fact only on the deal If SH is not available no standalone notes, brief fact only on issuer and deal	Written Commentary, Alpha Capture and Research - Regulatory Risk (Securities Act 1934) and Legal Risk Reg S= 40 day restriction 144A only- 10 day restriction	No directed selling efforts under US regulation
Material Equity Offering / Pre- Pricing / Reputational/ Legal	Customer facilitation permitted	Factual on the issuer and the transaction on a reverse enquiry basis (Eligible Accounts if selling into US) Research published post restriction can be forwarded without annotation.	WL/RL for Research mentions- Ordinary course on the issuer; brief fact only on the deal.	Written Commentary, Alpha Capture and Research, Trading - Reputational / Legal Risk (material offerings could be MNPI, monitor research mentions and trading).	No influencing price or success of transaction

Deal Type	Restriction			Risk	Principle
	Trading	Written Commentary	Research		
Material Equity Offering / Post-Pricing / Reputational / Legal	No trading restrictions	Ordinary course commentary on the issuer, provided there is no mention of the transaction Research published post restriction can be forwarded with or without annotation. (Eligible Accounts if US)	Ordinary course on the issuer and Brief Fact only on the deal	Written Commentary, Alpha Capture and Research – Reputational / Legal Risk X day Quiet period	Settlement dates may vary, restrictions apply in relation to communications up until the transaction has settled.
Material Debt Offering / Pre-Pricing / Regulatory	Customer Facilitation is permitted	Factual on the issuer and the transaction on a reverse enquiry basis (Eligible Accounts) Research published post restriction can be forwarded without annotation: Syndicate approved Comms	If SH is available guidance is Ordinary course on the issuer and Brief Fact only on the deal If SH is not available no standalone notes, brief fact only on issuer and deal	Written Commentary, Alpha Capture and Research - Regulatory Risk (Securities Act 1934) and Legal Risk Trading - Reputational Risk	No directed selling efforts permitted under US regulation No influencing price or success of transaction
Material Debt Offering / Post Pricing / Allocated / Regulatory	No trading restrictions	Ordinary course commentary on the issuer, provided there is no mention of the transaction / for same class (debt) - can be fact only on the deal. Research published post restriction can be forwarded with or without annotation. (Eligible Accounts) Syndicate Approved Comms	If SH is available guidance is Ordinary course on the issuer and Brief Fact only on the deal If SH is not available no standalone notes, brief fact only on issuer and deal	Written Commentary, Alpha Capture and Research - Regulatory Risk (Securities Act 1934) and Legal Risk Reg S= 40 day restriction 144A only- 10 day restriction	No directed selling efforts under US regulation

Deal Type	Restriction			Risk	Principle
	Trading	Written Commentary	Research		
Material Debt Offering / Pre- Pricing / Reputational/ Legal	Customer facilitation permitted	Factual on the issuer and the transaction on a reverse enquiry basis (Eligible Accounts if selling into US) Research published post restriction can be forwarded without annotation: Syndicate approved comms	WL/RL for Research mentions- Ordinary course on the issuer; brief fact only on the deal.	Written Commentary, Alpha Capture and Research, Trading - Reputational/ Legal Risk (material offerings could be MNPI, monitor research mentions and trading).	No influencing price or success of transaction
Material Debt Offering / Post- Pricing/ Reputational/ Legal	No trading restrictions	Ordinary course commentary on the issuer, provided there is no mention of the transaction Research published post restriction can be forwarded with or without annotation.(Eligible Accounts if US)	Ordinary course on the issuer and Brief Fact only on the deal	Written Commentary, Alpha Capture and Research – Reputational / Legal Risk 10 day Quiet period	Settlement dates may vary, restrictions apply in relation to communications up until the transaction has settled.
Immaterial Offerings- Regulatory	No trading Restrictions	Pre-pricing, Factual on the issuer and the transaction on a reverse enquiry basis, Once priced, ordinary course commentary on issuer, factual on deal.	If SH is available guidance is Ordinary course on the issuer and Brief Fact only on the deal If SH is not available no standalone notes, brief fact only on issuer and deal	Research and Written Commentary Regulatory Risk	No directed selling efforts permitted under US regulation No influencing price or success of transaction
Immaterial Offerings- Reputational	No trading Restrictions	Pre-pricing, Factual on the issuer and the transaction on a reverse enquiry basis,	Ordinary course on the issuer and Brief Fact only on the deal	Written Commentary, Alpha Capture and Research – Reputational / Legal Risk	No influencing price / success of transaction, Settlement dates and internal policy.

Deal Type	Restriction			Risk	Principle
	Trading	Written Commentary	Research		
		Once priced, ordinary course commentary on issuer, factual on deal.			
M&A (Non-Regulatory and Friendly) / Immaterial	No restrictions	Ordinary course commentary on the issuer provided any reference to the transaction is fact only Research can be forwarded with or without annotation	Fact only on the transaction, ordinary course on the issuer. After 24 hours, you may publish a fair, balanced view and opinion on the transaction.	Reputational and Litigation Risk	No influencing the outcome of the transaction
M&A (Non-Regulatory and Friendly) Material	Customer Facilitation is permitted	Ordinary course commentary on the issuer provided any reference to the transaction is fact only Research can be forwarded with or without annotation	Fact only on the transaction, ordinary course on the issuer, unless suspended (i.e. shareholder vote)	Reputational and Litigation Risk	No influencing the outcome of the transaction
M&A (Regulatory or Hostile) / UK / Irish Takeover Panel	Takeover Panel - No activity permitted unless the desk has EPT status 14e(5) - No trades resulting in equity accumulation Hostile - No firm trading	No activity permitted or factual comments	Takeover Panel - No mention of the issuer or transaction. Factual mentions may be pre-approved by the Panel 14e(5) - No mention of the issuer or transaction Hostile - Brief factual mentions on the issuer provided no mentions of the transaction	Takeover Panel - Legal / Regulatory Risk (Takeover Code) 14e(5) - Legal / Regulatory Risk (Securities Act 1934) Hostile - Reputational and Litigation Risk	No influencing the outcome of the transaction Shareholder protection under regulation

Deal Type	Restriction			Risk	Principle
	Trading	Written Commentary	Research		
M&A (Takeover Panel)	No firm trading Customer facilitation permitted	Written Communications - No commentary on the issuer or transaction permitted (even factual).	Permitted to write publicly available factual information on both the company (ies) and the transaction which must be sourced (e.g. official company announcements) This will require approval from the Control Room.	Legal / Regulatory / Reputational / Litigation Risk These deals may also be subject to shareholder approval	No influencing the outcome of the transaction Shareholder protection under regulation