

Worldwide Compliance Standards

For the purposes of these Standards, a 'Customer' (also sometimes referred to as a 'Client') is any organisation, entity, corporation, or person who uses, or are or may be contemplating using, the services of the bank.

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Chapters applicable to ALL employees: 1, 2, 5, 6, Appendix 1

*Chapters applicable to ALL those who deal with or communicate with customers:
(Including those within support functions): 3, 7, 8, 9, 10*

Chapters applicable to ALL Line Managers: 4, 11

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1. Introduction

Dear Colleague,

Rabobank International ("RI") will only be successful if all of us who work within the bank meet the expectations of all our 'stakeholders'. In the case of RI, our stakeholders are not just the Member Banks who amongst them own RI, but also our customers, our counterparties in the marketplace, our peers, our regulators and the wider forum of public opinion. Not meeting these expectations can do serious harm to the reputation of the bank with consequential impact upon our commercial success; meeting or exceeding these expectations will generate respect from our lifeblood - current and prospective customers of the bank and those whom we deal with in the markets.

Today, these expectations include not just expectations of financial performance but also of corporate behaviour. In all industries companies are being increasingly judged on standards of conduct and financial services is no exception. Regulators across the world have become more rigorous and disciplined about judging those whom they supervise on this basis.

All employees must, as a matter of course, comply with all relevant local legislation, rules and regulations applicable and specific to the financial services industry in the marketplace in which they operate. But overlaying these must be a set of standards governing the way all employees conduct the bank's business.

This booklet sets out the RI Worldwide Compliance Standards (the "Standards") which we must apply to our business.

It is categorised into:

- ***standards applicable to all employees;***
- ***standards applicable to all line managers;***
- ***standards applicable to those who deal or communicate with customers.***

These are the standards of corporate behaviour by which we shall be judged in both our retail and wholesale operations. Therefore they are Standards by which individuals within the bank will be judged internally. Failure to adhere to the Standards will therefore be taken into account in one's individual performance appraisal.

*These Standards are more focused, detailed and tailored to our business than the Code of Conduct of the Rabobank Group, which sets out guiding principles in the form of a target code. A copy of this code is included in this booklet. The Standards are elaborated in technical policies and regulations such as the Regulation on Customer Due Diligence, the Regulation on Market Abuse and Conflicts of Interest and working instructions. When in doubt on how to apply the Standards, the general rule is that the detailed policies and regulations take priority over the Standards. The detailed policies and regulations can be viewed on the compliance website:
<http://sharepoint.rabonet.com/sites/compliance/default.aspx>*

Everybody must have a state of mind (“awareness” or “on top of one’s mind”) of applying these Standards in our day-to-day activities as we conduct the bank’s business. Undoubtedly there may be elements where further guidance is necessary or where there is doubt - in these cases you should initially refer to the Local Compliance Officer or to your General Manager.

Finally, whilst the bank’s Compliance function is there to help bringing about a Compliance culture in the organisation and integrate compliance in the operating processes, Compliance is in fact the responsibility of each and every individual within the bank. It is not something to be ‘delegated’ to the Compliance Department. All of us need to ‘think’ Compliance before acting and take responsibility for it in both our own actions and in ensuring that those who we supervise are also keeping it firmly in mind. Getting this right is fundamental for our success.

You have been asked to sign for receipt of these Standards and to acknowledge that you will act accordingly. This is only a first small step for the right compliance culture and attitude. Without prejudice to your own responsibility, you may expect from the bank appropriate updates and reminders refreshers to ensure your understanding is up to date.

As a policy the bank makes you sign for these Standards. It is your own responsibility to check for more detailed policies, regulations, procedures and work instructions on a regular basis via the intranet.

*Hans ten Cate
Chairman of the Managing Board
November 2006*

2. Integrity

You must conduct yourself with integrity at all times, especially in dealings with customers, the bank and its regulators. Integrity includes honesty, ethics and standards of behaviour, both in and out of the work place. Your conduct and actions outside business hours can also impact upon your integrity; for instance, acts of dishonesty outside the workplace would bring your integrity into question. Not acting in the required manner, either in or out of the work place can also leave you in a vulnerable position.

It is impossible to define acting with integrity as this is something we are all assumed to do. Instead it is simpler to give a few guiding examples of failing to act with integrity:

Engaging in action, or lack of action, that intentionally misleads or attempts to mislead; this could include:

- *Knowingly advising customers to deal in unsuitable products including underplaying the risks of a transaction or proposal to a customer when advising;*
- *Providing false information such as hiding a loss by mismarking trading positions;*
- *Procuring the unjustified alteration of prices on illiquid and/or off exchange contracts;*
- *Trying to conceal a mistake which management ought to know about;*
- *Giving false information about qualifications, experience or any criminal/civil convictions;*
- *Backdating documentation;*
- *Accepting, offering or suggesting any form of inducement, the purpose of which is to influence a person's conduct to achieve a result via unethical and/or anti-competitive methods;*
- *Misleading others within the bank as to the creditworthiness of a customer;*
- *Destroying or causing the destruction of incriminating documents (including false documents) or tapes and their consequences;*
- *Falsifying any documentation.*

Intentionally failing to communicate (without good reason) an awareness of something being wrong; this could include:

- *Failing to disclose the existence of false documents to appropriate personnel;*
- *Failing to rectify mismarked positions immediately and to advise appropriate personnel;*
- *Failing to disclose to appropriate personnel that you have a personal conflict of interest in connection with dealings with a customer.*
- *Failing to report a suspected violation, complaint or concern.*

Intentionally preparing inaccurate or inappropriate documents and/or returns:

- *Knowingly sending out inaccurate confirmations, valuations or statements;*
- *Knowingly giving false information to customers, the bank, the bank's regulators or other authorities.*

Intentionally misusing the assets or confidential information of the bank/customer:

- *Misappropriating assets of customers or of the bank, transferring funds to personal accounts;*
- *Knowingly front running, by way of personal account dealings, the bank's proprietary transactions or customer transactions or research reports;*
- *Pledging customer assets as security/margin for another customer's account;*
- *Dealing for your personal account where you have inside information;*
- *Inappropriately disclosing confidential information inside or outside of the bank.*

Intentionally acting in a way that breaches internal restrictions imposed by the bank on activities:

- *Knowingly trading beyond the credit or the market risk limits;*
- *Knowingly failing to adhere to the Regulation for Private Portfolio Transactions.*

These examples are by no means exhaustive - for further guidance or if you are in doubt you should check the detailed policies and procedures or consult with your Local Compliance Officer, General Manager or Compliance RI & Wholesale.

Whistle Blowing.

In this paragraph we draw your specific attention to the Rabobank Rules on the Internal Reporting of Malpractice. The rules set forth a procedure for the internal reporting of malpractice and how this is to be dealt with. The rules also offer safeguards to protect staff who, although it is not one of their duties, report malpractice or potential malpractice in good faith. The employer will pursuant to clause 6 of the rules ensure that staff will not be disadvantaged in any way whatsoever in their position with the employer as a result of reporting malpractice.

Under the rules on the internal reporting of malpractice, staff can report malpractice to an independent trusted person. The term malpractice is defined broadly and includes actions, or omissions, or intended actions and omissions, which:

- a. constitute an offence;*
- b. violate internal or external regulations or policy rules;*
- c. are intended to mislead authorities or persons responsible for implementing or supervising compliance with statutory regulations, or legal investigators;*
- d. designed to withhold information about the facts mentioned above, or*
- e. can directly or indirectly damage the good name of Rabobank Group in some way.*

The rules do not cover malpractice for which a separate reporting procedure has been put in place, such as the reporting of sexual harassment.

3. Skill, Care and Diligence

You must conduct the functions of your position with skill, care and diligence. As a professional, your knowledge should be used effectively and readily in the execution or performance of your duties in a competent manner to avoid harm to customers or to the bank by acts of recklessness or negligence. You should be sufficiently experienced and trained so that you are technically competent to perform the duties required by the position that you hold within the bank. If you are asked to assume responsibility for a task you are not competent to perform you should inform your Line Manager. You should be knowledgeable of the laws, rules, regulations, the Standards and other policies and regulations in place that must be adhered to in the performance of your duties with the bank.

A few guiding examples of acting with skill, care and diligence are as follows:

Informing customers, the bank or its auditors or regulators of material information in circumstances where you are aware of material information and the fact that you should provide it.

- *Adequately explaining to customers the risks of investments;*
- *Disclosing to a customer details of all charges that will be payable;*
- *Accurately marking trading positions;*
- *Ensuring information provided to customers, the bank, its auditors and regulators is accurate and appropriate;*
- *Informing senior management in a timely manner of issues when required to do so by the bank's internal procedures.*

Having reasonable grounds for believing that a transaction you are recommending for a customer is a suitable transaction for that customer and documenting this appropriately.

Fully understanding the risk exposure to the customer and the bank when recommending, offering advice or undertaking a transaction for a customer or the bank and documenting this appropriately.

Disclosing, to the appropriate personnel on a timely basis, any conflict of interest of the bank in connection with the dealings of a customer.

Providing adequate control over customers' assets.

- *Processing customer payments in a timely manner;*
- *Appropriately designating a customer's account where the customer is acting as trustee or custodian;*
- *Providing confirmations and customer statements within an appropriate time frame.*

Acting within the internal restrictions imposed on staff by the bank, alerting appropriate personnel if you suspect or believe that another person is breaching any existing restrictions.

- *Trading within the internal limits set and communicating to management and the relevant control areas any breaches thereof;*
- *Only advising on or selling products on behalf of the bank if you are appropriately designated and licensed to do so;*

- *Disclosing personal account dealings in accordance with the bank's Regulation for Private Portfolio Transactions;*
- *Booking transactions promptly;*
- *Referring non routine contractual documentation to the Legal Department before signing and sending it out;*
- *Adhering to the procedure for opening new accounts for customers and escalating any suspicions of mistakes, fraud or money laundering immediately.*
- *Handling client information with care and diligence and reporting any suspicions of market abuse immediately*
- *Reporting suspicions of internal fraud in line with the above- mentioned " What to do in case of internal fraud /Fraud Response Procedure". This can be found on the RI site.*

These examples are by no means exhaustive - for further guidance or if in doubt you should check the detailed policies and regulations or contact your Local Compliance Officer, General Manager or Compliance RI & Wholesale.

4. Relations with Regulators

The bank has a responsibility to deal with its Regulators in an open and co-operative way, promptly advising the Regulator of anything relating to its employees or the bank that they would reasonably expect to be informed of.

Your duties in terms of relationships with the bank's regulators include:

- *Being aware of who your local Regulators are;*
- *Being familiar with the expectations and requirements of Regulators for your business area;*
- *Dealing with non-routine requests for information made by Regulators promptly and effectively. These requests must be channelled through the Local Compliance Officer, legal department or General Manager;*
- *Not withholding information from the Regulators or attempting to mislead the Regulator by selectively disclosing information or engaging in activities which could be subsequently construed to be misleading;*
- *Advising your Local Compliance Officer and/ or General Manager in a timely manner of any matter which could reasonably be assumed to be of material significance to the Regulators.*

If you are uncertain about the regulatory treatment of a situation or transaction you should check the detailed policies and procedures or consult with your Local Compliance Officer, General Manager or Compliance RI & Wholesale immediately.

5. Staff Interests and Gifts

Acceptance and provision of gifts, entertainment or any material benefits received by an employee in connection with his or her employment can be construed as causing a conflict of interest between the duties of the employee and the bank with its customers or between the bank and other market participants. To avoid the risk of such conflicts of interest arising which could potentially lead to suggestions of impropriety by the bank or its employees, it is necessary to promote transparency of such items, by declaring them in a register of interests, which will be kept by the Local Compliance Officer.

You have a responsibility to declare gifts, entertainment or other material benefits. In certain instances specific approval may be needed before accepting or giving gifts, entertainment or other material benefits.

Specific guidance beyond the general principles outlined above is as follows:

You must seek permission from the bank before accepting any appointment as:

- Director of a public or private company (whether or not remunerated) - directorships impose obligations and the bank needs to be clear that these obligations (whether actual or potential) do not conflict with its interests and do not result in exposure to you as an individual which could, by association, impact the bank's reputation;*
- Any position of an official or quasi-official nature (whether or not remunerated) where you have been invited to serve by a government officer, local authority, government agency, trade association, business society, professional journal, professional association, academic society or the like.*

You must not engage in any activity (paid or unpaid) outside normal working hours which, in the bank's opinion, might constitute a conflict of interest with the bank's business and/or impair your ability to perform your duties fully and efficiently. In particular under no circumstances may you engage directly or indirectly in any trade, profession or business in competition with that of the bank.

You must not request gifts or entertainment from customers, counterparties or vendors of the bank.

Gifts and entertainment

Cash or gifts easily convertible to cash are not permitted. You must register with your Local Compliance Officer gifts and entertainment above a 100 EURO (branches may stipulate a lower or similar amount in their local currency). Lunch and dinner events would normally be included within this nominal amount; however attendance at sporting or artistic events, attendance at conferences where these are being paid for by third parties etc should be declared. Depending upon the internal policy of the local office, approval may be necessary for certain items such as events where the tickets are scarce or hard to obtain, or the conference is essentially social in nature and has no educational or business related purpose.

Travel

As a general rule travel paid for by any organisation, individual or company, which has a legitimate business/educational purpose should be declared in the register of gifts and entertainment; furthermore travel which has more of a social purpose such as sporting breaks with customers requires specific approval from management and may be subject to additional restrictions that the bank sees it fit to impose before the interest can be accepted (such as personally meeting the cost of airfare if applicable). Again the manner of implementation of these standards may differ between branches. For further guidance, the gifts and entertainment policy of the local office should be referred to.

These are minimum standards. For further guidance or if in doubt you should check the detailed policies and regulations or consult with your Local Compliance Officer, General Manager or Compliance RI & Wholesale.

6. Customer Due Diligence/Know Your Customer

It is a fundamental requirement for all employees who have contact with customers to know exactly who they are dealing with. The need to know information about prospective customers is the key control in ensuring that the bank and its staff transact business in an appropriate manner, in terms of meeting customers' objectives, complying with sanctions and legislation relating to anti money laundering and anti terrorist financing, protecting the bank against fraud and preserving the reputation of the bank. It is essential that every employee be fully familiar with applicable Customer Due Diligence/Know Your Customer regulations. 'Meeting Customer Objectives' is addressed in 'Customer Relationships' overleaf.

The prime responsibility for knowing the identity of a potential customer or counterparty on a continuing basis lies at all times with the Dealer, Salesperson or Relationship Manager who must always fully understand whom he/she is conducting business with. The source of funds or assets must be ascertained and the Dealer, Salesperson or Relationship Manager must be satisfied of their legitimacy.

If you have contact with customers in any way, whether on the commercial side or in a support function in order to protect the bank against money laundering, contravening sanctions, terrorist financing and fraud, you must always be aware of and fully understand who you are dealing with.

The Dealer, Salesperson or Relationship Manager must be certain of the legitimacy and status of the customer and verify the authority and identity of an individual who claims to be acting on behalf of a customer. In addition, parties who have a controlling interest in a customer must also be scrutinised. If an account is opened for a financial intermediary not supervised by a regulator, the responsibility to know the customer also extends to any underlying customers.

Key questions which need to be considered from a credit and money laundering risk are:

- Do you know whom you are conducting business with? Who the ultimate beneficiary is?*
- Does the bank have the required documentation to verify the customer's (legal) identity?*
- Do you have the full name and registered address of the customer and business address, if different?*
- If the customer is a financial intermediary, is it recognised/ licensed by a regulator? If not, are you satisfied as to why not?*
- Has the bank for credit purposes, received audited accounts for corporate customers, preferably for the past three years?*
- Who owns the customer, who are the key influencing individuals, i.e. shareholders, directors and controlling persons?*
- Can the contact details for the customer be verified?*
- Do you know who the customer's bankers are?*
- Do you have a mandate for signing authorities? Can the signing authorities be independently verified by their bankers?*

You should check that there are no financial or economic sanctions against the client, beneficiary, the product or the country for which the bank provides services.

No account can be opened nor can any other relationship be established until after sign off by the Client Identification officer and/or the Local or Regional Compliance Officer after having obtained all the documentary/ non- documentary information so as to provide a high level of comfort on the authority and identity of the client. All medium and high risk clients must be approved by the Local or Regional Compliance Officer.

You also have an ongoing requirement to report 'suspicious activity' by a customer. Some indicators for this are situations in which customers:

- Deal on a large scale, are unknown to you and verification of identity proves difficult;*
- Indulge in a lot of activity with little or no profit, possibly across a number of jurisdictions;*
- Willingly accept uneconomic terms or deal with no obvious explainable purpose;*
- Suddenly vary their pattern of investment or change the settlement details at the last moment;*
- Require settlement to be made by bearer securities outside a recognised clearing system;*
- Ask to transfer investments to apparently unrelated third parties;*
- Are introduced by an overseas agent who is based in a country noted for drug production or exchange;*
- Transfer funds overseas, or make payments with foreign currency, which appear to have no commercial objective.*
- Perform any other transaction that has no reasonable business explanation.*

Where transactions are booked in one RI office, but the Dealer, Salesperson or Relationship Manager is located in another RI office, it is the Dealer, Salesperson or Relationship Manager who is primarily and ultimately responsible for 'Knowing the Customer'. The booking office's responsibilities are limited to ensuring that the correct records are maintained for local legal and regulatory requirements.

Further training.

Certain staff will be required in future to complete additional training from time to time on this topic, be it verbally or via E-Learning. If applicable, you will commit yourself to successfully complete such training in order to stay up to date with the most recent developments, guidelines, policies and procedures.

Any suspicions should be reported immediately to your Local Compliance Officer or General Manager. For further guidance on the above or if in doubt you should check the detailed policies and regulations or consult with your Local Compliance Officer, General Manager or Compliance RI & Wholesale.

7. Conduct of Business/Customer Relationships

Much of the bank's success with its customers depends largely on the extent to which the customers' expectations have been met. This extends beyond the fiduciary relationships to customers. It is about ensuring that the advice provided is suitable, given the customer's level of expertise. It is about promoting a relationship of trust and confidence between you (as an agent of the bank) and the customer, your ability to deliver sound, tailored advice or services which meet the specific needs of the customer, where the customer has provided sufficient information for a reasonable assessment to be made.

It is also about not unfairly putting the interests of the bank or trading book before the customer in dealing with them. It is about giving the customer the best possible service and the best possible advice on solutions for their specific business needs.

Confidentiality - improper disclosure

Any information about a customer should be treated as confidential and should only be used for the purpose the customer provided the information for and should not be disclosed outside the bank or its professional advisers, without the prior consent of the customer unless a legal duty to disclose exists, such as a requirement to report suspicions of money laundering or market abuse. Requests for information related to customers made by authorised bodies such as law enforcement, Regulators or Tax Authorities must meet the laws of the jurisdiction where the request was received and require specific review and approval by the Local or Regional Compliance Officer or legal department before information can be disclosed.

Customer complaints

If you receive a complaint from a customer, you must ensure that the complaint is communicated to your Line Manager and the Local Compliance Officer to ensure that the internal policy on the handling of customer complaints is followed. All complaints must be handled promptly and fairly. The Local Compliance Officer will maintain a complaints register.

Customer expectations - specific examples of where a relationship of trust would be broken include:

- *Recommending high risk investments unless the customer specifically requested this;*
- *Recommending or selling products where it is clear that the customer does not fully understand them;*
- *Advising customers to purchase specific financial instruments from the bank solely because the bank holds a large book position in those particular instruments, without any economic and /or business reasoning supporting the recommendation;*
- *In a situation where a mandate is taken to achieve a particular aim for a customer failing to ensure that it is carried out with care and diligence.*

You must:

- *Avoid any actual or potential conflicts of interest when dealing or deciding to deal with customers;*

- *Advise customers that the bank is not a professional tax or legal advisor and that they should seek independent tax and legal advice if they are in doubt as to tax or legal issues relating to transactions;*
- *Fairly represent the nature of the transaction;*
- *Not make misleading or false statements when recommending transactions to the customer;*
- *Take full and proper account of advisory customers' interests and take care to act in accordance with them.*

Further training.

Certain staff will be required in future to complete additional training from time to time on this topic, be it verbally or via E-Learning. If applicable, you will commit yourself to successfully complete such training in order to stay up to date with the most recent developments, guidelines, policies and procedures.

The above is not exhaustive - for further guidance or if in doubt you should check the detailed policies and regulations or consult with your Local Compliance Officer, General Manager or Compliance RI & Wholesale.

8. Conduct of Business/Communications with Customers

Taking into account the customer's professionalism or sophistication in accordance with the applicable client classification rules, and where applicable, you must ensure that you obtain information from customers about their financial circumstances, objectives and risk appetites and record this information. You must also ensure that the customer is supplied with sufficient information to enable it to make informed decisions about the bank's recommendations. Information supplied must be clear, fair and not misleading.

Some examples of customer information are as follows:

Suitability

Where appropriate, if you are a Dealer, Salesperson or Relationship Manager you must consider the investment objectives of the customer, taking into account its professionalism or sophistication in accordance with the applicable client classification rules. Any recommendations or advice provided should be based upon a reasoned assessment of the potential suitability of the proposed transaction for the customer. Where appropriate, risk warnings must be given to the customer. You must consider what classification of customer they are. What products does the customer intend to trade?

Are you confident that the customer understands all the risks attached? Does the recommended course of action or investment product meet the customer's objectives disclosed to you?

Non- standard or unusual transactions

Where customers want to engage in non- standard or unusual transactions, staff should understand the reason behind the transaction. If a transaction appears unusual and seems to be without commercial reason, a risk exists that it could be a mistake, an improper or suspicious activity or a fraudulent activity, in each case carrying reputational consequences for the bank and yourself in addition to civil or criminal liability on the part of the bank and yourself. You must be satisfied that you are not aiding the customer to achieve an objective that under close scrutiny by the regulators, tax authorities or other authorities could cause liability or embarrassment to the bank. Complex transactions should be referred to the governing Complex Transaction Committee.

Marketing materials, including advertisements

When issuing marketing materials these should be clear, fair and not misleading. Any comparisons or contrasts should be presented in a fair and balanced way and be based on facts or clearly state when an assumption has been made. Disclosures/warnings may need to be present on the marketing material including presentations, such as explaining that the price can fluctuate, or in the case of illiquid investments that it may be difficult to sell or obtain reliable valuations for. You should check any local requirements where the product or service is to be marketed by the bank or in case of distribution via a third party that appropriate safeguards are in place to ensure that such requirements are being complied with.

Confirmations

The customer should be sent accurate confirmations in a timely manner unless the product involved is more complex and requires non- standardised documentation that is subject to legal approval.

Valuations

Customers may require valuations for certain positions. It should be clear if the bank wants to quote for that price. As a general rule, these valuations should not be prepared by the trading area and should contain the relevant disclaimer and be prepared in accordance with the internal valuation policy of the bank. If a customer requests valuations be prepared in accordance with their own valuation methodology, a statement to this effect must be clearly visible on the valuation subsequently prepared.

Further training.

Certain staff will be required in future to complete additional training from time to time on this topic, be it verbally or via E-Learning. If applicable, you will commit yourself to successfully complete such training in order to stay up to date with the most recent developments, guidelines, policies and procedures.

For further guidance on the above or if in doubt you should check the detailed policies and regulations or consult with your Local Compliance Officer, General Manager or Compliance RI & Wholesale.

9. Conduct of Business/Conflicts of Interest and Duty

A conflict of interest arises where two or more competing interests are present and a conflict of duty arises where acting in the interests of one of the parties would or could mean acting contrary to the interests of the other party or parties. The bank cannot prevent problems arising in relation to conflicts of interest, but they must be identified and resolved.

As a general principle, you should not unfairly place the interests of the bank above those of its customers, and where a properly informed customer would reasonably expect that the bank would place his interests above its own, the bank should live up to that expectation.

In the event that a conflict of interest is unavoidable you should ensure fair treatment to all customers by appropriately managing the conflict through disclosure, internal rules of confidentiality, declining to act, or otherwise. If you believe that a potential conflict of interest is developing or has developed, you should escalate this to your Local Compliance Officer or legal department.

Chinese Walls can help to manage possible areas of conflict.

A Chinese Wall is a mechanism whereby information received by one business unit that is confidential, is protected and kept separate and independent from other activities within the bank. Within the bank several Chinese Walls are in place. Staff should familiarise themselves with these walls. If staff members with a particular skill set are required to cross the wall to assist in some way, relevant approvals and records, as detailed in the bank's procedures, must be maintained by the areas involved. How confidential information is maintained should be clearly defined and there should be no doubt as to the fact when the Wall has been crossed. All parties must be clear, both before and after information is transferred, on the obligations and restrictions that the transfer of information will impose. The Local Compliance Officer must be advised of any actions taken and he or she will maintain records of such "Wall crossings"

There are three main categories of conflicts; examples of which are as follows:

Conflicts of duty between two or more customers:

- Where transactions are being arranged between two or more customers - the bank must ensure that all parties are being treated evenly and appropriate disclosures are made;***
- Where the bank wishes to advise on both sides of a transaction or on behalf of two different parties on the same transaction - for this to be able to occur generally express written consent with full disclosure must be obtained from those parties;***
- Where the bank has received confidential proprietary information from a customer - this information cannot be used by the bank in its dealings with or for another customer except with the prior consent of the customer who provided the information.***

Conflicts of interest between the bank and its customers:

- *If the bank provides advice to a customer whilst having an undisclosed interest (e.g. a material shareholding in a relevant party) in the transaction - this can only be possible with full disclosure to the customer;*
- *Using information relating to a customer's trading or intended trading in the bank's own interests - this is not permitted;*
- *Where the customer deals directly with the bank through a third party - here the customer's expectations of confidentiality must be met;*
- *Where there are affiliated companies in a group and the bank's customer is one or more of these - again, expectations of confidentiality and independent treatment must be met.*

Conflicts of interest between staff and customers and/or the bank:

- *Such conflicts are managed through the Regulation for Private Portfolio Transactions or Personal Account Dealing rules of the bank and through disclosure of outside business interests.*

The above is not exhaustive- for further guidance or if in doubt you should check the detailed policies and regulations or consult with your Local Compliance Officer, General Manager or Compliance RI & Wholesale.

Further training.

Certain staff will be required in future to complete additional training from time to time on this topic, be it verbally or via E-Learning. If applicable, you will commit yourself to successfully complete such training in order to stay up to date with the most recent developments, guidelines, policies and procedures.

10. Inside Information and Market Abuse

If you have been provided with inside information inappropriately (e.g., you are not on the private side of the Chinese Wall), you should report such to your Local Compliance Officer. Inside information is information of a precise nature which has not been made public, relating, directly or indirectly, to one or more issuers of financial instruments or to one or more financial instruments and which, if it were made public, would be likely to have a significant effect on the prices of those financial instruments or on the price of related derivative financial instruments. You are not allowed to trade while in possession of inside information.

As soon as a reasonable suspicion of use of inside information or market manipulation in connection with a transaction – or an order for a transaction – arises, that suspicion must be reported immediately to your Local Compliance Officer.

Market manipulation

There are four forms of market manipulation:

- *Misleading signal: conduct or bring about a transaction or trade order in securities that sends out an incorrect or misleading signal, or that might do so, with regard to the supply of, demand for or price of the financial instruments in question;*
- *Artificial price levels: conduct or bring about a transaction or trade order in financial instruments in order to artificially maintain the price level of those financial instruments;*
- *Actions using fraud or deception: conduct or bring about a transaction or trade order in financial instruments using fraud or deception; or*
- *Disseminating misleading or false information: disseminate information that sends out an incorrect or misleading signal or that might do so, with regard to the supply of, demand for or price of the financial instruments in question, while the party disseminating that information should reasonably suspect that the information is incorrect or misleading.*

You must

- *If you are provided with inside information inappropriately, report such inside information on (potential) clients without delay to your Local Compliance Officer;*
- *In particular, but not exclusively, report all inside information on products of Rabobank Group without delay to your Local Compliance Officer;*
- *Consult your Local Compliance Officer if inside information is shared inappropriately;*
- *Immediately report any reasonable suspicion of use of inside information and/or market manipulation in connection with a transaction to your Local Compliance Officer.*

11. Duty to Supervise

Senior Management in the bank has primary responsibility for the effective management and control of the bank and for compliance with legal and regulatory requirements applicable to the business. Senior Management delegates responsibility through an organisational structure to a number of Line Managers within the bank and these Line Managers supervise the activities of staff who report to them. Line Managers should ensure procedures are in place that are designed to prevent legal and regulatory violations by employees. When alerted to possible wrongdoing, Line Managers, if permitted by local policies and legislation, must immediately inform the Local Compliance Officer and/ or HR, as the case may be, and coordinate with the Local Compliance Officer in investigating that matter.

A Line Manager is the person who manages and directs the activities of other employees by assigning work or delegating specific responsibilities. It is a Line Manager's responsibility to ensure that the activities of staff are directed towards achieving the objectives of the bank in accordance with applicable laws, regulations, the Standards and other relevant bank policies. To that end the Line Manager must have a sufficient understanding of the areas under his/her management so that areas of concern can be quickly identified and rectified.

If you are a Line Manager your duties include:

- *Being a model of behaviour consistent with the high standards set by the bank;*
- *Being aware of the laws, regulations, the Standards and bank policies that affect your area and help identify where guidance may be necessary to avoid a potential violation;*
- *Communicating knowledge of applicable laws, regulations, the Standards and bank policies to staff and encourage compliance through personal adherence;*
- *Establishing procedures reasonably designed to detect and prevent violations of applicable laws, regulations and policies, and taking additional steps to ensure that these procedures are being followed, for example, ensuring any agreements that have been signed on behalf of the bank have been signed by approved signatories, and ensuring customer accounts on the system cannot be created by trading or commercial personnel solely;*
- *Meeting regularly with staff to review and monitor their activities to ensure errors or improper activities are promptly identified;*
- *Ensuring staff awareness of the need to elevate any extraordinary or unusual circumstances or issues that may involve a violation of any applicable laws, regulations or policies such as suspicions of money laundering or fraud;*
- *Be aware of the presence of warning signs and symptoms which can indicate an increase in the risk of fraud. See appendix 1 for a non-exhaustive list of these indicators.*
- *Establishing training sessions periodically to review applicable laws, regulations and policies and ensuring any amendments needed to the procedures, policies and training materials should be carried out expeditiously;*
- *Being aware of any registration or licensing requirements applicable to your area and putting procedures in place to ensure that all registration requirements, whether at an entity level or employee level have been satisfied and are renewed as required on a timely basis;*

- *Delegating supervisory duties to another employee only if you are satisfied that the employee has the necessary skills and experience to fulfil such responsibilities and is aware of and fully understands the duties placed upon him or her;*
- *Responding vigorously to any indication of possible wrongdoing and ensuring that a prompt investigation is launched if an error or improper conduct is alleged, identified or brought to your attention;*
- *Where cross jurisdictional activity is occurring, for example where the commercial activity and support functions are in different locations, reaching an agreement with appropriate Line Managers in other relevant locations regarding the supervision of these activities (i.e., in all relevant locations personal supervisory responsibilities, i.e., nomination of Line Managers involved, must be defined)..*

Some of these items may be set forth as objectives and will be part of the Performance Management regular reviews.

For further guidance or if you are in doubt you should consult your Local Compliance Officer, General Manager or Compliance RI & Wholesale.

Appendix 1.

Warning signs and fraud indicators

The presence of certain warning signs and symptoms increase the risk of fraud. Please find listed below a non-exhaustive list of these indicators.

Business related indicators

- *Computer system is accessed at unusual hours*
- *High employee turnover especially in vulnerable areas*
- *Ignored employee complaints concerning possible fraud*
- *Inadequate or missing personnel screening policies*
- *Inadequate physical security*
- *Inadequate staffing*
- *No explicit or uniform personnel policies*
- *Inadequate informing of employees about rules of discipline or codes of conduct within the organisation*
- *Poor or poorly enforced internal controls, procedures, policies or security*
- *Reluctance to provide information to auditors*
- *Rising or sharp increase in departmental expenses*
- *Shortages in inventory*
- *Altering of documents*
- *Sloppy record keeping*
- *Unusual transactions*
- *Too much control in the hands of a few key employees*

Staff related indicators

- *Alcohol problems*
- *Dissatisfaction or frustration with job*
- *Drug problems*
- *Employee believes that their job is in jeopardy*
- *Employee is overly defensive*
- *Employee is overly secretive*
- *Employee living beyond his or her means*
- *Employee refuses to take a vacation*
- *Employee turns down promotions or transfers*
- *Excessive family or peer pressure to succeed*
- *Excessive overtime*
- *Feelings of being unappreciated*
- *Feelings of being underpaid*
- *Feelings of grandeur or superiority, i.e. personal challenge to beat the system*
- *Feelings of insufficient recognition for job performance*
- *Gambling problems*
- *Greed or overwhelming desire for personal gain*
- *Lack of personal stability, such as frequent job changes, residence changes, etc.*
- *Large personal financial losses*
- *Lax management*
- *Marked change in employee's personality*
- *Marked change in employee's spending habits*

- *Poor credit rating*
- *Pressures associated with family illness*
- *Unemployment of other family members*
- *Unusually high personal debt*
- *"Took care" of the customer himself. Refused involvement of others*
- *Managed to bypass internal routines*
- *Managed to fool managers, employees and auditors*
- *Manipulation of bank employees*
- *Lack of and disabling of internal control routines*