

FMO

Entrepreneurial
Development
Bank

PRIVATE INVESTMENTS POLICY



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Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. (FMO)
Netherlands Development Finance Company

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1. INTRODUCTION

The mere fact that you are employed by a bank means that you might take note of information that can be considered as Inside Information. This Private Investment Policy is designed to prevent employees from acting (that even resembles) taking advantage of Inside Information and is based upon a number of rules and laws.

Any person employed by FMO or a subsidiary¹ of FMO should be aware of this Policy. Acting in violation of this Policy shall qualify as a serious breach of the confidence that the bank should be able to place in the employee, and shall lead to disciplinary sanctions being taken.

2. PRELIMINARY PROVISIONS

- 1) This Private Investments Policy ('Policy') has been approved by the Management Board and the Supervisory Board of the Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. (hereafter: FMO).
- 2) This Policy applies to all insiders (see Chapter 3 for definition and applicability).
- 3) External consultants, placed by their employer with FMO for an assignment, who have access to Inside information should have a non disclosure agreement in place according to FMO standards. In case of doubts advice from compliance should be taken. These consultants are exempt from this policy.

3. DEFINITIONS

Compliance Officer

The employee of FMO appointed as such by the Management Board.

Financial Instrument

As defined in the Financial Market Supervision Act, such as:

- i) security (tradeable share or bond);
- ii) money market instrument;
- iii) participation in a fund;
- iv) option, future or swap.

Insider

Persons who possess or can possess Inside Information, including (temporary) staff and external employees (if working period with FMO exceeds three months) and members of the Management Board and the Supervisory Board of FMO. All these persons are designated as Insider, given FMO's size and activities.

Inside Information

Price Sensitive Information or confidential information, obtained within the exercise of one's professional duties.

¹ Except FMO Investment Management B.V. which has its own Private Investments Policy

Investment Transaction

A transaction in a Financial Instrument.

Issuing Entity

A company that has issued Financial Instruments (such as shares or bonds) that are being traded on a regulated market or a Multilateral Trading Facility (MTF).

Joint Account

An account of which the Insider and other natural person(s) have ownership or control of.

Listed Customer

Customer that is fully or partially listed on a stock exchange:

- i) investments whereby FMO directly or indirectly owns the listed Financial Instruments of a listed entity;
- ii) an investment whereby FMO invests in Financial Instruments of a subsidiary of a listed entity, with an option to swap these Financial Instruments into the shares of the listed entity;
- iii) an investment whereby FMO holds Financial Instruments in a subsidiary of a listed entity, and this subsidiary makes up substantially or all value of the listed entity;
- iv) a convertible loan provided by FMO to a listed entity.

Price Sensitive Information

Information that is:

- i) concrete;
- ii) directly or indirectly refers to an Issuing Entity;
- iii) that has not been made public and;
- iv) of which publication would have a significant effect on the price of the Financial Instruments issued by the Issuing Entity or Financial Instruments derived from these Financial Instruments (options, swaps, etc.)²

Related Third Parties

- i) a third party, on which the Insider exerts influence on its Financial Instruments (e.g. power of attorney);
- ii) mandatory's and asset managers (not being fiduciary account managers), in as far as acting for the benefit of the Insider;
- iii) legal entities and investments clubs in which the Insider has authority with respect to the investment policy.

² This includes information on the trade in the Financial Instruments issued by the Issuing Entity.

4. GENERAL PRINCIPLES WITH REGARD TO INVESTMENT TRANSACTIONS

- 4.1 The Insider uses Inside Information only for a proper execution of his tasks and duties. The Insider is not allowed to carry out related private Investment Transactions and avoid any mixing of business and private interest, or any appearance thereof.
- 4.2 The Insider is not allowed to carry out Investment Transactions, in anticipation of transactions from customers of FMO, companies involved in NL Business transactions or FMO itself (front-running).
- 4.3 The Insider is not allowed to carry out Investment Transactions about which the Insider has information resulting from an undisclosed analysis.
- 4.4 The Insider who is involved in the issuance of a Financial Instrument is not allowed to subscribe for this.
- 4.5 The Insider shall prevent getting privately involved with a customer of FMO, given the risk of use of Inside Information or of an undesired mix of business and private interests.
- 4.6 Unless legally obliged or required for functional due care, the Insider is not allowed to provide any Inside Information to other parties.
- 4.7 The Insider is not allowed to evade the provision of this Policy through other financial institutions (as defined in article 4.3), Related Third Parties or Joint Accounts.
- 4.8 The following rules for transactions of Related Third Parties apply:
 - i) an Investment Transactions of a Related Third Party shall be deemed to have been executed by the Insider;
 - ii) an Insider must ensure that the Related Third Party does not execute any Investment Transaction, if this would result in a violation of this Policy;
 - iii) an Insider must ensure that the Related Third Party does not pass on any Inside Information to another party or execute any transaction that would constitute a violation of this Policy by the Insider;
 - iv) an Insider must ensure that Related Third Parties provide all information concerning Investment Transactions to the Compliance Officer, whenever requested.
- 4.9 Investment Transactions in a Joint Account that are executed through another Joint Account holder shall be deemed to have been executed by the Insider. An Insider shall:
 - i) inform the other holder(s) of the Joint Account that holding a Joint Account may restrict them in the execution of Investment Transactions through the Joint Account;

- ii) ensure that the other holders of the Joint Account do not execute any Investment Transaction through the Joint Account, if this would result in a violation of this Policy;
- iii) ensure that the other holder(s) of the Joint Account does not pass on any Inside Information to another party that would constitute a violation of this Policy;
- iv) ensure that the other holder(s) of the Joint Account will provide the Compliance Officer with all information concerning the transactions, whenever requested.

4.10 If an Insider or a Related Third Party intends to buy or sell FMO shares the following rules apply:

- i) the Insider must notify the civil law notary of Pels Rijcken & Drooglever Fortuijn in The Hague (detailed information available at the Corporate Secretary), the Corporate Secretary and Compliance Officer;
- ii) a notarial deed of transfer of shares is a statutory requirement. It is preferred that this deed is executed by the aforementioned designated civil law notary;
- iii) Insiders are only allowed to sell or buy FMO shares during two open periods, being the periods:
 - between publication of FMO's year results and June 30th; and
 - between publication of FMO's half year results and December 31st.
- iv) In all cases the Corporate Secretary and a Compliance Officer must be notified;
- v) The FMO Management Board Members, the FMO Corporate Secretary, members of the FMO Supervisory Board, and their partner or spouse are excluded from buying and being in the possession of FMO shares (per 1 January 2014).

4.11 If an Insider or a Related Third Party intends to buy or sell FMO bonds the following rules apply:

- i) Insiders are only allowed to sell or buy FMO bonds during two open periods, being the periods:
 - between publication of FMO's year results and June 30th; and
 - between publication of FMO's half year results and December 31st.
- ii) The FMO Management Board Members, the FMO Corporate Secretary, members of the FMO Supervisory Board, and their partner or spouse are excluded from buying and being in the possession of FMO bonds.

4.12 The Insider is not permitted to place opposite transactions in the same (underlying) Financial Instrument within 24 hours (intraday trading).

5. SPECIFIC RULES REGARDING PRIVATE INVESTMENT TRANSACTIONS

- 5.1 The Insider is not allowed to perform Investment Transactions in:
- i) Listed Customers which have their main listing in the geographical working area of FMO;
 - ii) Investment funds of which FMO Investment Management is the main portfolio manager (more than 75% of total portfolio of the fund managed by FMO), except when the fund has a mechanism that sufficiently prevents the possibility of insider trading by FMO Employees (e.g. lock-up period).
 - iii) Dutch companies involved in NL Business transactions, as published on the FMO intranet website.
- 5.2 The Insider needs to ask prior approval of the Compliance Officer and additional conditions may be imposed for Investment Transactions:
- i) in the geographical work area of FMO;
 - ii) (outside the geographical work area of FMO) in companies which are mainly active in the geographical work area of FMO;
 - iii) in Listed Customers which have their main listing in the geographical working area of FMO, which were owned by the employee before joining FMO;
 - iv) in Dutch companies involved in in NL Business transactions, as published on FMO intranet website, which were allready owned by the employee before joining FMO or before version 4 of this policy came into effect.

Following Financial Instruments are exceptions to the above categories, which are permitted globally:

- i) Investment Transactions in open-ended investment funds, which are managed by third parties, including exchange-traded funds (ETF's);
 - ii) Investment Transactions in government bonds.
 - iii) Investment Transactions in a crowd funded vehicle in the geographical work area of FMO. These investments can only be a maximum of Eur. 500. In pursuant to paragraph 4.5 and 5.1 sub. i), these investments cannot be in FMO customers.
- 5.3 For all Investment Transactions the Insider uses a financial institution on the following cumulative conditions:
- i) the Insider lists the name and the address of the financial institutions where the account is held and the number of that account;
 - ii) the Insider provides an overview of the Investment Transactions to the Compliance Officer once every year;
 - iii) the Insider authorizes the Compliance Officer to collect information directly from the financial institutions in question;
 - iv) the Insider provides more detailed information with respect to Investment Transactions to the Compliance Officer, as requested by the latter.

- 5.4 Article 5.1. upto and including 5.3 shall not apply if the Insider has concluded a written fiduciary account management agreement with a financial institution and the following conditions have been met:
- i) the fiduciary account management agreement has been based on a strict separation between ownership and management;
 - ii) the Insider informs the Compliance Officer about the existence of the fiduciary account management agreement and provides a copy;
 - iii) The Insider shall refrain from giving any instructions, or from exercising influence otherwise or indirectly, on the decision concerning the management to be taken by the asset manager or the financial institution;
 - iv) the Insider must amend the fiduciary account management agreement if it is not in accordance with this Policy;
 - v) the Insider can review arrangements of the fiduciary account management agreement only once a year. Any amendments or termination of the fiduciary account management agreement shall be reported to the Compliance Officer;
 - vi) The Insider is no Board Member or employee of the fiduciary account asset management entity.
- 5.5 Insiders to whom similar Private Investment Policies of another financial institution already apply, may grant the Compliance Officer the right to collect information with respect to Investment Transactions from the Compliance Officer of that other financial institution and may inform this Compliance Officer forthwith of any acting in contradiction of the Policy.

If the Insider has granted both the right and ordered as mentioned in the preceding sentence, the Insider shall be exempted from the obligations to provide information as described in article 5.3.

6. SUPERVISION ON INVESTMENT TRANSACTIONS OF INSIDERS

- 6.1 The Compliance Officer shall check whether the Investment Transactions of the Insiders comply with the provisions of this Policy.
- 6.2 The Monitoring report will be furnished by compliance and submitted to the Compliance Committee and or the Management Board. Before submitting the report, the Compliance Officer will make sure that the Insider, who is found to be in breach of the policy, shall have been given the opportunity to explain. The Insider, who is found to be in breach of the policy, shall be informed about the consequences by the Chief Risk and Finance Officer.
- 6.3 Where it concerns:
- i) a breach by the members of the Supervisory Board or Management Board (except the Chief Executive Officer and the Chairman of the Supervisory Board), the Compliance Officer shall report to the Chairman of the Supervisory Board, notifying the Chief Executive Officer.

- ii) a breach by the Chairman of the Supervisory Board, the Compliance Officer shall report to the Vice-Chairman of the Supervisory Board, notifying the Chief Executive Officer.
- iii) a breach by the Chief Executive Officer of the Management Board, the Compliance Officer shall report to the Chairman of the Supervisory Board.

6.4 Private investments reporting procedure:

- i) In the first half of each year the Compliance Officer will request all Insiders to submit a declaration if they do or do not own private investments. If applicable, an overview of the private investments per ultimo of the preceding year has to be submitted.
- ii) FMO takes compliance with regulations very seriously: when Insiders fail to report in time, an official warning will be given. Second time offenders in the succeeding year will get a notice that their employment agreement will be terminated. Insiders with a long term absence in the reporting period (e.g. illness, maternity leave, sabbatical leave) have to report in the first month after their return.

6.5 The Insider shall be obliged to provide all information with respect to Investment Transactions for his benefit carried out by himself, Related Third Parties or Joint Account holders, to the Compliance Officer upon the latter's request.

6.6 Upon request the Insider is obliged to order the financial institution or asset manager, to provide all information about any Investment Transaction to the Compliance Officer.

7. DISCIPLINARY SANCTIONS

Any acting by the Insider in contravention of this Policy shall be considered to be a serious breach of the trust that FMO must be able to place in the Insider and may therefore lead to a suitable disciplinary action, imposed by the management, including suspension, termination of the contract or other measures.

8. ADVICE AND OBJECTION

If the Insider has any doubts about the interpretation or application of this Policy, the Insider shall be obliged to ask the Compliance Officer to give advice. The Insider may submit objections against the judgment of the Compliance Officer to the Management Board. The submission of objections shall have no suspending effect with respect to the judgment of the Compliance Officer.

9. OBLIGATION INSIDERS

All Insiders shall be bound to this Policy. This Policy shall continue to be effective until three months after the Insider in question no longer is an employee, Management Board member or Supervisory Board member of FMO.

10. RESPONSIBILITIES

The Compliance department is responsible for maintaining this Policy and making sure it is complying with the latest regulations on market abuse.

FMO Management Board is responsible for implementing this Policy and for employees being aware.

11. TRAINING AND AWARENESS

Training is an important element of creating awareness on the Private Investments Policy. To be effective, training and awareness activities must be directed to the specific needs of the various types of participants and must be on-going.

It is the responsibility of the Compliance department to ensure that there is adequate and suitable training material available and regularly updated.

12. REVIEW OF THE POLICY

The Private Investments Policy will be updated periodically. In case of e.g. new (international) laws & regulations, best practices or recurring incidents, this Policy will be updated accordingly.